



LATROBE CITY COUNCIL

MINUTES FOR THE ORDINARY COUNCIL

HELD IN NAMBUR WARIGA MEETING ROOM
CORPORATE HEADQUARTERS, MORWELL
AT 6:00PM ON
15 DECEMBER 2014

CM454

PRESENT:

Councillors:	Cr Dale Harriman, Mayor	East Ward
	Cr Peter Gibbons, Deputy Mayor	West Ward
	Cr Sharon Gibson	West Ward
	Cr Sandy Kam, Mayor	East Ward
	Cr Graeme Middlemiss	Central Ward
	Cr Kellie O'Callaghan	East Ward
	Cr Michael Rossiter	East Ward
	Cr Christine Sindt	Central Ward
	Cr Darrell White	South Ward
Officers:	John Mitchell	Acting Chief Executive Officer
	Sara Rhodes-Ward	General Manager Community Liveability
	Phil Stone	General Manager Planning & Economic Sustainability
	Alison Coe	General Manager Corporate Services
	Steven Piasente	General Manager Community Infrastructure & Recreation
	Sarah Cumming	Executive Manager

Amy Phillips
Rocchina Della Fortuna

Coordinator Executive Office
Acting Council Operation Administration Officer

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1. **OPENING PRAYER**
2. **ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND**
3. **APOLOGIES AND LEAVE OF ABSENCE**
4. **DECLARATION OF CONFLICT OF INTEREST**

Cr Sandy Kam Declared a Conflict Of Interest In Item 13.6 - Wood Encouragement Policy.

Cr Sharon Gibson Declared an Interest In Item 14.1- Moe Golf Club Petition requesting removal of trees on Links Road.

Cr Sandy Kam Declared a Conflict Of Interest In Item 17.7 - 2014/15 Community Grants Program - six applications held over for further consideration.

Cr Sharon Gibson Declared an Interest In the Urgent Business Item.

Cr Dale Harriman Declared an Interest In Item 12.4 - Request For Professional Development Expenditure, Mayor, Cr Dale Harriman.

5. **ADOPTION OF MINUTES**

RECOMMENDATION

That the minutes of the Ordinary Council Meeting held on 24 November 2014 and Special Council Meeting held on 1 December 2014 be confirmed.

Moved: Cr Gibson
Seconded: Cr Middlemiss

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

6. **PUBLIC QUESTION TIME**

Mr Michael Cleef asked the following question:

Question

Has the council agreed to a point of view with regard to Federation University Gippsland? If so will the council consider censuring Cr Sindt: A)

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So it may present a united front to its constituents, and B) To prevent remarks which damage Latrobe City's relationship with the institution?

Answer

Thank you Michael for your questions.

Prior to the creation of Federation University and operation of the Churchill Campus, Council had not formally agreed a position.

It is important to note that Councillors are elected to make decisions on behalf of the whole community. As such, they have a responsibility to represent the different interests and points of view of their constituents, as well as those of the entire Latrobe City community when making decisions. The Councillor Code of Conduct outlines the obligations for the way Councillors must behave, and the Code of Conduct includes who is authorised to speak on behalf of Council. If at any stage a Councillor steps outside the Councillor Code of Conduct, processes are in place to address these matters.

In the situation that you are referring to, as there is no formally agreed position by Latrobe City Council, Cr Sindt is expressing an opinion that is her own.

Standing Orders were suspended at 6.05 PM.

Moved: Cr Gibson
Seconded: Cr Rossiter

That Standing Orders be suspended to allow members of the gallery to address Council in support of their submissions.

Cr Harriman, Mayor left the Council Chamber at 6.05 pm due to an interest and Cr Gibbons, Deputy Mayor took the chair.

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Mr Mark Brennan addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Steve Dunn addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Nick Anderson addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr John Lovison addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Vaughan Speck addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Anthony Wasiukiewicz addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Manny Gelagotis addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Pearce Morgan addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Troy Carpenter addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr John Demicoli addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Mr Ron Robertson addressed Council in relation to item 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme.

Moved: Cr Middlemiss
Seconded: Cr Gibson

That Mr Ron Robertson be granted an extension of speaking time.

CARRIED UNANIMOUSLY

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Cr Harriman, Mayor returned to the Council Chamber at 7.06 pm and resumed the chair

Ms Linda Reid addressed Council in relation to item 13.5 National Stronger Regions Fund - Latrobe Performing Arts & Conference Centre.

Mr Simon Hemming addressed Council in relation to item 13.5 National Stronger Regions Fund - Latrobe Performing Arts & Conference Centre

Moved: Cr Gibson
Seconded: Cr O'Callaghan

That Standing Orders be resumed.

CARRIED UNANIMOUSLY

Standing Orders were resumed at 7.13 PM.

CHANGE IN ORDER OF MATTERS CONSIDERED

The Mayor sought and was granted by the councillors to hear the matters listed in the open Council meeting in the following order:

- 12.1 Request for Professional Development Expenditure, Mayor, Cr Dale Harriman
- 12.5 Traralgon City Band request for financial assistance
- 13.1 Lake Narracan Precinct Structure Plan and Proposed Amendment C86 to the Latrobe Planning Scheme
- 13.5 National Stronger Regions Fund - Latrobe Performing Arts & Conference Centre
- 9.1 Petition to Seal Wilga Crescent, Traralgon
- 9.2 Update - Proposed Landscaping Works to Improve Visibility of Signage at the Mcdonalds Restaurant Moe.
- 10.1 Correspondence from Moyne Shire Council
- 12.1 Morwell Historical Society
- 12.2 Agricultural Competitiveness Green Paper - Latrobe City Council Submission
- 12.3 Assembly of Councillors
- 13.2 Economic Sustainability Strategy 2013/14 Annual Report
- 13.3 Council Authorisation to prepare a planning scheme amendment to introduce a Parking Overlay to Traralgon and Morwell
- 13.4 Planning Permit Application 2014/141- 3 Lot Subdivision at 370 Old Melbourne Road, Traralgon
- 13.6 Wood Encouragement Policy
- 14.1 Moe Golf Club Petition requesting removal of trees on Links Road

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7. ITEMS HELD OVER FOR REPORT AND/OR CONSIDERATION/QUESTIONS ON NOTICE

Council Meeting Date	Item	Resolution	Status Update	Responsible Officer
19/09/11	Traralgon Activity Centre Plan Key Directions Report	<p>That having considered all submissions received in respect to the Stage 2 Key Directions Report September 2011, Council resolves the following:</p> <ol style="list-style-type: none"> 1. To defer the endorsement of the Stage 2 Key Directions Report September 2011 until: <ol style="list-style-type: none"> (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). 	<p><u>Status:</u> A review of Traralgon Activity Centre Plan project required to be undertaken by officers following adoption of Traralgon Growth Areas Review</p> <p><u>Status:</u> Letter sent 10 August 2010. Response received 24 August 2010</p> <p><u>Status:</u> Letter sent 10 October 2011. No response received</p> <p><u>Status:</u> Parking Strategy completed September 2013. Planning Scheme Amendment Process commenced</p> <p><u>Status:</u> Adopted by Council 6 February 2012</p> <p><u>Status:</u> Working Party endorsed by Council, 20 February 2012</p>	General Manager Planning and Economic Sustainability

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Council Meeting Date	Item	Resolution	Status Update	Responsible Officer
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.	Investigations continuing into a possible mechanism for this purpose.	Office of the Chief Executive
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.	Preparation underway to commence negotiations for a new lease. A further report to be presented to Council. Discussion has progressed with the leasing of the land to the Traralgon Greyhound Racing Club. A rental valuation is being obtained from independent valuer. A report will be presented to Council in 2015.	Office of the Chief Executive
18/02/13	Affordable Housing Project – Our future our place	<ol style="list-style-type: none"> 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. 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. 	This project is currently under review, with a Council report to be presented to Council in December 2014.	General Manager Planning and Economic Sustainability

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Council Meeting Date	Item	Resolution	Status Update	Responsible Officer
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.	<p>Advice from Council Operations Legal Counsel team on the International Relations Terms of Reference is as follows:</p> <p>At present, we (Council Operations Legal Counsel team) will be meeting with the Councillors' in late July to establish a project plan around a review of the Council Committees. This review will also include how to best move forward establishing a general Terms of Reference for Advisory Committee.</p> <p>Everything is currently on hold until this meeting to see what direction the review will take, including the draft General TOR for the International Relations Committee.</p> <p>The General TOR are being developed and scheduled to return to Council in February 2015.</p>	General Manager Planning & Economic Sustainability
6/11/13	Latrobe Regional Motorsport Complex	<ol style="list-style-type: none"> 1. That Council requests the members of the Latrobe Regional Motorsports Complex Advisory Committee to investigate potential sites for the motorsports complex and to advise Council of any sites identified so that further investigation can be undertaken by Council officers. 2. That Council officers meet with Energy Australia to discuss other possible sites for a motorsports complex on their land. 3. That a further report be presented to Council at such time that site options have been investigated. 	<p>Initial advice from Energy Australia and HVP is that land is not currently available for this use. Officers continuing to work with both parties to identify potential sites for further investigation.</p> <p>An on-site meeting with Cr Middlemiss has been arranged to investigate further site options.</p>	General Manager Community, Infrastructure & Recreation

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Council Meeting Date	Item	Resolution	Status Update	Responsible Officer
19/05/14	Drainage Investigation At Adam View Court, Tanjil South	That Council defer consideration of this item, so that a meeting between the Acting CEO, Mrs Kellie Fraser, the neighbouring property owners and the West Gippsland Catchment Management Authority, can be undertaken to explore the most appropriate options to mitigate the flooding issues.	Currently awaiting consent from land owners in relation to the construction of drainage works through private property. A mail out to residents is underway, to confirm consent.	General Manager Community Infrastructure & Recreation
10/06/14	Urgent Business - TED SUMMERTON RESERVE	In light of concerns raised with drainage issues and other problems at the Ted Summerton Reserve by the user group, Council brings back a report carried out by an independent body specialising in purchasing, supply and contracts to be tabled in Open Council within 2 months detailing the following; The works and their costs including all variations, carried out at the Ted Summerton Reserve What Quality control inspections were carried out, by whom and a copy of the report Tender specifications for the drainage works If the Material used was up to specification The Tender brief for all works A solution to any issues raised or found at the site	Review of issues being undertaken; a report has been circulated to Councillors in relation to the ground conditions. Recommendation being developed for Council consideration. A further report will be presented at the I&D Session on 8 December 2014, addressing the Notice of Motion.	General Manager Community, Infrastructure & Recreation
21 July 2014	Cultural Diversity Action Plan 2014-2018	1. That the draft Cultural Diversity Action Plan 2014-2018 be released for community comment in accordance with the Community Engagement Plan 2010 – 2014 from 22 July 2014 to 23 September 2014. 2. That following the community consultation process a further report on the Cultural Diversity Action Plan 2014-2018 be presented to Council for consideration.	Currently out for community consultation. Report due to Council on Monday 15 December 2014 encompassing feedback from consult period.	General Manager Community Liveability

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Council Meeting Date	Item	Resolution	Status Update	Responsible Officer
13 October 2014	Draft Community Engagement Strategy And Action Plan 2015-2019 - Community Consultation	<ol style="list-style-type: none"> That Council approves the draft Community Engagement Strategy and Action Plan 2015-2019 be released for community consultation for four weeks from Monday, 20 October 2014 to Friday, 14 November 2014. That following the community consultation process a further report on the Community Engagement Strategy and Action Plan 2015-2019 be presented to Council for consideration. 	<p>The draft Strategy is being finalised following the community engagement period.</p> <p>A report will be presented to Council with the final Strategy in February 2015.</p>	Office of the Chief Executive
13 October 2014	Churchill And District Community Hub Strategic Plan 2014 – 2018	<p>Council release the draft Churchill and District Community Hub Strategic Plan 2014-2018 and,</p> <ol style="list-style-type: none"> Release the Plan for public comment for a period of 6 weeks. A further report be presented to Council at the Ordinary Council meeting 15 December 2014 to consider any submissions to the draft Churchill and District Community Hub Strategic Plan 2014 – 2018. 		General Manager Community Liveability
5 November 2014	Family Day Care Funding	<ol style="list-style-type: none"> That Council note the report. That a detailed report be presented to Council in February 2015 following assessment of the ongoing feasibility of the Latrobe City Council Family Day Care scheme. That Council write to the Federal Minister for Education the Hon. Susan Ley and State Minister for Children and Early Childhood Development the Hon. Wendy Lovell MLC requesting confirmation of 2015/16 Community Support Program funding for Latrobe City Council by no later than 20 January 2015 		General Manager Community Liveability
24 November 2014	Councillors Quarterly Expenses Report - July - September 2014	That Council be provided with a CEO Expense report at the next Ordinary Council Meeting 15 December 2014 for the period December 2013 to end of November 2014, and that this report be tabled in open Council.		Executive Manager Office of the Chief Executive

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Council Meeting Date	Item	Resolution	Status Update	Responsible Officer
24 November 2014	Review Of Council Meeting Cycle	That Council: 1. Maintain a three-weekly Council Meeting cycle. 2. Begin Ordinary Council Meetings at 6:00 pm. 3. Distribute the final Ordinary Council Meeting Agenda to the public, six (6) days prior, to the Ordinary Council Meeting. 4. Review the meeting cycle after an eight-month period and a further report be presented to Council in July 2015 with a review of the changes.		Executive Manager Office of the Chief Executive
24 November 2014	Moe Golf Club	That Council defer consideration of this matter to a future Council Meeting to enable officers to undertake further investigation.		General Manager Community Infrastructure & Recreation
15 December 2014	Council Authorisation To Prepare A Planning Scheme Amendment To Introduce A Parking Overlay To Traralgon And Morwell	That Council defers consideration of this matter to the next Ordinary Council Meeting		General Manager Planning & Economic Sustainability

NOTICES OF MOTION

8. NOTICES OF MOTION

Nil reports

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

9. ITEMS REFERRED BY THE COUNCIL TO THIS MEETING FOR CONSIDERATION**9.1 PETITION TO SEAL WILGA CRESCENT, TRARALGON****General Manager****Community Infrastructure &
Recreation****For Decision****PURPOSE**

The purpose of this report is to seek Council approval to advertise the intention to declare a Special Charge Scheme for the sealing of the existing unsealed roadway at Wilga Crescent, Traralgon in accordance with section 163 of the *Local Government Act 1989* and the Councils previous Contributory Scheme Policy 11 POL-3.

EXECUTIVE SUMMARY

This report is to recommence the process to declare a Special Charge Scheme for the sealing of Wilga Crescent which is an unsealed road on the western boundary of Traralgon that services twenty one (21) Residential/Rural Lifestyle properties.

The request for the sealing of Wilga Crescent was initially put forward to Council in 2011. The decision with respect to the original request was postponed until the completion of the Traralgon Growth Area Review. The decision to postpone the declaration of a Special Charge Scheme was reviewed by Council on the 7th April 2014 such that Council agreed that the request to seal Wilga Crescent, Traralgon not be part of the Traralgon Growth Area Review.

Since the original request to seal Wilga Crescent, the Council policy that deals with property owner contributions to special charge schemes has changed such that, where previously contributions were capped to a fixed amount of \$5,250 the current policy requires a contribution based on 25% of the cost of the project being in this case \$7,616. This report recommends that since the original request was put forward while the old policy was in force that the old policy is used to administer this Special Charge Scheme therefore capping contributions at \$5,250.

RECOMMENDATION

1. That Council advertise the intention to declare a Special Charge Scheme consistent with the previous policy (Contributory Scheme Policy 11 POL-3) for the sealing of the existing unsealed roadway in Wilga Crescent.
2. That Council write to the residents of Wilga Crescent to seek their agreement or otherwise to the declaration of a Special Charge Scheme to seal Wilga Crescent.

Moved: Cr Rossiter
Seconded: Cr Kam

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

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

Theme and Objectives

Theme 2: affordable and sustainable facilities, services and recreation

To enhance the visual attractiveness and liveability of Latrobe City.

Theme 5: Planning for the future

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

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Strategic Direction –

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

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

BACKGROUND

Wilga Crescent, Traralgon is an unsealed access road servicing rural residential properties. The section of road that is subject of this report is currently maintained by Council in accordance with the Road Management Plan.

A letter was received from Russell Northe MLA on behalf of Paula Siddle on the 24 September 2008 seeking Council's consideration to seal Wilga Crescent.

Further correspondence was received from Paula Siddle in June 2010 in relation to the condition of the road, again requesting the road to be sealed.

The requests from Paula Siddle and Adrian & Dianne Fairley have initiated the Special Charge Scheme process. The section of road to be sealed comprises the entire length of Wilga Crescent.

In November 2011 letters and feedback forms were sent to the property owners of Wilga Crescent to provide them with the opportunity to comment.

Six property owners are not required to contribute to the proposed Special Charge Scheme, as previous contributions have already been received on their behalf at time of sub-division.

There are 15 property owners in Wilga Crescent, Traralgon that would derive a benefit from the road being sealed, and would be required to make a contribution to the works in accordance with Council's policy. Of these 15, responses to the feedback forms were as follows:

<i>Response</i>	Number
In favour	8
Not in favour	3
Did not respond	4
<i>Total</i>	15

As there was a majority of property owners indicating support to contribute to a Special Charge Scheme to seal Wilga Crescent, a meeting of property owners was held on 23 February 2012 to progress this matter.

At the original consideration by Council, Council resolved that the consideration of the Special Charge Scheme to be deferred until the completion of the Traralgon Grow Area Review was completed.

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This decision was reviewed on 7 April 2014 and Council adopted an alternative motion:

1. *That Council not lay the petition on the table and that this item be referred to 2014/15 capital budget process.*

Supporting document - Resolution of the Ordinary Council Meeting of 07 April 2014.

It has been over two years since the original meeting and letters to property owners. At that time there was a majority support for the declaring of a Special Charge Scheme for the sealing of Wilga Crescent. The petition received in April 2014 suggests continuing support for the special charge scheme to proceed. Five of the six of the property owners that do not have to contribute were signatories to the petition, and four of the fifteen property owners that would be required to contribute were signatories to the petition.

Since it has been over two years since property owners have either agreed or not agreed to the special charge scheme, property ownership and/or property owners opinions may have changed.

Wilga Crescent is a road on the western boundary of Traralgon which services Residential/Rural Lifestyle properties. Wilga Crescent services 21 properties, six of these properties have existing contributions (\$108K held in future road works reserve and \$21K held in drainage headworks reserve) that were contributed by developers at the time of sub-division of properties. The six properties resulting from the two sub-divisions will not be required to contribute, therefore leaving 15 landowners that will be required to contribute to this scheme.

KEY POINTS/ISSUES

Since the original request to seal Wilga Crescent, the prevailing Contributory Scheme Policy 11 POL-3 has been reviewed and replaced by the new Special Charge Scheme Policy 13 POL-2. If implemented, this would require property owners to contribute to the Sealing/upgrade of unsealed roads at 25% of the cost of the works, being \$7,616 for each contributing property owner.

It is recommended that since the original request to seal Wilga Crescent was lodged while the old policy was in force, that the petition to seal Wilga Crescent be administered under the old policy being the Contributory Scheme Policy 11 POL-3. This policy caps landowner contributions to \$5,000 indexed by CPI, the total in 2014 being a cap of \$5,250 that each contributing property owner would have to contribute.

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There appears to be support from the property owners of Wilga Crescent for the declaration of a Special Charge Scheme for the sealing of the road.

It has been over two years since property owners have formally agreed or not agreed with the declaration of a special charge scheme and circumstances may have changed.

It is considered prudent that Council advertises its intent to declare a special charge scheme for the sealing of Wilga Crescent and to formally write to the residents to seek up to date agreement to the declaration of a special charge scheme for the sealing of Wilga Crescent.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

This project has been referred to the 2014-15 budget process. The total cost to Council to deliver this project would be \$475,000 of which \$129,000 is held in reserves and \$78,750 would be contributed by property owners. The net cost to the capital works budget would be \$267,250.

INTERNAL/EXTERNAL CONSULTATION

Engagement Method Used:

There has been past meeting with residents and letters seeking agreement to the declaration of a special charge scheme for the sealing of Wilga Crescent.

The issue has also been subject to Council resolution.

It is recommended that the intention to declare a special charge scheme be advertised and that letters be sent to the residents of Wilga Crescent seeking their agreement of or otherwise for the declaration of a special charge scheme.

Details of Community Consultation / Results of Engagement:

Past consultation resulted in the majority of property owners that would have to contribute to the special charge scheme agreeing to the declaration of the scheme.

OPTIONS

That Council advertises its intent to declare a special charge scheme for the sealing of Wilga Crescent and formally write to the residents to seek their agreement to the declaration of a special charge scheme.

That Council not advertise its intent to declare a special charge scheme for the sealing of Wilga Crescent but formally write to the residents to seek their agreement to the declaration of a special charge scheme.

CONCLUSION

The issue of declaring a special charge scheme for the sealing of Wilga Crescent has been active since 2012 with the decision originally being deferred until the conclusion of the Traralgon Growth Areas Review. Residents have been actively requesting the sealing of Wilga Crescent since the decision to defer the declaration of the special charge scheme in 2012.

In response to a petition received, Council has decided not to tie the decision of the scheme to the conclusion of the Traralgon Growth Areas Review.

It has been about two years since residents have formally responded with their agreement or otherwise to the declaration of a special charge scheme. Since property ownership and or individual circumstances may have changed since their original agreement, it is prudent to readvertise the intent to declare a special charge scheme and to seek reconfirmation of residents agreement or otherwise to the declaration of a special charge scheme.

SUPPORTING DOCUMENTS

Special Charge Scheme Policy 13 POL-2 (Current Policy)

Attachments

1. Contributory Scheme Policy 11 POL-3

9.1

Petition to Seal Wilga Crescent, Traralgon

1	Contributory Scheme Policy 11 POL-3	25
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Document Name: **Contributory Scheme Policy**

11 POL-3

Adopted by Council: **7 February 2011**

Policy Goals

To ensure an equitable and consistent approach is used to implement, administer and deliver Special Charge Schemes under Section 163 of the Local Government Act 1989 in relation to the construction of roads, kerb and channel, footpath, nature strips, drainage works, including easement drains and associated infrastructure works throughout the municipality.

To provide a tool to assist Council and rate payers to develop infrastructure works in a manner that is fair to all.

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:-

Regulation and Accountability

Latrobe 2026:

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.

Council Plan:

- Ensure that Latrobe City Council meets all relevant legislative obligations and is positioned to respond to legislative change in a manner which inspires community confidence.

Built Environment

Latrobe 2026:

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:

- Promote and support private and public sector investment in the development of key infrastructure within the municipality.
- Ensure that all proposed Latrobe City Council developments include whole of life maintenance analysis.
- Adequately identify and plan for future maintenance costs of assets and infrastructure to reduce the asset renewal gap in allocated funding.

Policy Implementation

This policy applies to the construction of new roads, sealing of rural unsealed roads, kerb and channel, footpath, nature strips, drainage and associated works throughout Latrobe City, where it is considered that the construction of such works will be of **special benefit** to those who would be required to pay a Special Charge, in accordance with Section 163 of the Local Government Act 1987.

The policy is to be read in conjunction with policy No. GEN-MD 009 Sealing of Unsealed Rural Roads and have regard to the maximum contribution amount fixed by that policy.

The policy does not apply to rehabilitation of existing roads.

Prior to the implementation of a Special Charge Scheme under Section 163 of the Local Government Act 1989, Council staff shall initiate Stage 1 of the public consultation process in accordance **Appendix 1 – Stage 1 Initial Consultative Process**. The minimum information to be provided during this consultation process shall consist of a concept plan of the proposal, a preliminary cost estimate and apportionment, together with an owners information sheet and procedural details. The key point of this process is the calling of the initial meeting of stakeholders to discuss options and fully explain the process of initiating Special Charge Schemes and to determine whether or not to proceed to the next stage.

Stage 2 of the consultation process is the statutory process required under the Act and is detailed on **Appendix 2 – Statutory Procedure under the Local Government Act 1989**.

Generally a Special Charge Scheme will not be implemented unless there is a majority of support from property owners to be made liable under the proposal or there are extenuating circumstances that require the works to proceed.

Special Charge Schemes may be initiated by Council, council staff or property owners

The Ministerial Guidelines made under Section 163(2C) of the Local Government Act 1989 is to be used to calculate the maximum total amount that may be levied as a special charge to be recovered from property owners for each particular project.

There are no definitive guidelines for the calculation of the actual amount, known as the apportionment, to be charged to individuals. The underlying principle is that a property must receive benefit from the proposed works before a cost can be levied. The apportionment method must be reasonable, fair, and equitable for each individual proposal. Consultation with affected people will assist in this determination prior to the declaration of the proposed Special Charge Scheme. Previous determinations of the Victorian and Civil Administrative Tribunal may be used as a guide.

Appendix 3 - Owner Information Sheet explains the overall operation of Special Charge Schemes and provides advice in relation to the determination of special benefit and apportionment of costs to individual property owners.

Special Charge Schemes will generally be prepared at least 12 months in advance of proposed construction to provide sufficient time for a detailed consultation process to be undertaken, and in cases where Council is required to contribute a share of the cost of the works, time to provide sufficient funding in its capital works program.

For any given project, a Special Charge Scheme shall only include costs, to be borne by owners, that provide for the "minimum" standard applicable for a particular circumstance.

If the proposed standard is in excess of the "minimum" standard, then Council shall contribute the cost associated with the increase in standard. The proposed standard shall generally comply with Council's Design Guidelines.

Charges levied under Special Charge Schemes may be paid in a lump sum immediately following completion of the works or by 20 equal quarterly instalments over a five year period. Current interest rates will apply to the latter method of payment.

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.

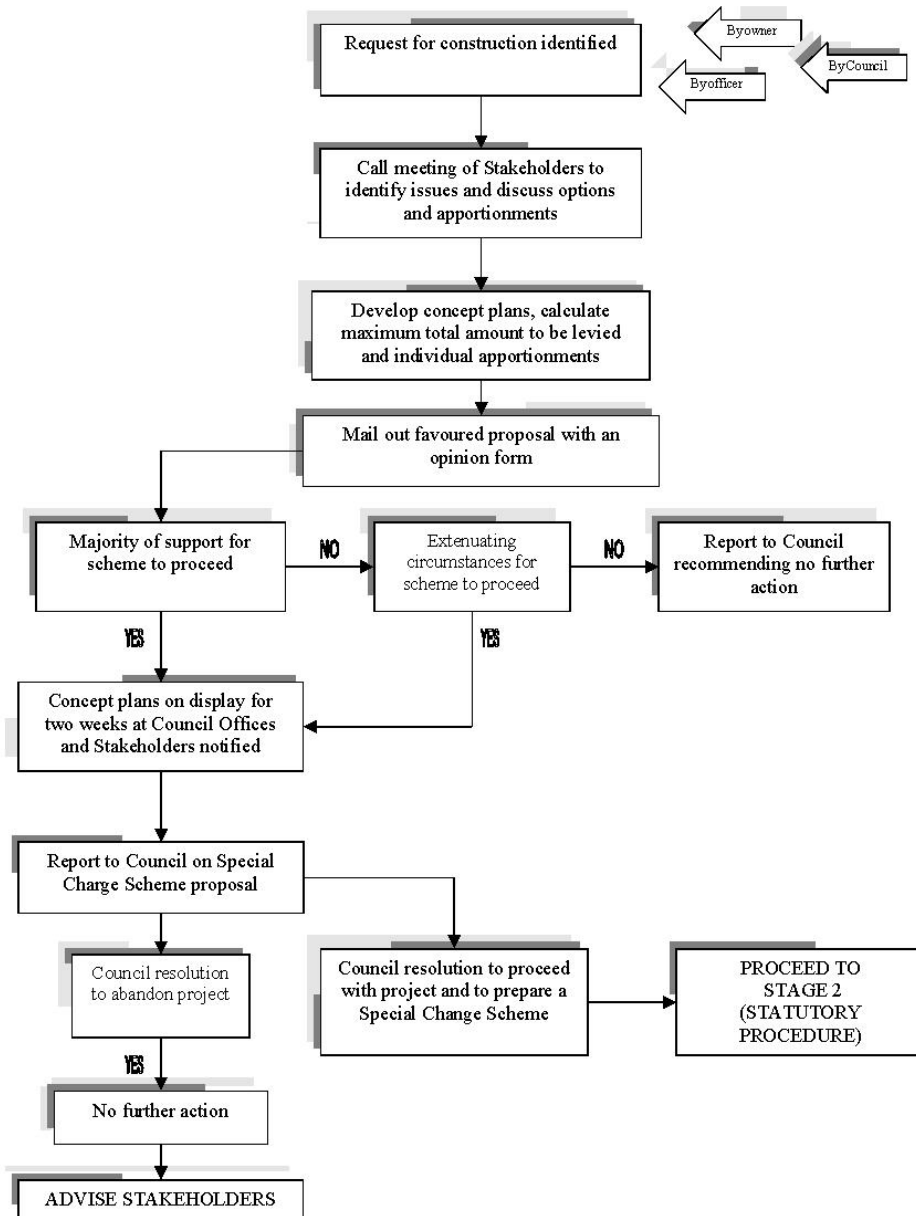
Signed : _____
Chief Executive Officer

Date : 08/02/2011.

Appendix 1

CONTRIBUTORY SCHEME POLICY – PUBLIC CONSULTATION

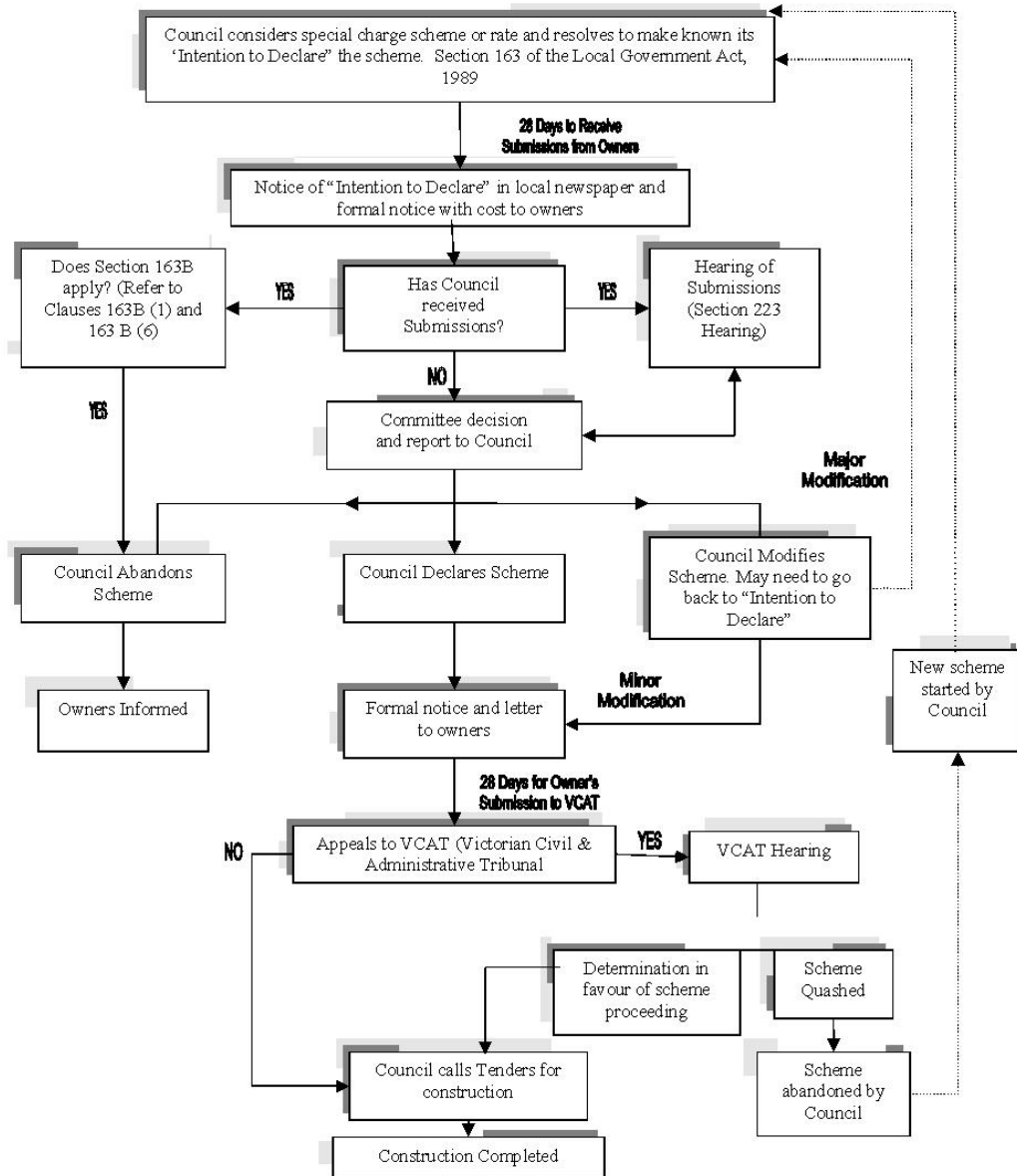
Stage 1 - INITIAL CONSULTATIVE PROCESS



Appendix 2

CONTRIBUTORY SCHEME POLICY – PUBLIC CONSULTATION

Stage 2 - STATUTORY PROCEDURE UNDER THE LOCAL GOVERNMENT ACT 1989



Appendix 3**CONTRIBUTORY SCHEME POLICY*****OWNER INFORMATION SHEET***

This information is to be read in conjunction with Council's Contributory Scheme Policy and associated consultation procedures.

It is not the intention of Council to impose Special Charge Schemes on property owners unless there are extenuating circumstances requiring certain works to be constructed. Special Charge Schemes are to be used as a tool for Council to provide property owners with an opportunity and formal process to construct infrastructure works to improve the amenity of their place of residence or work.

The 1989 Local Government Act (the Act) provides Council with power to levy a Special Charge on any person whom Council considers will obtain a "Special Benefit" from the construction of unmade roads, sealing of roads, footpaths, kerbs, drainage, nature strips, or other infrastructure works.

There are currently 55 unmade roads in the urban areas of the municipality totalling 12km that are currently listed on Council Road Register. In rural areas there are approx. 290 unsealed roads totalling approx. 600 km. There are also numerous locations that do not have footpaths, kerbs and/or drainage. There are also many roads or lanes that are not listed on the Road Register many of which may not have been formed.

The Contributory Scheme Policy is a document that operates in a legislative framework and works on the premise that it is not unreasonable for persons owning property on an unmade road to make an equitable contribution towards its development.

The Policy recognises the requirement for the majority of property owners to support the proposed Special Charge Scheme for construction to proceed, unless there are extenuating circumstances (environmental, economic or social) that dictate that the Scheme should proceed.

Ministerial Guidelines have been prepared to assist and guide Councils in complying with the provisions of the Act. The Guidelines advises on how to calculate the maximum total amount that a council may levy as a special charge. Council may decide, at its own discretion, to levy a lower amount than the maximum total levy. The Guidelines do not deal with the criteria used to determine the actual apportionment of cost to be charged to individual owners.

A copy of the Ministerial Guidelines dated September 2004 is included with this package of information.

Equitable and appropriate apportionment will be developed in consultation with stakeholders and Council staff at the initial meeting. Each case may have its own unique set of circumstances that have to be taken into account.

There are provisions under the Act for persons liable under a Special Charge Scheme to make submissions

It is proposed that there be two distinct phases relating to the preparation of a Special Charge Scheme – Phase 1: Consultative Procedure and Phase 2: Statutory Procedure under the Act. Refer to the two attached procedural flow charts.

Estimating Total Special Benefit

Refer to the Ministerial Guidelines for details of the factors to be used to estimate the total special benefits for a works scheme.

The calculation of the actual apportionment of costs for each property is a separate process from the calculation of the maximum total levy. Prior consultation with affected people should enable council to develop an equitable and appropriate apportionment criteria for a proposed Scheme. It is recognised that each proposed scheme will have its unique features.

Consultation Process

The consultation process has been divided into two stages. The procedure for each of the stages is detailed on the attached procedural flow charts.

Stage 1 is the initial consultation process engaging stakeholders in the decision making processes to determine apportionment criteria, extent of works, etc. This stage will inform Council if stakeholders are willing to proceed to the formal stage of preparing a Special Charge Scheme.

Stage 2 is the Statutory procedure set down by the Local Government Act, 1989.

During this stage persons required to pay a special charge has the right to lodge a submission to Council setting out reasons why they may not wish to participate in the proposed Special Charge Scheme. If Council declares a Special Charge Scheme persons may request a review by The Victorian Civil and Administrative Tribunal (VCAT) for an independent determination.

In addition to the above appeal processes it should be noted that if Council proposes to levy a total amount that exceeds two thirds of the total cost, the affected persons have a right to object and if Council receives objections from a majority of those persons within 28 days of the public notice it cannot declare the Scheme.

**9.2 UPDATE - PROPOSED LANDSCAPING WORKS TO IMPROVE
VISIBILITY OF SIGNAGE AT THE MCDONALDS RESTAURANT
MOE.****General Manager****Community Infrastructure &
Recreation****For Decision****PURPOSE**

The purpose of this report is to provide Council with an update concerning the proposed landscape works for the Princes Freeway reserve at the western entrance to Latrobe City and adjacent to the McDonalds Restaurant, Moe.

EXECUTIVE SUMMARY

McDonalds Australia Limited have sought Council approval to improve the visibility of the Moe McDonalds sign for those travelling on the Princes Freeway from Melbourne.

In 2007 McDonalds Australia Limited first raised concerns with Council relating to visibility of the restaurant sign being obscured by the height and density of the vegetation located within the VicRoads Princes Freeway Reserve managed by Council. A number of proposals have been presented to Council to address this problem.

Council in 2013 finally settled on a proposal to remove a number of trees and allow McDonalds Australia Limited to undertake landscaping treatments.

A formal agreement involving Council, VicRoads and McDonalds Australia Limited was prepared. Just prior to the respective parties formally signing this agreement, VicRoads notified Council that this section of Prince Freeway Reserve was identified as a potential rest area. At a meeting between Council Officers and VicRoads representatives, VicRoads advised that it did not support the installation of up lights under the feature Eucalyptus tree within the Princes Freeway Reserve.

This report recommends that Council notes VicRoads request and that Council authorises the Acting Chief Executive Officer to negotiate an amendment to the Landscape Treatment Plan relating to the up lights under the feature Eucalyptus tree within the Princes Freeway Reserve previously endorsed by Council at the Ordinary Meeting held on 21 October 2013.

RECOMMENDATION

1. That Council note that VicRoads do not support McDonalds Australia Limited installing up lights under the feature Eucalyptus tree within the Princes Freeway Reserve, and
2. That Council authorise the Chief Executive Officer, or nominated delegate, to negotiate an amendment to the Landscape Treatment Plan relating to the up lights under the feature Eucalyptus tree within the Princes Freeway Reserve previously endorsed by Council at the Ordinary Meeting held on 21 October 2013.

MOTION

1. **That Council note that VicRoads do not support McDonalds Australia Limited installing up lights under the feature Eucalyptus tree within the Princes Freeway Reserve, and**
2. **That Council authorise the Chief Executive Officer, or nominated General Manager delegate, to negotiate an amendment to the Landscape Treatment Plan relating to the up lights under the feature Eucalyptus tree within the Princes Freeway Reserve previously endorsed by Council at the Ordinary Meeting held on 21 October 2013.**

Moved: Cr Gibbons

Seconded: Cr Gibson

That the Motion be adopted.

CARRIED UNANIMOUSLY

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

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

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

Council has on a number of occasions considered requests from McDonalds Australia Limited to improve the visibility of the Moe McDonalds sign for those travelling on the Princes Freeway from Melbourne. Visibility of the restaurant sign is obscured by the height and density of the vegetation located within the VicRoads road reserve which forms part of the western gateway to the municipality.

The existing landscape 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. This 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.

To address McDonalds concerns, Council at its Ordinary Meeting held on 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.*

Following subsequent meetings and communications with McDonalds, a further report was presented to the Ordinary Meeting held on 21 October 2013 and Council subsequently resolved:

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 all affected parties be informed of Council's decision*

A copy of the proposed landscape treatment plan is provided in attachment 1.

KEY POINTS/ISSUES

Details of the Council resolution adopted on the 21 October 2013 were conveyed to both McDonalds Australia Ltd and VicRoads and a draft Licence Agreement was prepared on this basis. Following protracted discussions between McDonalds and Council, officers finalised a fourth and final version of the Licence Agreement with no objection from VicRoads.

With all parties in general agreement, it came to light in April 2014 that VicRoads has identified the subject triangular parcel of freeway road reserve at the Moe Exit/Entry Moe Princes Freeway Ramp as a potential Rest Area. Refer attachment 2 for a copy of written advice from VicRoads and a preliminary concept plan for the area. This proposed rest area is to provide a safe off freeway location for bus and truck parking.

This proposed rest area will result in the loss of some of the open grass area and have a slight impact on the Council endorsed landscape treatment plan works that McDonalds are required to undertake. This impact relates to the proposed garden bed beneath the existing Eucalyptus tree and proposed up lights that will highlight the canopy of the feature tree at the edge of the drain as shown on attachment 1.

On 11 April 2014, Council and VicRoads representatives met and the rest area concept was discussed. VicRoads representatives stated that they do not want to compromise any landscaping works undertaken. In particular, VicRoads do not support the installation of the feature tree up lights mentioned above. The reason behind VicRoads position was that there is the likelihood that the electrical supply would need to be removed or relocated when the proposed rest area was developed, and therefore should be removed from the Landscape Treatment Plan.

Noting that the proposed rest area is only a preliminary concept, with no construction time frame or allocated VicRoads funding, Council officers are of the opinion that to progress this matter will require Council to authorise an amendment to the Council endorsed landscaping treatment plan and remove the requirement to provide up lights under the feature Eucalyptus tree.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

The financial and staff resource implications required to finalise this matter are only expected to be nominal.

INTERNAL/EXTERNAL CONSULTATION*Engagement Method Used:*

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. That Council authorise the Chief Executive Officer to amend the Council endorsed Landscape Treatment Plan for the triangular shaped median strip between the Princes Freeway and the Moe off ramp, Moe. With an appropriate amendment VicRoads are expected to sign off on the licence agreement and allow McDonalds to commence the identified landscaping works, or
2. Not support an amendment to the Council endorsed Landscape Treatment Plan for the triangular shaped median strip between the Princes Freeway and the Moe off ramp, Moe, adjacent to the McDonalds restaurant. This may result in VicRoads withholding consent to McDonalds undertaking the proposed works on the VicRoads land.

CONCLUSION

Officers have committed considerable time to reach a consensus with McDonalds Australia Limited that achieves an outcome that is supported by both parties. For this project to proceed and obtain VicRoads consent, it is considered appropriate that Council authorise the Chief Executive Officer to amend the Council endorsed Landscape Treatment Plan to VicRoads satisfaction.

SUPPORTING DOCUMENTS

NIL

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

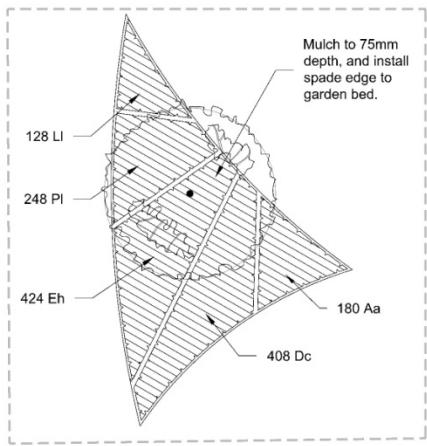
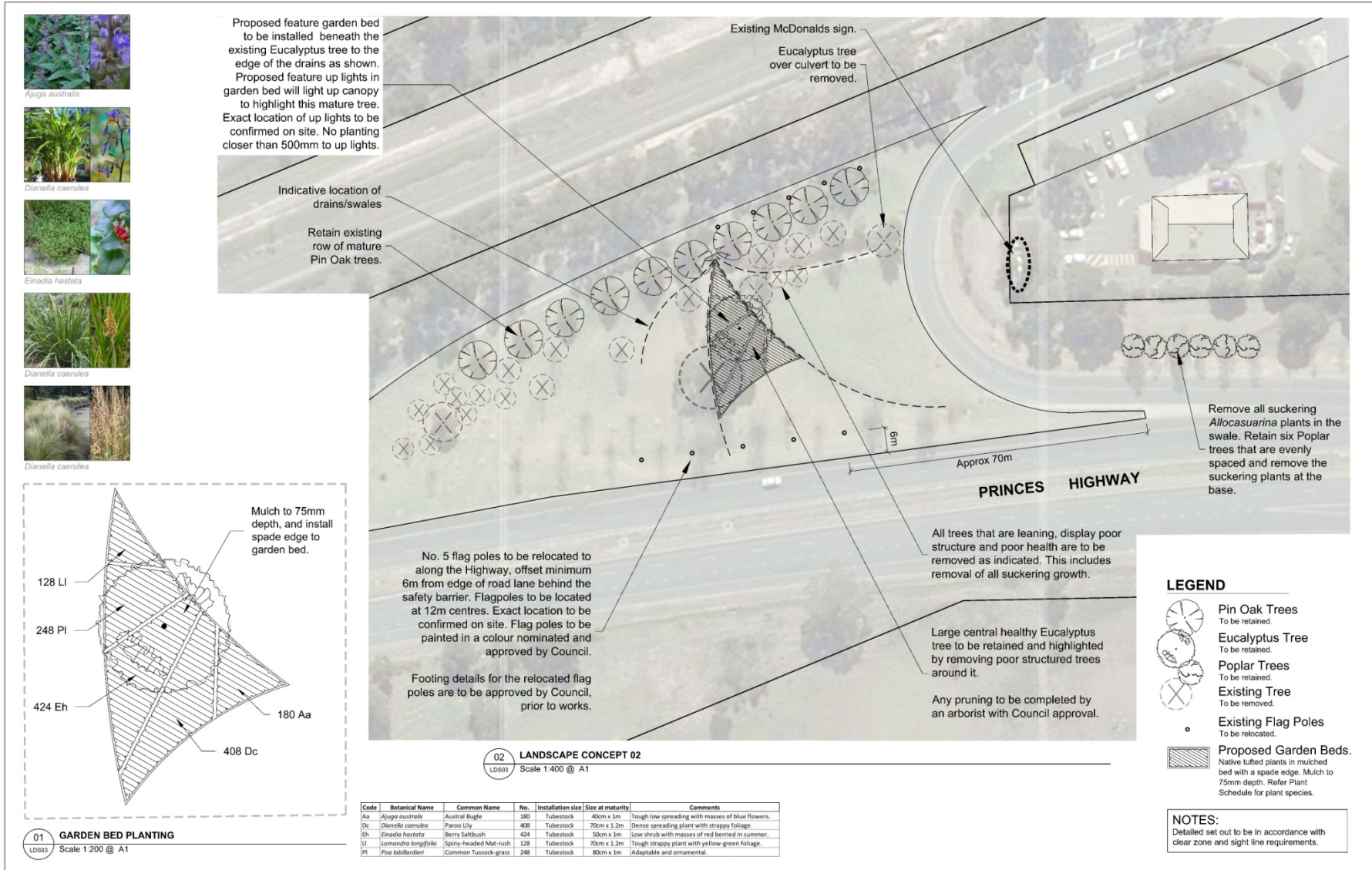
Attachments

1. Proposed McDonalds Landscape Treatment Plan
2. VicRoads Correspondence & preliminary Rest Area Concept Plan

9.2

UPDATE - PROPOSED LANDSCAPING WORKS TO IMPROVE VISIBILITY OF SIGNAGE AT THE MCDONALDS RESTAURANT MOE.

- | | | |
|----------|----------------------------------------------------------------------------------|-----------|
| 1 | Proposed McDonalds Landscape Treatment Plan..... | 39 |
| 2 | VicRoads Correspondence & preliminary Rest Area
Concept Plan..... | 41 |



Code	Botanical Name	Common Name	No.	Installation size	Size at maturity	Comments
Aa	<i>Ajuga australis</i>	Austral Bugle	180	Tubestock	40cm x 1m	Tough low spreading with masses of blue flowers.
Dc	<i>Dianella caerulea</i>	Paroo Lily	408	Tubestock	70cm x 1.2m	Dense spreading plant with strappy foliage.
Eh	<i>Einadia hastata</i>	Berry Saltbush	424	Tubestock	50cm x 1m	Low shrub with masses of red berries in summer.
LI	<i>Lomandra longifolia</i>	Spiny-headed Mat-rush	128	Tubestock	70cm x 1.2m	Tough strappy plant with yellow-green foliage.
PI	<i>Poa tabulariteri</i>	Common Tussock-grass	248	Tubestock	80cm x 1m	Adaptable and ornamental.

Rev	Amendments	App'd	Date
C	Amendment to garden bed. For Council endorsement		DD 11/9/2013
B	Update landscape option 03 with relocated flag poles for Council endorsement		DD 05/9/2013
A	Client Review		DD 14/8/2013

Designed: JG
Checked: D3
Authorised: D3

Map Reference: MELWAYS
Sheet Number: 03

Spire: ABN 55 050 029 035
499 La Trobe Street Melbourne Victoria 3030 Australia T 61 3 9993 7888 F 61 3 9993 7999
SPIRE.COM.AU

File name: 131625_Landscape Concept 01_Rev 4.dwg, layout name: LD503
File location: G:\131\138183\MCDAC
Printed by: Amelia Coghlan, Print date: 11/9/2013 10:35 AM
Standard Drawing: LSCA1 - Version 001/2009/4
Scale: 1:400

spiire
Innovation in Infrastructure

McDonalds Moe Landscape Option 03 [Proposed Garden Bed & Relocated Flagpoles]
Wilbridge Securities Ptd Ltd
LaTrobe City Council
Rev C
Org No 138183 LD503



Mr John Mitchell
Acting Chief Executive Officer
Latrobe City Council
PO Box 264
Morwell VIC 3840

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120 Kay Street
Traralgon Victoria 3844
PO Box 158 Traralgon Victoria 3844
vicroads.vic.gov.au

Contact: Chris Padovan
Phone 5172 2627
QD: 2454918

Dear Mr Mitchell

**PROPOSED VEGETATION REMOVAL AND LANDSCAPING WORKS
PRINCES HIGHWAY, EAST BOUND OFFRAMP TO MOE**

I refer to the meeting on 4 April 2014 between Mr Henry Morrison and Mr Jody O'Kane (Latrobe City Council) and Mr Chris Padovan and Mr Luke Bryant (VicRoads Eastern Region) regarding a proposed agreement between Council and McDonalds Restaurant to remove vegetation, and install and maintain new landscaping on the section of Princes Highway road reserve between the on and off ramps to Moe.

As discussed at the above meeting, VicRoads has identified a potential road safety improvement opportunity to install a truck parking area within the above section of the road reserve. A copy of the proposed design is attached for your information.

To ensure that the longer term potential use of this section of the road reserve is not compromised and that any landscaping works can be undertaken in an efficient manner, please have the landscaping plan within the proposed agreement amended and re-submitted to VicRoads for approval.

To expedite the process, VicRoads has no objection to vegetation removal works being undertaken prior to the approval of the amended landscaping plan subject to the McDonalds Restaurant attaining the appropriate 'works within the road reserve' consent from VicRoads.

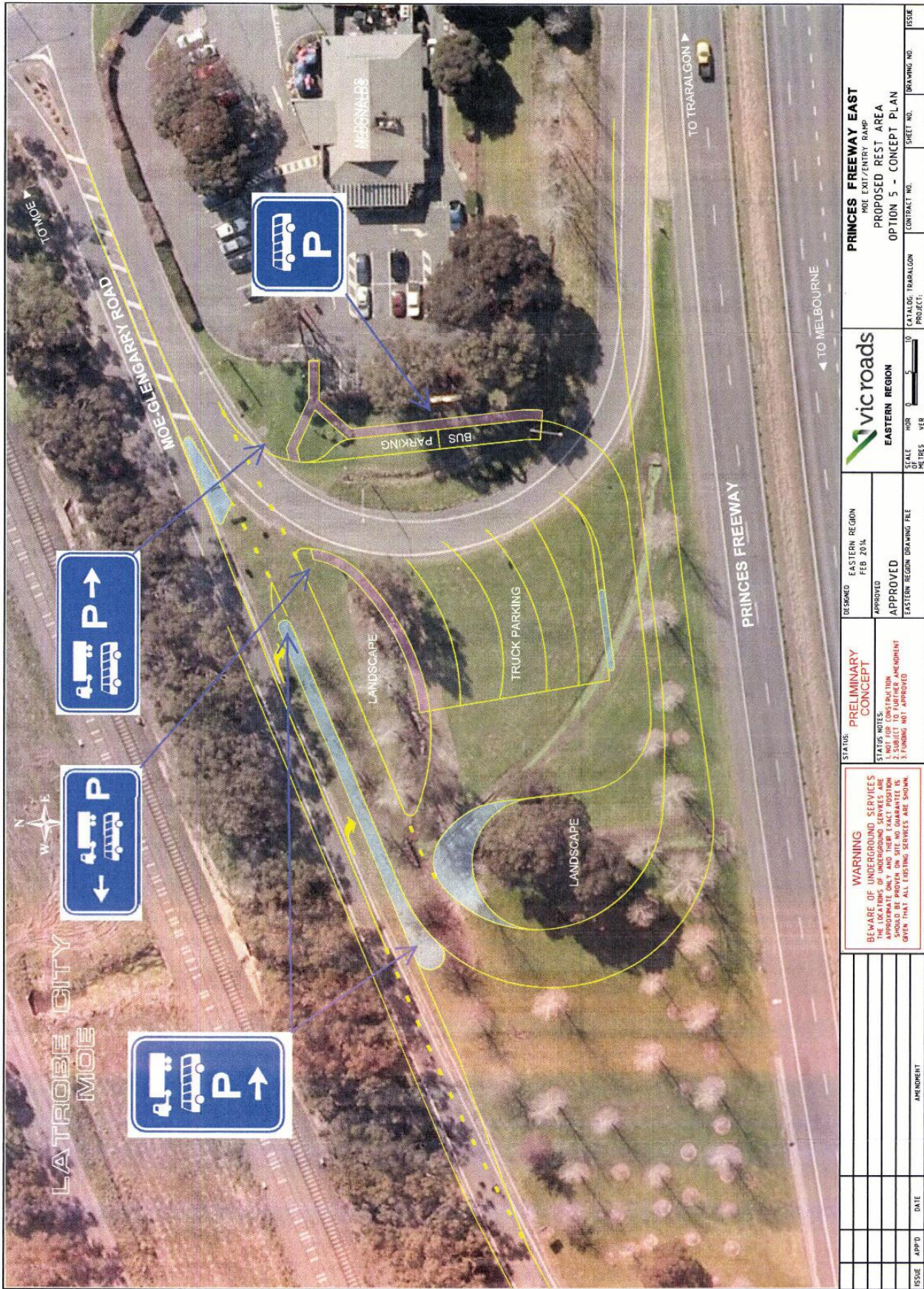
Could you please ensure that Councils response to McDonalds requests VicRoads approval for 'Consent for Works within the Road Reserve' and a 'Worksite Traffic Management Application' comprising of a memorandum of consent and traffic management plans in accordance with the RMA - Worksite Safety Traffic Management Code of Practice 2010.

Should you have any further queries please do not hesitate to contact Mr Chris Padovan, Team Leader - Integrated Transport and Land Use on 5172 2627 who would be pleased to assist.

Yours Sincerely

SCOTT LAWRENCE
REGIONAL DIRECTOR - EASTERN
DATE 9/4/2014





<p>vic roads EASTERN REGION</p>		<p>PRINCES FREEWAY EAST MOE EXIT/ENTRY RAMP PROPOSED REST AREA OPTION 5 - CONCEPT PLAN</p>	
SCALE METRES	0 5 10	CATALOG: TRARALGON	SHEET NO.
VER	VER	PROJECT:	DRAWING NO.
ISSUE	APP'D	DATE	ISSUE
DESIGNED: EASTERN REGION FEB 2014	APPROVED	APPROVED	EASTERN REGION DRAWING FILE
<p>STATUS: PRELIMINARY CONCEPT</p> <p>STATUS NOTES: 1. NOT FOR CONSTRUCTION 2. FOR INFORMATION 3. FORMAL NOT APPROVED</p>		<p>WARNING BEWARE OF UNDERGROUND SERVICES THE LOCATIONS OF UNDERGROUND SERVICES ARE APPROXIMATE ONLY AND THEIR EXACT POSITION SHOULD BE PROVEN ON SITE. NO GUARANTEE IS GIVEN THAT ALL EXISTING SERVICES ARE SHOWN.</p>	

DATE: 9/9/2014
MODEL: 01.rvt
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CORRESPONDENCE

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)****10. CORRESPONDENCE****10.1 CORRESPONDENCE FROM MOYNE SHIRE COUNCIL****Executive Manager****Office of the Chief Executive****For Decision****PURPOSE**

To table correspondence received (as attached) from the Moyne Shire Council calling on Victorian Councils to campaign VicRoads for 40 kilometre flashing lights on VicRoads school crossings.

RECOMMENDATION**That Council:**

- 1. Writes to VicRoads to campaign for 40 kilometre flashing lights on VicRoads school crossings; and**
- 2. Writes to the Moyne Shire Council to acknowledge the action undertaken by Council on this matter.**

Moved: Cr Gibson**Seconded:** Cr Kam**That the Recommendation be adopted.****CARRIED UNANIMOUSLY****DECLARATION OF INTEREST**

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

Attachments

1. Correspondence from Moyne Shire Council

10.1

Correspondence from Moyne Shire Council

1	Correspondence from Moyne Shire Council	47
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4 September 2014

Cr Sharon Gibson
 Latrobe City Council
 PO Box 264
 MORWELL VIC 3840

Dear Cr Gibson,

Recently the Moyne Shire Council received a petition from a student at Koroit Primary School requesting flashing 40 kilometre per hour signs at the school's crossing.

The crossing is on Commercial Road, which is managed by VicRoads, and attracts a significant amount of traffic.

At its August meeting Council resolved to forward the request and petition to VicRoads and the Premier. Council also resolved to contact all Victorian Councils to conduct a joint push to lobby VicRoads for 40 kilometre flashing lights on VicRoads school crossings.

There is power in numbers and if all Victorian Councils join together to campaign VicRoads for this upgrade we may very well achieve change.

Moyne Shire Council will be raising this issue with the MAV and with your help we can hopefully see positive change and protection of all Victorian school children.

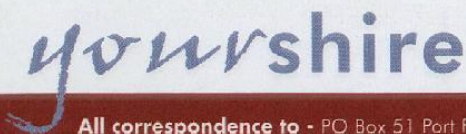
We would appreciate if you could help this campaign by writing to VicRoads and supporting us when we raise this issue at the MAV.

Thank you for your consideration of this matter. If you have any queries please don't hesitate to contact me on 0407 550 707

Yours sincerely

Cr James Purcell
 Mayor

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 Phone: (03) 5568 0555 Fax: (03) 5568 2515 DX 28402 Port Fairy

www.moyne.vic.gov.au
 moyne@moyne.vic.gov.au

PRESENTATION OF PETITIONS

11. PRESENTATION OF PETITIONS

Nil reports

OFFICE OF THE CHIEF EXECUTIVE

12. OFFICE OF THE CHIEF EXECUTIVE**12.1 MORWELL HISTORICAL SOCIETY****Executive Manager****Office of the Chief Executive****For Decision****PURPOSE**

The purpose of this report is to consider a request received from the Morwell Historical Society to approve the extension of their existing lease for their premises at 44 Buckley Street, Morwell, and the provision of financial assistance for a five year period.

EXECUTIVE SUMMARY

The Morwell Historical Society currently occupy a leased premises at 44 Buckley Street, Morwell, and have received an annual grant from Council to assist in the payment of the rental for the property.

The initial term of this agreement was for five years commencing in July 2006, and Council resolved in June 2011 to enter into a new agreement for a further three year term that has recently expired.

The Morwell Historical Society is seeking the extension of this financial assistance for a further five years together with an additional request for an exemption from municipal rates to support their relocation to the former Masonic building at 12 Hazelwood Road, Morwell.

RECOMMENDATION

- 1. That Council resolve to provide the Morwell Historical Society financial assistance of \$12,000 per annum and, in the event that a property is purchased, an exemption from municipal rates for a five year period.**
- 2. That the Morwell Historical Society be advised that Council will provide financial assistance of \$12,000 per annum and, in the event that a property is purchased, an exemption from municipal rates for a five year period.**

Moved: Cr Middlemiss**Seconded:** Cr White**That the Recommendation be adopted.****CARRIED UNANIMOUSLY**

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 - Culture***

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

Latrobe City Council Plan 2013 - 2017**Theme and Objectives**

Theme 2: affordable and sustainable facilities, services and recreation

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

BACKGROUND

Following the redevelopment of the Latrobe Regional Gallery the Morwell Historical Society was relocated to alternative premises at 19-21 Church Street, Morwell. Whilst both the Airlie Bank Homestead and Masonic Lodge in Hazelwood Road, Morwell, were considered as potential locations, the former was considered too far from the CBD and the latter was not available at the time.

Latrobe City Council held the lease for the premises at 19-21 Church Street and paid the rental on behalf of the Morwell Historical Society up until its expiration in 2006 following which agreement was not able to be reached with the landlord as to the revised rental.

The Morwell Historical Society subsequently identified their current premises at 44 Buckley Street, Morwell, as a suitable location for their activities. In this instance, the Morwell Historical Society entered into the lease directly with the landlord and Council provided rental assistance under an agreement between the two parties.

Under the terms of this agreement, Council provided a grant of \$8,000 per annum plus GST for five years, commencing on 1 July 2006, to be indexed annually by the Consumer Price Index.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Prior to the expiration of this agreement on 30 June 2011, a report was presented to Council at its meeting held on 6 June 2011 where it resolved the following:

1. *That the Chief Executive Officer be authorised to enter into an agreement with the Morwell Historical Society for a further 3-year funding agreement for the purpose of providing rental assistance for the property at 44 Buckley Street, Morwell.*
2. *That a letter be sent to Mr Stephen Hellings, Secretary of the Morwell Historical Society, advising that Council will extend its rental assistance for the property at 44 Buckley Street, Morwell, for a further 3 years.*

This agreement has expired on 30 June 2014 and the Morwell Historical Society are now seeking formal approval to have this financial support extended for a further five years to support their relocation from their current premises to the former Masonic building at 12 Hazelwood Road, Morwell.

KEY POINTS/ISSUES

There are five other historical societies that operate within Latrobe City, four of which occupy Council properties under lease agreements:

- The Traralgon & District Historical Society occupy part of the Kath Teychenne Centre in Breed Street, Traralgon, under a 5+5 year lease at a current rental of \$96.00 plus GST per annum, reviewed annually by the Consumer Price Index.
- Boolarra & District Historical Society operates out of the Old Primary School (Crown Land) and do not have a lease agreement with Council.
- The Moe & District Historical Society occupy the Old Courthouse building in High Street, Moe, under a nine year lease at a current rental of \$68.55 plus GST per annum, reviewed annually by the Consumer Price Index.
- The Yallourn North & District Historical Society occupy the Old Brown Coalmine Museum in Reserve Street, Yallourn North, under a nine year lease at a current rental of \$50.00 plus GST per annum, reviewed annually by the Consumer Price Index.
- The Yinnar & District Historical Society occupy the old goods shed in Main Street, Yinnar, under the second nine year term at an annual rental of \$1.00 plus GST per annum. This lease agreement is currently in the process of being renegotiated.

The differences in the terms of each of these leases and the rental that is paid by each group reflects the various commencement dates of each and the rental review provisions that were incorporated into each lease at the time of execution.

The rental that is payable by each of the historical societies is determined by Councils adopted community / not for profit rental rate at the time of entering into each lease. If these lease agreements were not subsidised by Council it is likely that each group would be required to pay a similar rental as the Morwell Historical Society under a commercial arrangement.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

Each of the above properties also involves some degree of maintenance responsibility for Council though the respective historical societies also undertake some of the maintenance. As the property occupied by the Morwell Historical Society is leased all maintenance is the responsibility of the landlord and there is no maintenance undertaken by Council.

As stated above, the Morwell Historical Society was originally located in the Latrobe Regional Gallery until its refurbishment when it became necessary to provide alternative premises as they could no longer be accommodated in the gallery.

As there is no suitable Council property available to accommodate the Morwell Historical Society it has been necessary for them to occupy a commercial property which inherently entails a higher rental than is the case with the other historical societies detailed above.

The Morwell Historical Society is currently investigating the purchase of the former Masonic building at 12 Hazelwood Road, Morwell, and is therefore seeking financial assistance of \$12,000 per annum to cover their current rental pending their relocation and also support their ongoing operations should they be successful in acquiring the property.

The Morwell Masonic Temple was constructed in 1927 with a side annexe constructed in 1956-57 and is recorded in the Latrobe City Heritage Study as being "of local historic, social and aesthetic significance to Latrobe City" as "a representative example of a Masonic Temple, which illustrates the importance of Masonic Lodges in the Inter-War years".

Given the historical significance of the building to Morwell detailed in the Latrobe City Heritage Study there would be clear benefits to not just the Morwell Historical Society but the broader community if it were to be acquired and operated as a permanent home for their operations.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

As stated previously, the Morwell Historical Society is seeking a commitment from Council to provide financial support of \$12,000 per annum to assist with the rental for 44 Buckley Street and, should they proceed with purchasing the property at 12 Hazelwood Road, with their ongoing operations or any future renovations that may be required.

Given that the forthcoming annual rental for their current premises at 44 Buckley Street, Morwell, is \$10,075.80 including GST and would likely increase each year this is not substantially greater than the rental assistance that would be required if they were to continue to lease this property.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

Should the Morwell Historical Society be successful in acquiring the property they are also seeking an exemption from municipal rates for the five year period. The property at 12 Hazelwood Road, Morwell, currently has annual rates of \$1,852 including garbage charges, the municipal charge and fire service property levy.

Such an exemption from rates would equate to additional financial support of approximately \$9,000-\$10,000 over the term of five years should this include all of the above charges payable on the property.

Whilst such financial assistance is slightly greater than that given to the other historical societies within the municipality, the Morwell Historical Society have a unique opportunity to acquire a heritage property as a permanent home, thereby effectively keeping it in community ownership.

As the Morwell Historical Society is a not for profit community group with limited financial resources it is unlikely they would be able to progress their acquisition of the property at 12 Hazelwood Road, Morwell, without this ongoing support from Council

INTERNAL/EXTERNAL CONSULTATION

Following receipt of correspondence from the Morwell Historical Society dated 13 October 2014, Council officers discussed the need for approval to be sought from Council to extend the lease for a further twelve months and provide rental assistance for this period.

As a result, the Morwell Historical Society provided a subsequent request dated 6 November 2014 to this effect.

The Morwell Historical Society also made a presentation to Council regarding their future plans at the public presentations session held on Monday 8 December 2014.

OPTIONS

Council may now resolve to:

- Agree to provide the Morwell Historical Society with financial assistance of \$12,000 per annum together with an exemption from municipal rates for a five year period.
- Decline to provide the Morwell Historical Society with financial assistance of \$12,000 per annum together with an exemption from municipal rates for a five year period.

CONCLUSION

The Morwell Historical Society currently occupies leased premises at 44 Buckley Street, Morwell, and Council have provided annual assistance for the rental payable under this lease since 1 July 2006.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

As the Morwell Historical Society is investigating the possible acquisition of the Masonic building at 12 Hazelwood Road, Morwell, as permanent premises for their activities they are seeking financial support from Council of \$12,000 per annum together with an exemption from municipal rates for a five year period.

Given the historical significance of the building to Morwell detailed in the Latrobe City Heritage Study there would be clear benefits to not just the Morwell Historical Society but the broader community if it were to be acquired and operated as a permanent home for their operations.

SUPPORTING DOCUMENTS

Nil


Attachments

1. Attachment One: Correspondence from the Morwell Historical Society dated 6 November 2014 requesting approval to extend lease for a further twelve months.

12.1

Morwell Historical Society

- 1 Attachment One: Correspondence from the Morwell Historical Society dated 6 November 2014 requesting approval to extend lease for a further twelve months.....59**


Morwell Historical Society Inc.

President: ~~Leonie Pryde~~ Bruce McMaster
Information Centre: 44 Buckley Street Morwell VIC 3840
URL: www.morwellhistoricalsociety.org.au

RITA - HQ
RECEIVED
11 - 0 NOV 2014



Post Office circa 1903

6th November 2014

Mr John Mitchell
Acting Chief Executive Officer
Latrobe City Council



Dear Sir

Re. Morwell Historical Society Accommodation.

The Morwell Historical Society was recently advised by an officer of Council that the Society should have requested Council's approval to extend the lease of the building occupied by the Society at 44 Buckley Street, Morwell. The existing lease had an option to be extended a further three years from the 22nd August 2014.

The Society formally requests Council's approval to extend the lease for a further 12 months and grant the Society the funds required for the rent.

Please let me know if you require further information.

Yours Sincerely



Bruce McMaster
President
Morwell Historical Society Inc.

c.c. David Elder; Henry Morrison

Postal Address: Secretary: ~~Stephen Hollings~~, PO Box 1163, Morwell, VIC 3840
Inc. No. A0016986W

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)****12.2 AGRICULTURAL COMPETITIVENESS GREEN PAPER -
LATROBE CITY COUNCIL SUBMISSION****Executive Manager****Office of the Chief Executive****For Decision****PURPOSE**

The purpose of this report is to seek Council consideration and endorse the submission to the Australian Government's *Agricultural Competitiveness Green Paper*.

EXECUTIVE SUMMARY

The release of the *Agricultural Competitiveness Green Paper (attachment 1)* is the second step in the consultation on the *Agricultural Competitiveness White Paper*.

The *Agricultural Competitiveness Green Paper* outlines nine agriculture policy principles and is divided into ten categories which cover 25 different policy ideas. It also overviews the key issue, what the Australian Government is already doing, and what stakeholders proposed in response to the *Issues Paper*. The *Green Paper* will assist the Government in finalising its policy direction, which will be the Government's *Agricultural Competitiveness White Paper*.

The *Green Paper* covers a broad range of issues; therefore Council's submission is focused on the key strategic issues which are affecting agribusiness and its competitiveness from a Latrobe City and the broader Gippsland regional perspective.

Latrobe City Council's *Agricultural Competitiveness Green Paper* submission (attachment 2) includes; a high level overview of agriculture in Latrobe City and the broader Gippsland Region; an overview of policy work undertaken by Council, Gippsland representative bodies and Victorian State Government, relevant to the topic; support for the Australian Government's efforts to ensure a better return at the farm gate; support for an integrated policy approach from the Australian Government; and, specific response to the *Green Paper* policy ideas.

Preparation of this submission has been undertaken utilising Council's existing strategies and policies, as well as, regional and Victorian State Government strategies and policies. Officers have also liaised with the Gippsland Carbon Transition Committee to gain preliminary views and feedback on the draft submission.

Submissions to the *Agricultural Competitiveness Green Paper* close on 12 December 2014, with an extension being approved to the 16 December 2014. The submission will be provided to Council for consideration at the 15 December 2014 Ordinary Council Meeting.

RECOMMENDATION

That Council endorse Latrobe City Council's submission to the Australian Government's *Agricultural Competitiveness Green Paper*.

Moved: Cr White

Seconded: Cr Kam

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

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 - Economy

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

Strategic Objectives – Advocacy and Partnerships

In 2026, Latrobe Valley is supported by diversity of Government, agency, industry and community leaders, committed to working together to advocate for and deliver sustainable local outcomes.

Latrobe City Council Plan 2013 - 2017

Theme and Objectives

Theme 1: Job creation and economic sustainability

Strategic Direction –

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

Maximise access to federal and state government funds for job creation.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

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

Theme 4: Advocacy for and consultation with our community

Strategic Direction –

Strengthen relationships with the Victorian and Australian Governments to ensure Latrobe City is positioned to maximise benefits from regional policy and funding opportunities.

Strengthen our region by actively leading and encouraging partnerships with other local governments, industry and community agencies.

BACKGROUND

The Government has prioritised Agriculture Exports, as one of the five pillars of the economy, along with; Manufacturing and Innovation; Advanced Services; Education and Research; and Mining Exports.

The Australian Government has commissioned an *Agricultural Competitiveness White Paper* to boost agriculture's productivity and profitability. A taskforce has been established to prepare the *White Paper* and conduct the consultation. The *White Paper* will drive the long-term agricultural policies of the government and ensure Australia's agriculture sector remains a significant contributor to the economy and local communities. The *White Paper* will identify pathways and approaches for growing farm profitability and boosting agriculture's contribution to economic growth, trade, innovation and productivity.

The *Agricultural Competitiveness White Paper* consultation process includes;

- Terms of Reference
 - released 9 December 2013
- Issues Paper
 - released 6 February 2014
 - submissions closed 17 April 2014
- Green Paper
 - released 20 October 2014
 - submissions close 12 December 2014
- White Paper
 - expected to be released in early 2015

The Agricultural Competitiveness White Paper will deliver a clear strategy to improve the competitiveness and profitability of the agriculture sector, boosting its contribution to trade and economic growth, and building capacity to driver greater productivity through innovation.

The Australian Government has committed to an *Agricultural Competitiveness Green Paper* that is driven by one key objective: to achieve a better return at the farm gate to ensure a sustainable and competitive Australian agriculture sector.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

The *Agricultural Competitiveness Green Paper*:

- Has nine agriculture policy principles;
- Is made up of ten categories for policy ideas which consider:
 - Infrastructure;
 - working with State and Territories;
 - Competition and regulation;
 - Finance, business structures and taxation;
 - Foreign investment;
 - Education, skills, training and labour;
 - Drought;
 - Water and natural resource management;
 - Research, development and extension;
 - Biosecurity; and
 - Accessing international markets.
- Sets out the issue, what the government is already doing and what stakeholders proposed the Government should consider (through the Issues paper). Stakeholders are invited to comment on the broad directions and specific policy ideas raised in the Green Paper, and provide further suggestions. This will assist the Government in finalising its policy direction for improving the profitability and competitiveness of the agriculture sector, which will be the Government's White Paper.

Many areas of policy effect agriculture, including tax, education and training, foreign investment, environmental law and industrial relations, among others. Council's submission outlines support for an integrated policy approach from the Australian Government on the policies that impact agriculture, to ensure the sector is prepared for future challenges and opportunities. There is a link between the *Emission Reduction Fund (ERF)/Carbon Farming Initiative (CFI)*, *Energy Green Paper* and the *Agricultural Competitiveness Green Paper*.

The Australian Government sought feedback on the Emission Reduction Fund, to which Council made a submission in February 2014. On 31 October the Senate passed legislation to establish the *Emissions Reduction Fund*, the centrepiece of the Government's action to reduce Australia's greenhouse gas emissions. This legislation builds on the *Carbon Credits (Carbon Farming Initiative) Act 2011* to establish the *Emissions Reduction Fund*. The legislation is now planned to return to the House of Representatives.

The Australian Government also sought feedback on the *Energy Green Paper*, to which Council made a submission in October 2014.

KEY POINTS/ISSUES

A submission to the *Agricultural Competitiveness Green Paper* has been prepared on behalf of Council. Submissions close on 12 December 2014, however an extension has been sought and granted to 16 December 2014, to allow formal consideration of the submission by Council.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Following formal consideration, it is proposed to be submitted to the Australian Government on 16 December 2014.

The broader Gippsland region is rich in natural resources, including forestry, highly fertile land for agriculture, relatively high rainfall, natural gas and one of the world's largest deposits of brown coal. There are more than 6,500 farms in Gippsland, which produce approximately \$1.3 billion worth of agricultural produce. The top ten commodities produced in the region by value are milk; cattle and calves; vegetables; pastures and grasses; sheep and lambs; poultry; wool; eggs; fruit; and cereals for grain. The agriculture sector plays an important role in the Gippsland Region economy. Agricultural Competitiveness is a relevant issue for Council, with Gippsland currently supplying around 25% of Victoria's beef; 20% of Australia's milk; 29% of Victoria's agricultural, forestry and fishing exports; and 37% of Gippsland businesses involved in agriculture and fishing. Clear and properly integrated policies are necessary to provide our Gippsland farmers, as well as local large food processors, large forestry industry and associated pulp and paper manufacturer, as well as small to medium enterprises, policy which ensures a sustainable and competitive agriculture sector.

The draft submission includes the following:

- A high level geographical and demographic context for Latrobe City and broader Gippsland region;
- An overview of the policy work that Council has undertaken relevant to this topic, as well as, Gippsland and Victorian policy references;
- Support for an integrated policy approach from the Australian Government, ensuring the Emission Reduction Fund (ERF)/Carbon Farming Initiative (CFI), Energy White Paper and the Agricultural Competitiveness White Paper are complimentary; and
- Specific responses on the *Green Paper's* policy ideas, which are based on Council's relevant, adopted policies, strategies, plans and councillor feedback.

The *Green Paper* covers a broad range of issues, therefore Council have focused their submission on the key strategic issues which are affecting agribusiness and its competitiveness from a Latrobe City and the broader Gippsland regional perspective, with a focus on;

- Infrastructure – new and existing projects;
- Protecting the resource base – mining and agricultural activities co-existing;
- Farm Business Improvement – support for business;
- Education, skills, training and labour – employment growth for Latrobe City and broader Gippsland;
- Natural Resource Management – protecting our natural environment;
- Research and Development – opportunities for R&D in Latrobe City and CFI opportunities;
- Accessing International Markets – growing our exports.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

The draft submission has been reviewed by councillors and the Gippsland Carbon Transition Committee (an advisory Committee of Council) and feedback has been incorporated where appropriate.

The draft submission is consistent with Council's endorsed policies and strategies. Where no official Council position could be referenced, Council officers have provided a response on behalf of Council which has been highlighted for Council's consideration.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

There are no financial or resource implications as a result of consideration of this report of the draft submission.

INTERNAL/EXTERNAL CONSULTATION

Engagement Method Used:

Preparation of this submission has been undertaken utilising Council's existing strategies and policies, as well as regional and Victorian strategies and policies, which included elements of consultation.

The submission was provided to councillors for feedback during November 2014 with the opportunity for amendments.

Officers have also liaised with the Gippsland Carbon Transition Committee to gain preliminary views and feedback on the draft submission.

Final submissions from all stakeholders will be made available on the department website following the consultation period and will also be made available on Latrobe City Council's website.

OPTIONS

Council has the following options:

1. Endorse the submission to the Australian Government's *Agricultural Competitiveness Green Paper*.
2. Endorse the submission to the Australian Government's *Agricultural Competitiveness Green Paper*, with amendments.
3. Not endorse the submission to the Australian Government's *Agricultural Competitiveness Green Paper*, and take no further action.

CONCLUSION

Latrobe City Council officers have prepared a draft submission to the Australian Governments *Agricultural Competitiveness Green Paper*.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

The draft submission has been reviewed by councillors and the Gippsland Carbon Transition Committee and feedback incorporated as appropriate.

Submissions to the *Agricultural Competitiveness Green Paper* closed on 12 December 2014, with an extension granted to Council until 16 December 2014. It is proposed that a submission be made to the Australian Government following formal consideration by Council at the 15 December Ordinary Council Meeting.

SUPPORTING DOCUMENTS

Agricultural Competitiveness Issues Paper

Energy Green Paper – Latrobe City Council submission October 2014

Emission Reduction Fund Green Paper - Latrobe City Council Submission February 2014

Latrobe 2026: The Community Vision for Latrobe Valley

Council Plan 2013-2017

Economic Sustainability Strategy 2011-2015

Positioning Latrobe City for a Low Carbon Emission Future 2010

Securing our Future 2013

Natural Environment Sustainability Strategy

International Relations Plan

Agricultural Competitiveness Green Paper

Attachments

1. Agricultural Competitiveness Green Paper (Published Separately)
2. Latrobe City Council's Agricultural Competitiveness Green Paper Submission

12.2

Agricultural Competitiveness Green Paper - Latrobe City Council Submission

- 1. Agricultural Competitiveness Green Paper**
- 2 Latrobe City Council's Agricultural Competitiveness
Green Paper Submission 69**

Latrobe City Council Submission

*Agricultural Competitiveness Green Paper
December 2014*



For further information in relation to this submission please contact
Sarah Cumming
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Latrobe City Council

Agricultural Competitiveness Green Paper Submission

Latrobe City Population and Economic Profile

Latrobe City is recognised as one of Victoria's four major regional centres and is the State's only eastern regional centre. The largest population centre in the Gippsland region, Latrobe City acts as the regional headquarters for Government agencies and private operators including banks and insurance companies. Less than two hours' drive east of Melbourne, Latrobe City is home to approximately 74,000¹ people. Latrobe City's 1,426 square kilometres encompasses four urban centres of Churchill, Moe-Newborough, Morwell and Traralgon and seven smaller settlements including Glengarry, Tyers, Toongabbie, Yinnar, Boolarra, Traralgon South and Yallourn North.

With a Gross Regional Product (GRP) of approximately \$4 billion, Latrobe City makes a significant contribution to the Victorian economy. Agribusiness industries in Latrobe City which form an important component of the City's economy, by contributing over \$129 m² which includes food processing, forestry, sheep, beef, dairy, poultry and pig farming, bee keeping, aquaculture and other horticulture activities. Other key industries in Latrobe City include power generation and distribution, manufacturing, retail, hospitality, aviation, education and health.

Latrobe City provides access to a skilled workforce, strong road and rail transport links, natural resources, established electricity infrastructure, locally based education institutions and affordable land prices.

Gippsland Region

The broader Gippsland Region is rich in natural resources, including forestry, highly fertile land for agriculture, relatively high rainfall, natural gas and brown coal. Gippsland's natural environment and climate are very conducive to natural resource based industries, in particular agriculture, forestry and energy production.

Gippsland is around 4.3 million ha in size. There are more than 6,500 farms in Gippsland, of which approximately 2,000 are dairy farms. Agribusiness drives the prosperity of the Gippsland region, contributing approximately \$6 billion per annum of Gippsland's \$13 billion gross regional product.⁶ Farms in Gippsland produced around \$1.5 billion worth of agricultural produce, and employed over 16,000 in 2010/11. Gippsland food is exported to national and international markets, particularly Asia.⁵ The top ten commodities produced in the region by value are milk; cattle and calves; vegetables; pastures and grasses; sheep and lambs; poultry; wool; eggs; fruit; and cereals for grains.³

Gippsland fast facts⁴

- Current population 269,790
- Projected population in 2041* 386,000
- Number of jobs currently within the region 89,386
- 67% of land in the Gippsland region is made up of state-owned forests, national parks and reserves, and native freehold forests
- Supply 60% of Melbourne's water needs
- 90% of Victoria's electricity generated in Gippsland in 2010



Latrobe City Council

Agricultural Competitiveness Green Paper Submission

- 97% of Victoria's natural gas extracted from Gippsland
- 14% of Australia's oil extracted from Gippsland**
- 25% of Victoria's beef produced in Gippsland
- 20% of Australia's milk produced in Gippsland
- 29% of Victoria's agricultural, forestry and fishing exports contributed by Gippsland
- 37% of Gippsland business involved in agriculture and fishing
- 15% of Gippsland business involved in agriculture and fishing processing operations

Horticulture

Gippsland is increasingly becoming the food bowl for Victoria, Gippsland supplies about 14 per cent of Victoria's fruit and vegetables.⁴ Gippsland is home to significant yoghurt and dairy food facility that continues to grow, in particular with Lion's yoghurt manufacturing facility in Morwell; a substantial vegetable processing industry that operates in east Gippsland; and a major area of potato production centred in Thorpdale in the West, are a few examples of success in the region. There are also a number of smaller organic, viticulture and smaller niche producers throughout the region.

Forestry

Our landscape features accessible forest resources and private plantations. The local industry comprises progressive sustainable practice involving softwood, value-added hardwood, and paper production. Australian Paper is one of the largest integrated paper manufacturing facilities in the southern hemisphere, located at the Maryvale Mill in Morwell. The long established complex is a continually expanding operation, which leads in the manufacture of high performance packaging supplies and office paper.

Dairy

Gippsland dairy manufacturers form a large processing sector within the region producing fresh milk, milk powder, butter, cheese and other products for domestic and export markets. Several specialty dairy businesses also exist in Gippsland producing a wide range of high quality cheeses and other value-added dairy products.

The dairy industry in Gippsland is the highest value agribusiness industry in the region. In 2006 it produced 30% of Victoria's milk production and 20% of Australia's dairy production, making it one of Australia's leading dairy regions. Milk production comprises about half the total value of Gippsland's agricultural commodities and earns an estimated farm gate value of \$624 million. (Dairy Australia, 2006).³

Sheep, beef and poultry farming

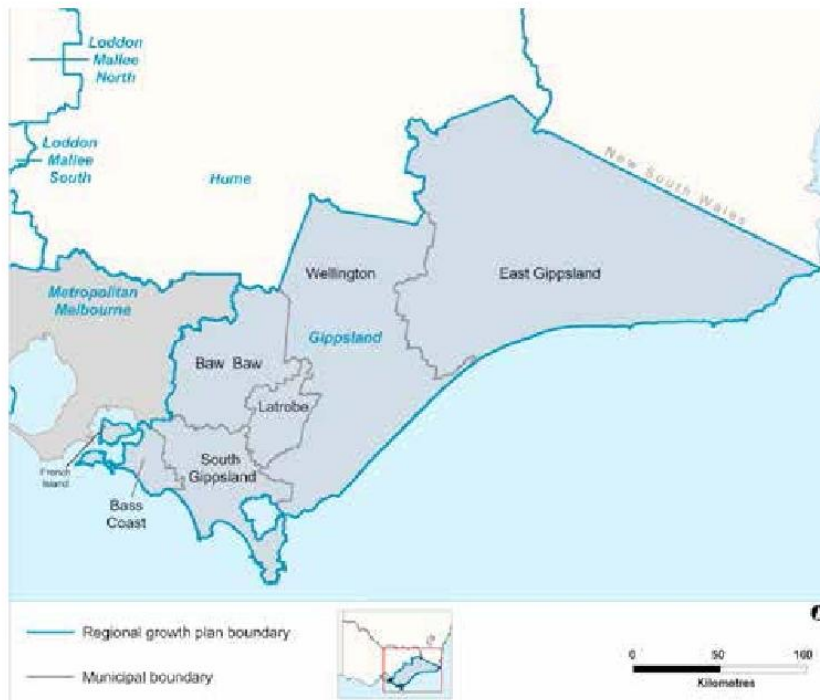
Gippsland has a significant grazing and meat processing industry based predominantly on beef, but also wool and prime lamb production. Gippsland produces 25% of the total value of Victorian beef production and a significant proportion of the high value beef products are exported. The total 2006/07 value of all meat and wool production was \$361 million and \$146 million respectively.³



Latrobe City Council

Agricultural Competitiveness Green Paper Submission

Map of Gippsland



Source: Gippsland Regional Growth Plan

References:

1. *Latrobe City Economic & Population Indicators 2014 Report*
2. *Latrobe City Economic Profile, REMPLAN 2014*
3. <http://www.depi.vic.gov.au/agriculture-and-food/food-and-fibre-industries/region-overviews/gippsland>
4. *Gippsland Regional Growth Plan*
5. *Gippsland Food Plan, Resource Document, March 2014*
6. *Agribusiness Gippsland Agricultural Competitiveness Issues Paper submission*



Latrobe City Council

Agricultural Competitiveness Green Paper Submission

Latrobe City Council Policy Context

Latrobe City Council has been proactive in planning and advocating with all levels of Government to support investment and to secure the long term economic prosperity and environmental sustainability of Latrobe City and broader Gippsland region. The following key documents overview Council's vision and objectives in these areas:

[Latrobe 2026: The Community Vision for Latrobe Valley](#)

The aim of the Community Vision is to identify the current strengths and issues that can be built upon or improved to achieve the Community Vision by 2026.

The Community Vision was generated after identifying three broad concepts shared by the Latrobe Valley community; Sustainability, Liveability and Leadership. The concepts are further broken down into nine objectives; Economy, Natural Environment, Built Environment, Our Community, Culture, Recreation, Governance, Advocacy and Partnerships, and, Regulation and Accountability.

[Council Plan 2013-2017](#)

Latrobe City Council on behalf of its community identified its vision and key themes which will shape the future of our City to 2017. The *Council Plan 2013-2017* builds on the Community Vision, recognising a range of local and nationally significant issues and emerging opportunities and provides its response to them.

The five key themes of the Council Plan are:

- *Job creation and economic sustainability.*
- *Appropriate, affordable and sustainable facilities, services and recreation.*
- *Efficient, effective and accountable governance.*
- *Advocacy for and consultation with our community.*
- *Planning for the future.*

[Economic Sustainability Strategy 2011-2015](#)

In 2011, Council delivered a revised *Economic Sustainability Strategy* that provides a framework for Council to identify actions that will consolidate Latrobe City's position as a major regional city and service centre for the Gippsland region and drive economic growth.

The Strategy focuses on:

- *Strategic Business Development - including retention and growth of existing businesses and pursuing new investment;*
- *Building the Investment Brand – promotion and further development of the Latrobe City brand;*
- *Creating an enabling business environment – strong leadership and clear direction, attractive policy setting, efficient and rigorous planning processes; access to skilled labour, high quality infrastructure and services, well managed natural resources, and a liveable city.*



Latrobe City Council

Agricultural Competitiveness Green Paper Submission

[Positioning Latrobe City for a Low Carbon Emission Future \(2010\)](#)

In 2010, Latrobe City developed a policy to deal with structural adjustment pressures that were likely to result from the introduction of a price on carbon and a changing Australian economy. Council's policy *Positioning Latrobe City for a Low Emission Carbon Future (2010)* was the first of its kind in Australia. This important policy set the scene for Council's proactive approach to creating economic growth and transitioning to a low carbon economy.

The core themes contained in the Policy are:

- *Pursuing and Realising Opportunities;*
- *Contingency Planning; and*
- *Working Together.*

[Securing Our Future 2013](#)

Securing our Future 2013 complements *Positioning Latrobe City for a Low Emission Carbon Future (2010)*, and represents Latrobe City Council's immediate asks from the Victorian and Australian Government, to assist the region create real and sustainable jobs. The jobs will stem from local projects, opportunities and initiatives that, if met, will ensure that the Latrobe City economy is able to proactively transform to a low carbon future.

The key directions contained within *Securing Our Future 2013* are:

- *Advocacy - government to government support and support for our community;*
- *A new resource - leveraging innovation and jobs from the brown coal asset;*
- *Economic development - infrastructure enabling job creation; and*
- *Liveability - Gippsland's regional city.*

[Natural Environment Sustainability Strategy 2014-2019](#)

The *Natural Environment Sustainability Strategy 2013 -2018* focuses on the sustainable management of the natural environment across Latrobe City for the next five years.

The themes contained within the Strategy are:

- Meeting statutory requirements;
- Building capacity to respond to change;
- Improving resource use efficiency; and
- Protecting natural assets.



LatrobeCity
a new energy

Latrobe City Council

Agricultural Competitiveness Green Paper Submission

[International Relations Plan 2011-2014](#)

The *International Relations Plan 2011-2014* focuses on engaging with Council's international community for the cultural and economic benefit of the City.

The objectives contained within the Plan are:

- Communication Activities;
- International Investment;
- Economic and Cultural Strengths;
- International Students;
- Community Involvement;
- Funding Opportunities;
- Sister Cities;
- Community Engagement.

[Latrobe Planning Scheme](#)

The Latrobe Planning Scheme outlines the framework for decisions about land use and development within Latrobe City. It also provides a framework for council and the community to highlight key issues such as environmental values and risks; landscape and built environment; heritage; housing; economic development; community development; open space; transport and infrastructure. These issues influence where we live, how we get to work, where we shop and what we do in our spare time.

Regional and State Policy Context

There has been significant regional and state planning in relation to many of the issues identified in this green paper, and references from these documents have been included throughout Council's submission. The key regional and state documents referenced include:

- Gippsland Regional Growth Plan
- Gippsland Regional Plan
- Gippsland Freight Strategy
- Victorian Freight and Logistics Plan
- Gippsland Food Plan



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Latrobe City Council is supportive of a policy which ensures a better return at the farm gate to ensure a sustainable and competitive agriculture sector. As a regional centre of Victoria, growth in the agricultural sector which leads to export growth, job creation and economic growth in the Gippsland Region are an import priority of Council.

Latrobe City Council has identified a range of Agricultural Competitiveness challenges and opportunities locally. Latrobe City Council therefore welcomes the opportunity to provide a submission to the *Agricultural Competitiveness Green Paper* and appreciates the commitment of the Australian Government to consult with both businesses and communities.

Council acknowledges the broad nature of this issue and has therefore focussed its submission on the key strategic issues which are affecting agribusiness and its competitiveness from a Gippsland regional perspective. Many areas of policy effect agriculture, including tax, education and training, foreign investment, environmental law and industrial relations, among others. Council's submission outlines support for an integrated policy approach from the Australian Government on the policies that impact agriculture, to ensure the sector is prepared for future challenges and opportunities.

Latrobe City Council is supportive of an integrated policy approach from the Australian Government. Council is conscious of the linkage between the *Emission Reduction Fund (ERF)/Carbon Farming Initiative (CFI)*, *Energy Green Paper* and the *Agricultural Competitiveness Green Paper*. The Australian Government sought feedback on the *Emission Reduction Fund*, to which Council made a submission in February 2014. On 24 November 2014, an amended Carbon Farming Initiative Amendment Bill 2014 was passed by the Parliament. The Bill will take effect once proclaimed. This will establish the Emissions Reduction Fund. Council also made a submission to the Australian Government's *Energy Green Paper*, in October 2014, and looks on with interest to the release of the *Energy White Paper* in 2015.

Technology advances, globalisation together with carbon emission reduction strategies and government policy changes present both challenges and opportunities for Latrobe City. Latrobe City Council is committed to strengthening our role as one of Victoria's four regional cities and Gippsland's commercial centre whilst ensuring quality education, health, community services and facilities are provided to our community.



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Agricultural Competitiveness Green Paper	Latrobe City Council Feedback
<p>1. Infrastructure</p>	
<p><i>Building efficient and cost- effective transport and communications infrastructure that will support the movement of farm inputs and outputs, reduce costs and open up new markets; and facilitating new or intensified agricultural production.</i></p>	
<p>Policy idea 1—Building new transport infrastructure: The Government is committed to working towards filling Australia's infrastructure gaps to meet the infrastructure needs of the 21st century. Some specific stakeholder suggestions included:</p> <ol style="list-style-type: none"> improving links between public and private freight lines and port infrastructure; investigating all-weather access rural roads that may increase productivity of interstate freight movement, including sealing a third east-west continental road through central Australia; identifying air freight hubs in regional Australia as potential opportunities to significantly reduce transport times to markets; and examining infrastructure for greenfield developments that may support growth in new areas and open up new opportunities for Australian farmers. 	<p>Council supports efforts for leveraging innovation and jobs through the export of Gippsland Agriculture produce. Improving the efficiency, reliability and service levels of the region's transport network to provide access to markets, services and employment will be a key challenge for the region moving forward.</p> <p>The Gippsland Regional Growth Plan states, 'The Gippsland region's access to markets is largely dependent on its linkages to Melbourne and transport hubs such as the Port of Melbourne and Melbourne Airport. Road and rail improvements that facilitate increased freight access to Melbourne's distribution and export hubs will enhance the competitiveness of Gippsland's agricultural and manufacturing sectors, while the expansion of the Port of Hastings as an export facility will open up further opportunities for economic growth.' And 'While Gippsland has a functional transport network consisting of highways and the Bairnsdale railway corridor, the network will be under pressure in the years ahead with population and economic growth. Communities across the region will need reliable and efficient access to regional services such as hospitals and tertiary education. Industries based on agriculture and coal products will need improved access to Melbourne and export markets with links to ports. It will be important to ensure Gippsland's transport network keeps pace with growing passenger numbers and changes in the freight task. Sound transport and communication links to Melbourne and its airports, with interstate and international connections, will be needed as Gippsland's knowledge and service industries grow.'</p> <p>Reliable and cost effective transport is essential to enable export growth of Gippsland agricultural products to international markets. Transport infrastructure is the key to ensuring growth in this area and to attract long term investment in the Gippsland Region. Rail and Road connectivity</p>



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between Gippsland and the Ports is of vital importance.

Council continues to advocate for the development of the Gippsland Logistics Precinct. The precinct would be the centre for efficient and cost effective movement of freight to and from Gippsland. The transfer of shipping containers and bulk freight from road to rail would contribute to relieving road congestion in Melbourne, as well as lowering carbon emissions.

The development of the Port of Hastings is also a key priority for the entire Gippsland region, as expressed in many Latrobe City, and broader Gippsland and State Government strategic documents.

Connectivity to the Port of Hastings is a key infrastructure gap that is negatively effecting long term investment decisions in the Gippsland Region. *Securing our Future 2013* outlines key infrastructure requirements to support the access to key export gateways. Rail connectivity between Gippsland and the Port of Hastings is a vital infrastructure requirement that would allow the cost-effective export of products.

Congestion in the Dandenong rail corridor restricts rail freight access to Melbourne; this infrastructure issue could potentially affect the competitiveness of businesses efficiently and effectively getting their products to the International market, including access to the Port of Melbourne, Port of Hastings and Port of Geelong. A number of infrastructure improvements could be made to allow for future growth.

The Gippsland Freight Strategy suggests the following road and rail improvement actions (Action 9 and Action 12):

- *Improve the capacity of the Bairnsdale- Melbourne rail line to capture opportunities to grow freight on rail;*
- *Advocate for increase in rail capacity along the Dandenong Rail corridor to improve freight services to and from Gippsland;*
- *Duplicate remaining single track sections of the*



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rail between Pakenham and Moe;

- *Given its critical importance in linking to export markets, include the Melbourne-Bairnsdale rail line on the National Network;*
- *Develop a plan for rail freight access from Gippsland to the Port of Hastings.*

The Gippsland Freight Infrastructure Masterplan includes the following strategic road and rail priorities:

- *Identify and protect all rail and road access easements within the Port of Hastings precinct;*
- *Planning for new railway lines from central Melbourne and Gippsland to Lyndhurst and Hasting;*

Council supports the strategies and actions outlined in the *Victorian Freight and Logistics Plan* and the long term metropolitan freight network vision, which includes:

- *preserving a corridor for appropriate rail connections to the Port of Hastings, including consideration of a potential direct connection to Gippsland;*

The Victorian Freight and Logistics Plan also identifies air freight and states, '*Avalon Airport has developed as Melbourne's second major international airport, complementing Melbourne Airport. Although air freight is still handled at both locations, Avalon's potential as the preferred gateway for dedicated freight services is emerging due to its excellent land transport connections, land availability and accessibility for high value regional produce exports to the Asian markets. An appropriate site for a new airport to serve south-east Melbourne and Gippsland has also been identified and required planning protections for its development are in place.*'

Latrobe Regional Airport is one of Victoria's premier regional airports, and is owned and operated by Latrobe City Council. The Latrobe Regional Airport has the potential to be an airfreight hub located in the centre of Gippsland. The airport is home to a commercial-industrial precinct offering 40 serviced allotments with direct taxiway access to the main runway. It provides opportunities for new businesses



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	<p>looking for a regional operation close to Melbourne. The continued development and growth of Latrobe Regional Airport will create further opportunities for aviation-related businesses to establish and expand. A regional airport in Gippsland could also decrease congestion through Melbourne, as well as allow for fast processing, and support growth, of high value agricultural exports from the Gippsland Region.</p>
<p>Policy idea 2—Improving existing infrastructure and transport regulation: The Government is committed to upgrading existing infrastructure across Australia and reducing transport costs. To address these needs, stakeholders have suggested that mechanisms are required to incorporate information on local infrastructure needs and bottlenecks into infrastructure planning and funding decisions. Options are also sought on areas where transport regulation can be amended or removed to improve the efficiency of the transport system and reduce business costs. For example, the Government is considering reform of coastal shipping regulations to reduce costs faced by producers.</p>	<p>As discussed in policy idea 1, reliable and cost effective transport are essential to enable export growth of Gippsland agricultural products to international markets. Transport infrastructure is the key to ensuring growth, and to attract long term investment in the Gippsland Region. Rail and Road connectivity between Gippsland and export Ports is of vital importance.</p> <p>It is therefore vitally important to plan for investment in both existing, as well as, new infrastructure to ensure reliable transport infrastructure.</p> <p>The <i>Victorian Freight and Logistics Plan</i> outlines the Victorian Governments plan in respect to rail freight:</p> <ul style="list-style-type: none"> • <i>support annual maintenance and renewal works on Victoria's rail freight network;</i> • <i>continue support for the Mode Shift Incentive Scheme (MSIS), subject to regular evaluation;</i> • <i>work with industry and network managers to:</i> <ul style="list-style-type: none"> ○ <i>identify and action initiatives to simplify arrangements for network access and regulatory compliance;</i> ○ <i>identify and action initiatives to improve the efficiency of intermodal operations at ports;</i> ○ <i>establish a 'rail freight facilitation unit' and improved arrangements for consultation with rail freight operators and customers on the planning and management of rail freight operations.</i> <p>The <i>Gippsland Regional Growth Plan</i>, also identified this as a key issue, 'Deliver timely and accessible infrastructure to meet regional needs for transport, utilities and community facilities.' And 'Support road, rail and port improvements across Gippsland and beyond, particularly to markets and employment.'</p>



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Policy idea 3—Enhancing communications:

The Government is committed to ensuring that farmers and regional communities have access to reliable and affordable communications systems. Views are sought on areas of focus for future government and commercial investment in communications infrastructure and options to assist farmers and regional communities to use the communications infrastructure currently being deployed.

Council supports regional communities having access to reliable and affordable communication systems.

The Gippsland Regional Growth Plan has identified this as a key issue, 'Deliver timely and accessible infrastructure to meet regional needs for transport, utilities and community facilities.' And 'Work with utility and service agencies to optimise access to gas, electricity, drainage, water, sewerage and telecommunications and cater for a growing population and economy across the region.'

The National Broadband Network (NBN) is an important project to upgrade the existing fixed line phone and internet network infrastructure. The ongoing NBN rollout will ensure homes and businesses in Latrobe City can access internet speeds people in the city take for granted. It is essential for farmers and regional communities to transition to a digital future. Fast broadband has the potential to fuel growth and drive improvements to local economies, businesses and homes, bringing new opportunities.

Council is supportive of this policy idea, in particular fixing communication blackspots in Gippsland. The Federal Government recently held forums in Gippsland, including one in Traralgon. The Government has allocated \$100 million to fix mobile phone blackspots, and Latrobe City advocates for part of this allocation to be spent in Gippsland. Communication blackspots are a key issue for rural communities, including farmers, who need to operate their businesses efficiently. Other issues associated with blackspots include safety, particularly during natural disasters like bushfires and floods.



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2. Working with States and Territories

To deliver improved outcomes for Australian agriculture, including by tackling deregulation through the Council of Australian Governments (COAG) agenda.

Policy idea 4—State government

deregulation: Deregulation is a priority for COAG, with governments already looking at ways to reduce red tape and duplication and improve the performance of regulators. Stakeholders suggested some ideas for deregulation including:

- a) removing excessive native vegetation laws;
- b) removing excessive work health and safety requirements; and
- c) improving the efficiency of the native title system.

Council supports creating an enabling business environment, as outlined in Council's *Economic Sustainability Strategy*. Creating a business environment that is attractive to existing and new business owners and investors is a key focus of Latrobe City Council.

The *Strategy* outlines Council's role to *create an enabling business environment including:*

- *strong leadership and clear direction;*
- *attractive policy setting;*
- *efficient and rigorous planning processes;*
- *access to skilled labour;*
- *high quality infrastructure and services;*
- *well managed natural resources, and*
- *a liveable city.*

Latrobe City Council's *Natural Environment Sustainability Strategy* outlines how Council will fulfil our regulatory responsibilities under the *Planning and Environment Act 1987* and meeting the environmental requirements of state and federal legislation. 'Council will do this by providing advice on meeting the requirements of the Latrobe Planning Scheme, assessing plans and permit applications, conducting site visits, auditing forestry coupes and prosecuting people for the illegal clearing of native vegetation. We will also work to meet our legal obligations as a land owner, for the protection of land and water and the management of invasive species; this includes treating weeds on Council land to make sure they do not spread.'

Council encourages the Australian Government to ensure that the appropriate regulatory framework is developed and appropriately regulated to ensure community safety and environmental management is achieved, while not hampering economic growth.

Council note the additional financial burden of excessive native vegetation laws, reducing efficiency and increasing the costs of key projects in the region.



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Policy idea 5—Protecting the resource base:

A strong agriculture sector requires the natural resource base to be maintained for future generations. Stakeholders made a number of suggestions for the States and Territories, including:

- a) limiting the adverse impacts of mining on the agriculture sector, including by providing a royalty stream for land holders affected by mining, ensuring that access to freehold land is granted with the agreement of the landowner and ensuring that no long-term damage is done to aquifers so as to change the agricultural capacity of the district as a result of extraction activities;
- b) providing opportunities for farmers to convert leasehold land into freehold;
- c) ensuring greater consistency in biosecurity regulations between Australian jurisdictions; and
- d) quarantining prime agricultural land from mining.

Council acknowledges the important role the agriculture sector plays in the regional economy, and that the protection of the resource base is a key issue.

Latrobe City is rich in natural resources, including forests, fertile land for agriculture, water and one of the world's largest deposits of lignite (brown coal). The Latrobe Valley, with its temperate climate, reliable rainfall and rich fertile soils supports a vibrant agricultural industry.

These natural resources have led to a diverse industry base including; coal mining and electricity generation/distribution and associated industries; timber, forestry and paper production; and agriculture, dairy and food processing. Council is supportive of all of these industry sectors, as it believes they are all important components of the Latrobe City and broader Gippsland economy. Council believes it is important that land is allocated for both mining and agricultural activities, to ensure they can co-exist effectively.

Council acknowledges the need to ensure that adverse impacts of mining on the agriculture sector need to be appropriately managed to ensure no long-term damage is done to the natural environment.

Mining licenses and regulation is governed under state legislation. The role of local government is limited to participation in Environmental Effects Statement (ESS) processes, planning permits and advocating for local communities. It is also crucial that there is an ongoing community engagement and awareness program in order to adequately engage our community on this issue. Council supports the State Government review of mining licences to consider impacts on long held licences on farm land, noting the effect on future investment decisions due to uncertainty of tenure over affected farm land. Council also notes that the negative impact of mining licences on farm land values.

Council also advocates for the progressive and final rehabilitation or reclamation of disused sections of coal mines. Surface coal mining, like what occurs in



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the Latrobe Valley, removes existing vegetation and alters the land uses. One key driver of rehabilitation is the recent Hazelwood Mine Fire, which took place within our municipality and affected our local community. Following the fire, the *Hazelwood Mine Fire Enquiry* was undertaken, which discussed the issue of rehabilitation and reclamation to manage the risk of fire at coal mines. Another key issue is the fact that coal mining activities and agricultural activities are often competing for the same fertile land, this suggests that reactivating used coal mines for agricultural purposes is an economic, environmental and social way of addressing the issue of mine rehabilitation into the future.

Latrobe City Council recognises the key economic role large industries play in the community of Latrobe City. Large employers that have a demonstrated history of investment are integral to the overall economic output of Latrobe City and wider Gippsland region.

The Gippsland Regional Growth Plan identifies this as a key issue, *'Support the implementation of state policy protecting the identified areas of strategic significance (agriculture and forestry) and irrigation assets to help grow Gippsland and the state as an important food bowl for Australia and Asia'. And 'Ensure rural housing and subdivision is for an agricultural or forestry purpose, and critically assesses other proposals for non-agriculture uses within the areas of strategic significance (agriculture and forestry) for their comparative economic, social and environmental benefits.'* And, *'Strengthen economic resilience by growing a more diverse economy that is supported by new investment, innovation and value-adding in traditional strengths'* and *'Advance productive and innovative agriculture, forestry and fisheries sectors with a focus on export markets and local food processing.'*

The Gippsland Regional Growth Plan also states, *'The region is currently investigating opportunities for new investment and value-adding in this sector through the Gippsland Food Plan supported by the Regional Development Australia Gippsland Committee. Gippsland's food manufacturing industry*



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	<p><i>relies on a consistent supply of quality product to ensure operations can run at optimum capacity. Protecting and maintaining Gippsland's strategic and productive agricultural land is therefore essential for the continued growth of the food manufacturing sector.'</i></p> <p>Council has identified this issue as part of the current review of the Latrobe Planning Scheme which states, <i>'There is little in the Local Planning Policy Framework about agriculture and farming activities. However, it does acknowledge pressure for rural residential development and it states that high value rural land and natural resources need to be protected. The identified strategies to protect high quality agricultural land include encouraging "high quality agricultural land to be used primarily for farming purposes"'. And 'There is uncertainty around the application of the coal provisions because the provisions have been awaiting review by the state government for some time. Furthermore, Coal Resources Victoria (formerly Clean Coal Victoria) is preparing a Strategic Plan for Coal project that may also lead to changes to the existing coal provisions. A clear rural/agriculture strategy is needed as there is good quality soil in the city and Council should not be using high quality agricultural land for residential use. The 1984 Swan/Vollum study remains the most relevant background document.'</i> And <i>'Department Transport Planning and Local Infrastructure is doing a state-wide strategy on the importance of agriculture to regions and this might lead to a planning control on High Quality Agricultural land such as has been used at Baw Baw; East Gippsland and Mildura.'</i></p>
<p>Policy idea 6—Strengthening farm businesses: There are a number of State and Territory policy changes that could be made to allow farm businesses to operate more effectively. These include:</p> <ol style="list-style-type: none"> implementing a nationally consistent and mandatory approach to farm debt mediation; subsidising farm energy audits; streamlining development application processes by assigning a single 	<p>Council is supportive of state and federal government policy changes that support farm businesses to be more profitable and productive. An overview of what Council is currently doing is provided in Council's response to policy idea 12.</p> <p>Council also has strategies in place which are supportive of these concepts. Council's is supportive of subsidising farm energy audits, the <i>Natural Environment Sustainability Strategy</i> states, <i>'We will also provide targeted environmental information and environmental recovery programs following natural</i></p>



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- government official to assist a farm business as they work through the different steps;
- d) enforcing animal welfare legislation and strengthening laws to stop trespass on farms; and
 - e) adopting the Co-operatives National Law to make it easier to run a cooperative across different states.

disasters, keep informed by publishing a State of Environment report for the Latrobe City Council area, and running education programs for schools, businesses and households to enable them to improve their energy efficiency and reduce their environmental impacts.'

Council encourages changes to policy to ensure animal welfare legislation is enforced for all animals and strengthening laws to stop trespass on farms. Local Government has long been the level of government primarily responsible for domestic animal management, in accordance with section 68A of the *Domestic Animal Act 1994*. Council's *Domestic Animal Management Plan*, states 'Promote the Bureau of Animal Welfare's Responsible Pet Ownership programs.'

Streamlining development applications to assist a farm business is also seen as important in order to make it easy for business to invest, adapt and grow. Council's *Economic Sustainability Strategy* states, 'Creating an enabling business environment: Latrobe City Council intends to be at the forefront of delivery of planning permit assessments and visionary strategic land use planning.'

Council have developed a Planning Guide for Business, which outlines the planning permit process, and the course to be followed when applying for planning permits for a business or industrial activity in Latrobe City. It is designed to assist prospective or existing businesses when applying for a planning permit.



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3. Competition and regulation

Giving farmers the best chance to earn a fair return on investment by ensuring fairness and transparency in the supply chain; and making sure that unnecessary red and green tape is removed and that necessary regulation creates the least possible costs for business and individuals.

Policy idea 7 — Improving market competition:

The Government aims to facilitate and support a regulatory environment that allows agricultural markets to operate efficiently and transparently to support competition. Many stakeholders argued that there was a lack of transparency and certainty in the price of agricultural products and that this had led to difficulties in planning or investing. Stakeholders also argued that producers had been unfairly dealt with by other players in the supply chain. Stakeholders suggested that the Government:

- a) introduce options to increase price transparency throughout the domestic supply chain;
- b) introduce new marketing mechanisms that might restore balance of power to the producer; and
- c) facilitate greater use of cooperative structures.

Council has no policy position relating to policy idea 7, however is supportive of improving market competition in general.

Policy idea 8—Strengthening competition laws:

The Government is committed to ensuring that competition laws in Australia provide a sound basis for ensuring firms act in a competitive manner. Current competition laws generally seek to prevent the misuse of market power and allow for collective bargaining (including by farmers) in certain circumstances, to negotiate better deals. The Government's Competition Policy Review is examining these issues and the Review Panel released its draft report on 22 September 2014. Stakeholders consulted as part of the Agricultural Competitiveness White Paper

Council has no policy position on policy idea 8, however it is supportive of changes that would assist in improving our regional economy.



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suggested improvements to competition laws, such as making it easier to prove that market participants had misused market power (strengthening s46). They also raised other issues including divestiture, exclusive dealing (s47), powers to obtain information, documents and evidence (s155), the unconscionable conduct provisions of the Competition and Consumer Act (CCA), and whether there are barriers to the emergence of major Australian agribusiness companies ('national champions') of global scale for exporting to international markets. Specific changes suggested include:

- a) revisions to the CCA to make it easier to prove breaches of market power provisions; introduce a flexible anti-competitive 'effects test' in the misuse of power provisions; and increase penalties for breach of the CCA including a general divestiture power enabling courts to break up a business that repeatedly breaches the CCA;
- b) reviewing competition laws to consider whether there are any barriers to greater consolidation among agribusiness firms;
- c) increasing the resources of the ACCC, including specialist agribusiness knowledge, and requiring the ACCC to publish more information on investigations and their outcomes; and
- d) creation of a supermarket ombudsman with penalty powers and a mandatory code of conduct for supermarkets (across all commodities) backed by direct financial penalties. The Government will consider views on these issues in the context of responding to the Competition Policy Review.



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Policy idea 9 – Improved regulation:

The Government is committed to making sure that unnecessary red and green tape is removed, and that necessary regulation is effective but imposes the least possible costs for business and individuals.

Stakeholder suggestions included:

- a. changes to the regulation of AgVet chemicals, such as through relying on the advice of trusted foreign regulators and allowing the Minister to issue temporary permits for chemicals; and
- b. improvements to Country of Origin Labelling to ensure that consumers clearly understand the origin of their food.

Australia's reputation as a supplier of safe and high-quality food is supported by appropriate legislation and regulation being in place.

Council encourages the Australian Government to ensure that the appropriate regulatory framework is developed and appropriately regulated to achieve efficient outcomes that ensure community safety and environmental management is achieved, while not hampering farmers with unnecessary regulative and legislative processes.



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4. Finance, business structures and taxation

Improving access to finance; providing access to reliable independent business information and advice; and ensuring that the tax system appropriately encourages investment.

Policy idea 10—Improving access to finance:

The Government wants effective finance mechanisms to provide farmers with the capital they need to grow. Stakeholders suggested a number of options for assisting Australian farmers to better meet their financing requirements including:

- a) making the existing concessional loans scheme permanent; and
- b) creating incentives to encourage greater institutional investment in agriculture. Options could include creating superannuation products that exchange cash for partial equity in farms and the issuing of special Government bonds to finance agricultural infrastructure investments, with taxation concessions for investors.

Council has no policy position on policy idea 10, however is supportive of changes that would create an economy and environment that provides certainty, creates efficient outcomes and boots investment and employment opportunities.

Policy idea 11—Improving tax system efficiency and equity:

It is important that Australian farmers are subject to fair taxation arrangements that recognise the unique circumstances of farming. In general, taxation policy changes should be considered in the context of the Government's Tax White Paper. However, specific policy changes that relate only to the agriculture sector could be considered in the Agricultural Competitiveness White Paper.

Suggestions include:

- a) revising the non-commercial loss rules to encourage investment, by removing the \$250,000 maximum income threshold or raising it to \$1 million, increasing access to the primary producer exception to the non-commercial loss rules by raising the income threshold;

Council has no policy position on policy idea 11, however is supportive of these proposals in general terms, as they have the potential to create employment opportunities.



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- b) increasing thresholds and extending eligibility for the Farm Management Deposits Scheme (FMDs)—for example by increasing the deposit limit for FMDs to \$1 million—raising the off-farm income threshold, extending access to FMDs to companies and trusts and re-establishing early access provisions in times of drought;
- c) reducing the complexity of depreciation for farm plant and equipment by changing the effective life schedules for farm plant and equipment, which would result in a positive effect on productivity;
- d) realigning the Zone Tax Offset scheme to be representative of the true cost of isolation from publicly funded amenities such as health and education services and public transport;
- e) allowing farmers to trade tax losses to non-farm businesses, such as banks, to assist farm cash-flow in low-income years;
- f) allowing farmers to opt back in to the income tax averaging provisions after a period of time to recognise changing circumstances; and
- g) reducing and better targeting the rebate of the Wine Equalisation Tax.

Policy idea 12—Farm business improvement:

Farm businesses need to consider the most appropriate business structure for their circumstances, and access business information and rural services that allow them to operate at their best. To promote more competitive farm businesses with better support for farmers, stakeholders suggested:

- a) establishing a programme offering independent business advice and assistance to farmers to improve decision-making and performance;

Gippsland is home to more than 6,500 farms which produce approximately \$1.5 billion worth of agricultural produce. Agriculture and fishing make up 37% of Gippsland businesses and it is fundamental that they are operating as effectively and efficiently as possible.

Latrobe City Council is supportive of any activities which ensure farm business have access to information and services to support this objective. Council is already working towards this through the provision of support and resources to all businesses including:



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- b) expanding the role of Rural Financial Counselling Service to assist 'at risk' businesses, promote learning and extension activities and provide links with mental health support services; and
- c) establishing a programme to encourage collaboration between agricultural businesses by providing a networking service to bring interested parties together.

Guides and information from government and private industry sources to help those who would like to start and/or improve their business:

- Small Business Commissioner guide;
- Planning to Succeed Business Planning Guide;
- Guide for home-based business operators;
- Tax basics for small business guide;
- Starting your business a short guide for new starters.

Council have also developed guides and provide advice and support services to businesses;

- Small Business Toolkit;
- Planning Guide for Business;
- Food Businesses advice and support;
- Small Business Mentoring Service.

Council also provides information to businesses on how they can assess other relevant services including:

- Victorian Small Business Commissioner;
- Grants and Funding;
- Tax Assistance.

Latrobe City Council has recently provided support to Agribusiness Gippsland and the Small Business Mentoring Service in their application to the Australian Government for funding of the Small Agribusiness Mentoring Program.

Latrobe City Council recognises the contribution to the regional economy of agribusiness with businesses in Latrobe City providing agribusiness services to the surrounding agricultural areas as well as those located within the municipal boundaries. The agribusiness sector is a valuable part of Latrobe City's diverse economy and Latrobe City Council welcomes this project to facilitate sustainability and growth of small agribusinesses.

Latrobe City supports small business in range of ways including access to mentoring provided by the Small Business Mentoring Service. Latrobe City additionally provides access to venues through this project for workshops and mentoring sessions. Any initiatives that provide the farming sector with improved advice and support is welcomed by Latrobe City Council.



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5. Foreign investment

Encouraging responsible foreign investment to build new production capacity; and ensuring the foreign investment regulatory framework takes into account the needs of the agriculture sector.

Policy idea 13—Improving the transparency of foreign investment:

Expanding the coverage of the register of foreign ownership of agricultural land to water and agribusiness enterprises would improve transparency and allow for a more informed debate about foreign ownership.

Council is supportive of this policy idea and would like to see a comprehensive approach to identifying agricultural land nationally with a focus on supporting and protecting Australian investment and ownership of large farms. This would ensure food and water security, as well as, ensuring economic benefits of growth in this sector are realised in our local communities into the future. Council also notes it is worth recognising the small land holders which make an agricultural contribution.

The Gippsland Food Plan discusses this key issue, *'Australian food production resources are an increasingly attractive foreign investment, particularly countries that have food security challenges.'*



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6. Education, skills and training, and labour

Ensuring agriculture is well covered in our education system; making education more accessible for children in remote areas; increasing skills of new and existing workers; enabling access to a flexible workforce; and attracting new entrants into agriculture.

Policy idea 14—Strengthening agricultural education:

Young people, including those in rural and remote Australia, should have access to a comprehensive education. This should include a clear pathway for agricultural education and training from high school to tertiary level, to training opportunities for lifelong learning for those in the industry. Stakeholders frequently raised the difficulties faced by young farmers in getting a foothold in the industry, due to lack of clarity about career options and growth possibilities and high capital costs. Options include:

- a) working with States and Territories to ensure agricultural high schools and colleges have the resources to continue to specialise in agriculture in the future;
- b) establishing a young farmers' mentoring and networking programme to help new entrants, including offering clear advice and information on education pathways for agricultural careers;
- c) increasing financial support for regional education by extending the Assistance for Isolated Children (AIC) allowance and providing living away from home allowances for students from remote areas studying tertiary agriculture; and
- d) creating national agricultural tertiary centres of excellence in regional areas for education, training, research and extension.

The *Council Plan 2013-2017* outlines Council's support for ensuring the long term job security and creation of new employment opportunities in Latrobe City. This is complemented by Council's *Economic Sustainability Strategy* further outlines the need for access to skilled labour and targeted education and training to increase Latrobe City's competitive advantage, workforce participation and productivity.

Council's *Economic Sustainability Strategy* specifically discusses the need for access to skilled labour and the need for targeted education and training to increase Latrobe City's competitive advantage, workforce participation and productivity. The *Strategy* outlines Council's support for the Skilling the Valley initiative which, aims to identify future industry and employment opportunities and to develop new skills in the Latrobe Valley. The initiative specifically focuses on; Strong Foundations for Gippsland; State of the Valley Report; Preparing for the Future; Worker Engagement; and Skilling the Valley Project Officers.

Council advocate for a commitment from the Government to invest in industry planning, job creation and skills enhancement opportunities in Latrobe City. Responding to industry opportunities and challenges will require ongoing education and training to match the workforce needs of future operating environments and emerging industries across the agriculture value chain including processing, distribution and marketing. Skills are essential to ensuring we continue to make advancements in the agriculture industry.

The *Gippsland Food Plan* discusses this key issue, 'The food system requires a diverse and adaptable workforce including reliable semi-skilled labour, highly trained technicians supporting automated manufacturing machinery and dynamic networked management providing industry leadership.'



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The *Gippsland Food Plan Priority 3. Innovation and adaption to change*, outlines the following action:

3.7 Knowledge, skill and workforce development:

Research and Development. Encourage research and development relevant to the needs of the Gippsland food system, the development of best practice based on acquired knowledge of market related expertise.

3.8 Knowledge, skill and workforce development:

Sharing knowledge. Foster mechanisms that promote the sharing of knowledge and innovative practices and the uptake of new technologies and systems by entities within the Gippsland food system.

3.9 Knowledge, skill and workforce development:

Promote training needs. Support the identification of the knowledge and skills requirement of the Gippsland food system and the development of appropriate education and training programs. Promote opportunities for participation in education and training to participants in the Gippsland food system.

3.10 Knowledge, skill and workforce development:

Promote employment opportunities. Support the workforce development needs of the Gippsland food system and promote the range and diversity of employment opportunities.

The *Gippsland Regional Plan* identifies an opportunity for establishment of a Centre of Excellence for Sustainable Technologies (CEST) in the region and Latrobe City Council supports this proposal. The Centre, which would be located at the regional university, would work to ensure that the region's current reliance on its extensive natural resources (timber, biodiversity, water, agriculture and fishing) can continue, enabling Gippsland to diversify its economy base. The Centre would focus on education, research and industry integration to assist the transition to new technologies now and well into the future. Due to changing priorities of government, this project has not yet been realised. Council continues to support this project as it understands the importance of local research and development and of the benefits the Centre would bring to the region.



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Policy idea 15—Strengthening labour availability:

While the Government is strongly focused on strengthening the domestic labour market and creating jobs for Australians, visa programmes can be an important means of supplementing domestic labour supply for the agriculture sector.

Stakeholders emphasised the importance of labour market flexibility and the ability to access labour when needed, and recommended broadening the scope of existing visa schemes. Options to improve the flexibility and reduce the compliance burden of existing visa programmes include:

- a) expanding the Working Holiday Maker (417) visa by increasing the qualifying age, expanding the country coverage and allowing a second application;
- b) broadening the skill coverage of the Temporary Work (Skilled) visa (subclass 457);
- c) expanding the Seasonal Worker Program to all agricultural industries;
- d) streamlining visa application processes to reduce administrative burdens (i.e. shorter application
- e) waiting periods, less onerous superannuation requirements and automatic provision of tax file numbers); and
- f) providing clearer pathways to residency for visa holders in farm management.

As discussed in policy idea 14, Council is supportive of ensuring the long term job security and creation of new employment opportunities for the Latrobe City community.

The unemployment rate and high number of low income earners has resulted in a high level of disadvantage within the Latrobe City community, with Council ranking as one of the most disadvantaged LGA's in Victoria, and Australia. Therefore creating jobs for our community is a key priority of Council.

Council advocate for a commitment from the Government to invest in industry planning, job creation and skills enhancement opportunities in Latrobe City, to ensure our local workforce are skilled appropriately.

Council's *Economic Sustainability Strategy* further outlines the need for access to skilled labour and targeted education and training to increase Latrobe City's competitive advantage, workforce participation and productivity.



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7. Drought

Building resilience and risk management capability; and providing appropriate support to farm families and otherwise viable farm businesses suffering severe droughts.

Policy idea 16—Increasing drought preparedness:

While a strong and profitable farm business is the best way to prepare for and manage drought, there were a number of specific options that were suggested to improve preparedness:

- a) introducing accelerated depreciation—for example, at 100 per cent in the first year—for new water and fodder infrastructure;
- b) encouraging multi-peril crop insurance by providing a grant to reduce the cost of the risk assessment process for commercial insurance products or the States and Territories removing stamp duty on insurance products; and
- c) improving climate information through better tools for use by farmers and additional weather stations.

Council has no policy position on policy idea 16, however it is supportive of changes that would support farmers to prepare and manage all types of natural disasters, including drought.

Policy idea 17—In drought support:

There are community expectations of a role for government in providing appropriate support to farm families and otherwise viable farm businesses suffering severe droughts. Options include:

- a) additional mental health support in times of drought; and
- b) provision of additional assistance for prolonged and severe drought that is beyond any capacity of farmers to prepare for, such as a one in 75-year drought.

Council has no policy position on policy idea 17, however it acknowledges the broad impact that drought and other natural disasters have on the farming community and is supportive of these policy ideas.



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8. Water and natural resource management

Identifying and building the water infrastructure needed for Australia's future water supply needs; ensuring sustainable and productive use of natural resources for economic growth and development; improving our knowledge of sustainable resources use; and managing weeds and pests.

Policy idea 18—Improving water infrastructure and markets:

Developing our water infrastructure and improving the efficiency of water trading markets are integral to the competitiveness of Australia's irrigation industries. Stakeholders suggested some ideas to improve water infrastructure, markets and administration. These included:

- a) investment in new dam and infrastructure projects and opportunities to improve water-use efficiency or increase the amount of water available to agriculture through infrastructure projects;
- b) providing a 50 per cent per year deduction over three years for investment in on-farm water reticulation infrastructure; and
- c) improving the functioning and flexibility of water trading markets, such as through countercyclical temporary trade of environmental water by the Commonwealth Environmental Water Holder and regulating trading of water by speculators.

The Gippsland Regional Plan states, 'As with other industries, climate change will impact on the region's agriculture. As many of the region's water reserves will remain viable while those of neighbouring regions may be drying up, new agricultural opportunities may arise. It is possible that Gippsland may further develop market gardening and be targeted as a suitable place for plantations for carbon credits. Carbon pricing and fuel prices will be long term, significant challenges for this sector. In both respects, detailed consideration should be given to rail for this sector's export task.'

Council is supportive of initiatives that encourage resilience and long term sustainability.

Policy idea 19—Natural resource management initiatives:

Environmental legislation provides important protections for our natural assets. However, regulation needs to appropriately recognise the interests of rural landowners. Ideas included:

- a) amending the *Environmental Protection and Biodiversity Conservation (EPBC) Act 1999* to remove onerous on-farm conditions and provide right of way to national transport and infrastructure goals; and

Council's *Natural Environment Sustainability Strategy* outlines that the natural environment is in a state of constant change, subject to the influences of a full suite of social, economic and environmental processes. Trends in land use, demographics, economy and climate all have implications for the natural environment.

In addition, the frequency and intensity of heavy rainfall events is likely to increase as the climate continues to warm. Intense rainfall events increase the risk of severe flooding with impacts for infrastructure, such as road washouts, biodiversity



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b) promoting more targeted approaches to pest and disease management and control.

and agriculture, such as damage to soil, crops, livestock, loss of native flora and fauna and increased pressure from competitors, predators, disease and parasites.

The Gippsland Regional Plan states, 'Invasive plants and animals cause significant problems to our natural environment, agriculture industries and amenities in the Gippsland Region.'

Council is supportive of improving the management of pest and disease management and control. Council is supporting this action, as outlined in the *Natural Environment Sustainability Strategy*, 'Work cooperatively to control and reduce the spread of weeds on Council rural roadsides and other Council-managed land.'



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9. Research, development and extension

Boosting productivity through strategic and coordinated research and development; and making sure that farmers can apply the latest innovations through ensuring effective extension of new knowledge and technology.

Policy idea 20—Strengthening the RD&E system: Collaboration, cross-sector and transformational research and extension have been identified as current gaps in Australia's RD&E system. The Government is interested in ways to promote better rural RD&E coordination, reduce duplication, and facilitate the development of private markets in extension services.

Options include:

- a) updating the rural RD&E priorities to better align with community needs;
- b) establishing a new body, or tasking existing research bodies, to coordinate cross-sector research;
- c) enhancing access to the R&D Tax Incentive;
- d) promoting the development of extension services;
- e) decentralising Government agricultural research functions (such as RDCs and agencies of the Department of Agriculture) to regional areas, as appropriate; and
- f) regular five-yearly assessments of the RD&E system.

Council has identified research and development as a key opportunity to better utilise the extensive natural resources located in Gippsland.

As per policy idea 14, The *Gippsland Regional Plan* identifies an opportunity for establishment of a Centre of Excellence for Sustainable Technologies (CEST) in the region and Latrobe City Council supports this proposal. The Centre would focus on education, research and industry integration to assist the transition to new technologies now and well into the future. Council continues to support this project as it understands the importance of local research and development and of the benefits the Centre would bring to the region.

Council acknowledges the opportunity for research and development associated with the Carbon Farming Initiative. A price on carbon will open up markets for farmers in carbon management and sequestration schemes. The Carbon Farming Initiative (CFI)/ Emission Reduction Fund (ERF) will create opportunities for the generation of carbon credits through forestry and agriculture projects for sale into carbon markets. In addition, opportunities for the production of biomass crops, algae for electricity and fuels will arise once a price on carbon is introduced. This combined with energy efficiency initiatives and new technologies; CFI presents an opportunity to reduce the overall emissions from brown coal generated electricity in the Latrobe Valley.

Carbon Farming in the Gippsland Basin would not only enhance the region's agriculture but also reduce emissions through biological carbon capture and storage (bio-sequestration). There would be social, environmental and economic benefits as a result of this approach.

Latrobe City Council's submission to the *Emission Reduction Fund Green Paper*, also identifies this: 'Latrobe City Council is committed to managing and



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protecting its natural environment to ensure a lasting legacy for future generations. Council is supportive of enhancements to the Carbon Farming Initiative that will create opportunities for the wider Gippsland region which is rich in natural resources, agriculture and forestry. Education and engagement of landowners is critical to establish and support bio-sequestration and biomass production activities. Council advocates for Carbon Farming Initiative education programs, once the Emissions Reduction Fund is finalised, to outline the risks and benefits of participation and to provide pragmatic advice on how to progress initiatives. One way of doing this is engaging early with the agribusiness sector to support positive outcomes for Latrobe Valley's food production industries and the wider Gippsland agricultural sector.'

The *Emission Reduction Fund* and *Carbon Farming Initiative* suggest the farming sector will play a significant role in emission reductions and it is important that the sector be adequately resourced to do so. New and adapting businesses will need to be supported by the appropriate research, development and education. Council advocates for this to be done in our regional university. Council strongly advocates to the Australian Government to ensure support and education are provided to ensure opportunities for Gippsland farmers can be realised.

Latrobe City Council recognises the importance of the timber industry to both Latrobe City and the broader Gippsland region. Central to Council's commitment to job retention and creation is supporting significant local industry in order to secure jobs and leverage further investment. In what is an Australian first, a draft Wood Encouragement Policy has been developed, which is currently out for community consultation. The draft policy aims to encourage the use of wood as the preferred material for construction and fit out of Council buildings and infrastructure; to ensure that wood is considered at the initial stages of Council projects; and to attract wood-related development and research into the municipality. The Policy seeks to place Latrobe City Council as a national leader on this issue, and support the retention and expansion of the timber industry.



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10. Biosecurity

Protecting our favourable animal and plant health status to maintain productivity and access to export markets.

Policy idea 22—Improving legislation:

The biosecurity legislative framework should be clear, transparent and simple. The proposed Biosecurity Bill 2014 will go some way to achieving this, but the Government could also update other parts of the biosecurity legislative framework—such as the *Export Control Act 1982* and the *Australian Meat and Live-stock Industry Act 1997*.

Council are supportive of a Biosecurity Bill and associated legislation to ensure the health of all Victorians. Biosecurity in Victoria has previously been well managed with a strong record of identifying and managing risks to the agricultural production sector, however the natural environment and primary industries are facing emerging threats which bring new challenges.

Council acknowledges the key role the Department of Environment and Primary Industries (DEPI) and their role in developing policy, standards, delivery systems and services that reduces the threat of invasive plants and animals to agriculture and the natural environment, protects animals and plants from pests and diseases, enhances food safety, ensures minimal and effective chemical use, protects the welfare of animals and preserves and expands market access for Victoria's primary industries.

The Gippsland Food Plan Priority 3. Innovation and adaption to change, has identified biosecurity as a key issue:

'3.5 Biosecurity. Foster improved levels of biosecurity and the appropriate mitigation of risks and impacts to the economy, the environment, social amenity or human health associated with pests and diseases.'

Policy idea 23—Improving the biosecurity system:

Australia's biosecurity system protects our native flora and fauna and underpins our agricultural exports. To ensure that it remains robust and resilient to new and emerging pests and diseases, stakeholders suggested the need for:

- a) improved information and intelligence gathering tools, supported by increased investment in high-risk areas and priority pests and diseases;

Latrobe City contains a rich diversity of plants, birds and other wildlife, including fauna such as the Powerful Owl and Barking Owl, Strzelecki Koala and Tree Goanna. Grey Kangaroo, Swamp Wallaby, Wombat and Echidna are common and Platypus can be found in some of the creeks. Latrobe City extends over parts of three natural regions – separate bioregions recognised by State and Federal Government due to their unique assemblage of vegetation cover, natural physical features, climate and biodiversity.

Council supports protection of our native flora and



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- b) enhanced onshore monitoring, including by developing reporting tools and establishing a public Biosecurity Information System to share information; and
- c) collaborating with industry associations to extend traceability systems to better facilitate responses to outbreaks and expand market access.

fauna from emerging pests and disease. Council is supporting this action through its *Natural Environment Sustainability Strategy*, which includes, '*Demonstrate leadership in natural environment sustainability through appropriate management of biodiversity on Council managed land, particularly bushland reserves.*'

The *Gippsland Food Plan Priority 3. Innovation and adaption to change*, has also identified this as a key issue:

'3.1 Climate change: resilience and adaption. Encourage adaption to climate change and greater resilience in the Gippsland food system. Assist sustainable management of natural resources through identifying, planning and promoting adaption strategies, supporting new technologies and practices and development of appropriate aides.'

Council also acknowledges Landcare in their key role in caring for the land including, sustainable farm practices; restoring native habitats and vegetation; and controlling weeds and pests; developing and sharing local natural resource management skills and knowledge.



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11. Accessing International markets

Giving our exporters the best chance of capturing high-value markets through addressing technical barriers to trade and ensuring trade negotiations deliver real commercial benefits for the sector; and, by doing so, contributing to global food security.

Policy idea 24—Strengthening Australia’s overseas market efforts:

Maintaining international competitiveness requires an understanding of, and engagement with, our overseas customers and competitors. Stakeholders have called for improvements to the Government’s capacity to assist farmers to access international markets through:

- a) undertaking further trade research;
- b) improving exporter services and our understanding of overseas markets;
- c) providing more exporter readiness training;
- d) accelerating the development of technical market access and commodity strategies to prioritise market access efforts;
- e) developing national promotion efforts (such as through a national brand);
- f) increasing Australian Government positions and considering options for industry-funded positions, on the ground in foreign missions, to underpin increased focus on agricultural market access; and
- g) increasing engagement in bilateral and multilateral forums to promote use of international standards in food regulation.

Council are supportive of this policy idea, and in particular any change that improves support for establishing export arrangements. Council’s *Economic Sustainability Strategy* states, ‘Most Latrobe City businesses report sales (69% of sales dollars) into the municipality, with some exports to the broader Gippsland region (17%). Sales beyond Gippsland account for 14% and exports to overseas markets accounting for less than 1% of sales. This suggests majority of locally produced goods and services remain in Latrobe City and indicates an opportunity exists for increased exports to wider Gippsland, national and international markets.’

Council is supportive of expanding domestic and international markets, Council’s *Economic Sustainability Strategy* states, ‘Council will intensify efforts to expand domestic and international markets for local products by:

- Working in partnership with the Department of Business and Innovation (DBI) and the Department of Community Development (DPCD) to introduce business to trade and investment opportunities;
- Exploring opportunities to leverage off the international relations program;
- Developing the Gippsland Logistics Precinct, which will allow efficient and cost effective movement of freight to and from the Gippsland region.’

The *Gippsland Food Plan* also identifies this as a key issue, ‘Priority 1. Promoting growth and attracting investment, has identified:

1.1 Market demand and trends. Gather and disseminate information about local, national and international trends in the demand for food and related services.

1.3 Market Development. Support the identification and prioritisation of opportunities in new national and international markets in which providers of



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Gippsland's food, and related services can leverage their strengths and competitive advantages to establish, maintain and extend a viable and long-term presence.'

Latrobe City also attracts significant overseas investment with current investment in the billions. There is currently a demonstrated and sustained interest in Latrobe City as a potential investment location from overseas firms. In particular, Latrobe Valley's coal resource attracts global attention with a number of firms presenting clean coal and advanced technologies. The International Relations Team at Latrobe City Council plays a key role in assisting with the hosting of business delegations and often adds significant value in this area by working collaboratively with the Economic Development Team. Utilising our sister city relationships to contribute to economic development will continue to play a significant role in developing business opportunities with China, Japan and Asia more generally. Our long term relationships with our sister cities provides us with a level of trust and credibility when hosting Asian delegations and we will continue to leverage these opportunities as they present.

Agribusiness Gippsland's submission to the Agricultural Competitiveness Issues Paper states, *'Consolidation and promotion of agriculture, food and fibre-processing and related industries into one aligned and focused agribusiness sector brings critical mass. It returns Australia's agribusiness sector to a priority for stakeholder investment, innovation and support. There is no other single step which would more effectively increase competitiveness of the sector.'*

Council acknowledges the opportunities which the recent China-Australia Free Trade Agreement provides all Australian, including Gippsland Farmers. The Department of Foreign Affairs and Trade website states that China buys more of Australia's agricultural produce than any other market. In 2013, this market was worth around \$9 billion to Australian farmers and the broader agricultural sector. The Australian Bureau of Resource Economics and Sciences predicts China will account for 43 per cent of all growth world-wide in



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	<p>agricultural demand to 2050.</p> <p>Farming bodies in Gippsland and broader Victoria have also shown their support for Free Trade Agreements. A recent media release from the Victorian Farmers Federation stated, '<i>Victorian Farmers Federation President Peter Tuohey said Australia's FTA with China set the foundations for a Century of growth and prosperity for both nations.</i>'</p> <p>Agribusiness Gippsland's submission to the Agricultural Competitiveness Issues Paper states, '<i>AIG strongly supports Federal Government Initiatives to negotiate Free Trade Agreements that tangibly benefit Australian agribusiness and reduce trade barriers, particularly to ASEAN countries.</i>'</p>
<p>Policy idea 25—Improving Australia's export and import systems: The Department of Agriculture provides a range of export and import certification systems and databases that enable exporters to comply with different countries' import requirements, and domestic importers to comply with Australia's biosecurity requirements. A review of these systems with a view to improving functionality and reducing compliance costs is seen as crucial by many stakeholders to their own cost competitiveness. These systems could also be improved by ensuring the Government's review of biosecurity cost recovery arrangements explicitly considers export certification systems. Improving these systems with enhanced functionality through new ICT investments would enable existing exporters, as well as potential exporters exploring overseas requirements, to improve understanding of different countries' import requirements, helping them with their access to international markets.</p>	<p>As per policy idea 24, Council is supportive of expanding domestic and international markets, as outlined in its <i>Economic Sustainability Strategy</i>, '<i>Council will intensify efforts to expand domestic and international markets for local products.</i>'</p> <p>As per policy idea 22 and 23, Council is supportive of ensuring Australia's biosecurity is maintained for the health of all Victorians and to ensure the natural environment and primary industries are protected.</p> <p>As per policy idea 4, Council supports creating an enabling business environment, which supports businesses to be cost competitive and drives job creation including:</p> <ul style="list-style-type: none"> • <i>strong leadership and clear direction;</i> • <i>attractive policy setting;</i> • <i>efficient and rigorous planning processes; and</i> • <i>well managed natural resources.</i>



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References:

STATE GOVERNMENT OF VICTORIA. *Victoria the Freight State*. The Victorian Freight and Logistics Plan, *August 2013*.

GIPPSLAND REGIONAL PLAN PROJECT CONTROL GROUP, *Gippsland Regional Plan, 2010*.

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GIPPSLAND LOCAL GOVERNMENT NETWORK, *Gippsland Freight Strategy*. *June 2013*

REGIONAL DEVELOPMENT VICTORIA, *Gippsland Food Plan*. Resource Document, *March 2014*.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

12.3 ASSEMBLY OF COUNCILLORS

Executive Manager

Office of the Chief Executive

For Decision

PURPOSE

The purpose of this report is to present to Council, the Assembly of Councillors forms submitted since the Ordinary Council Meeting held 5 November 2014.

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:

Date:	Assembly Details / Matters Discussed:	In Attendance:	Conflicts of Interest Declared:
14 October 2014	Churchill & District Community Hub Advisory Committee	Councillors: Darrell White Officers: Carole Ayres	NIL
12 November 2014	Latrobe City Cultural Diversity Advisory Committee	Councillors: Peter Gibbons Officers: Steve Tong, Teresa Pugliese	NIL
17 November 2014	Meeting of Moe Community Groups in regards to the 2014 Christmas Grant allocation to the township of Moe	Councillors: Sharon Gibson Officers: Kathleen Roberts, Wendy Hrynyszyn	NIL
1 December 2014	Councillor Briefing Session	Councillors: Dale Harriman, Darrell White, Kellie O'Callaghan, Christine Sindt, Sandy Kam, Sharon Gibson, Michael Rossiter, Graeme Middlemiss. Officers: Sarah Cumming, Amy Phillips, Phil Stone, Steven Piasente, Sara Rhodes-Ward	Cr Sandy Kam declared a conflict of interest in item 11.2.

Attachments

1. Attachment 1
2. Attachment 2
3. Attachment 3
4. Attachment 4

RECOMMENDATION

That Council note this report.

Moved: Cr Gibson
Seconded: Cr Gibbons

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

12.3

Assembly of Councillors

1	Attachment 1	111
2	Attachment 2	113
3	Attachment 3	117
4	Attachment 4	121



Assembly of Councillors Record

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

Assembly details:	Churchill & District Community Hub Advisory Committee
Date:	14 October 2014
Time:	5.00 pm – 5.35 pm
Assembly Location:	Meeting room, Churchill Hub, Philip Parade, Churchill

IN ATTENDANCE

Councillors:	<input type="checkbox"/> Cr Christine Sindt	<input type="checkbox"/> Cr Graeme Middlemiss	<input type="checkbox"/> Cr Peter Gibbons
	<input type="checkbox"/> Cr Dale Harriman	<input type="checkbox"/> Cr Kellie O'Callaghan	<input type="checkbox"/> Cr Sandy Kam
	<input checked="" type="checkbox"/> Cr Darrell White	<input type="checkbox"/> Cr Michael Rossiter	<input type="checkbox"/> Cr Sharon Gibson
Officer/s:	Carole Ayres		
Matter/s and main topic/s discussed: <i>Provide dot points only, not the minutes of the meeting</i>	Churchill and District Community Hub Four Year Strategic Plan 2014-2018 release for public comment. Operational update on solar panel operation and smoke alarm installation. Proposed emergency evacuation. Planning for community garden members access to Hub.		
Confidential/ Not confidential	<i>Are the matters considered confidential under the Local Government Act?</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

CONFLICT OF INTEREST DISCLOSURES: (refer to page 2)

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



Completed by: Carole Ayres (Executive Assistant – Community Liveability) 16 October 2014
Assembly of Councillors Record Explanation / Guide Notes
 Required pursuant to the Local Government Act 1989 as amended.

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

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

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

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

The above required information is:

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

2. Section 76AA definition:

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

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

Brief Explanation:

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

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

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

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

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

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

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

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

Section 80A(3)

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

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

Section 80B

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

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



Assembly of Councillors Record

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

Assembly details:	Latrobe City Cultural Diversity Advisory Committee
Date:	Wednesday 12 November 2014
Time:	5.00 pm
Assembly Location:	(e.g: Town Hall, TOWN, No. xx ADDRESS, Latrobe City Council Offices). Latrobe City Corporate Headquarters

IN ATTENDANCE

Councillors:	<input type="checkbox"/> Cr Christine Sindt	<input type="checkbox"/> Cr Graeme Middlemiss	<input checked="" type="checkbox"/> Cr Peter Gibbons
	<input type="checkbox"/> Cr Dale Harriman	<input type="checkbox"/> Cr Kellie O'Callaghan	<input type="checkbox"/> Cr Sandy Kam
	<input type="checkbox"/> Cr Darrell White	<input type="checkbox"/> Cr Michael Rossiter	<input type="checkbox"/> Cr Sharon Gibson
Officer/s:	Steve Tong Teresa Pugliese		
Matter/s and main topic/s discussed: <i>Provide dot points only, not the minutes of the meeting</i>	<ul style="list-style-type: none"> Request to join Committee as co-opted member, Noel Murray Guest Speakers Members to speak of their culture and key customs and traditions, presentation for this meeting Develop a list of committee member presentations (voluntary) once committee meeting dates are set for 2015 Send Citizenship Ceremony details to the Committee Develop a list of Actions that are the responsibility of the Committee and present to the Committee at the 12 November 2014 Committee meeting Update on the draft Cultural Diversity Action Plan 2014 - 2018. Review Committee Terms of Reference, membership and member attendance Meeting dates for 2015 		
Confidential/ Not confidential	Are the matters considered confidential under the Local Government Act? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

CONFLICT OF INTEREST DISCLOSURES: (refer to page 2)

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



Officer/s:	
Times that Officers / Councillors left/returned to the room:	

Completed by: Teresa Pugliese, Community Development Officer, 14 November 2014

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

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

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

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

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

The above required information is:

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

2. Section 76AA definition:

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

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

Brief Explanation:

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

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

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

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

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

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

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

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

Section 80A(3)

"If a Councillor attending an Assembly of Councillors knows, or would reasonably be expected to know, that a matter



being considered by the assembly is a matter that, were the matter to be considered and decided by Council, the Councillor would have to disclose a conflict of interest under section 79, the Councillor must disclose either:

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

Section 80B

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

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



Assembly of Councillors Record

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

Assembly details:	Meeting of Moe Community Groups in regards to the 2014 Christmas Grant allocation to the township of Moe
Date:	17 November 2014
Time:	10.00 am
Assembly Location:	Moe Service Centre

IN ATTENDANCE

Councillors:	<input type="checkbox"/> Cr Christine Sindt	<input type="checkbox"/> Cr Graeme Middlemiss	<input type="checkbox"/> Cr Peter Gibbons
	<input type="checkbox"/> Cr Dale Harriman	<input type="checkbox"/> Cr Kellie O'Callaghan	<input type="checkbox"/> Cr Sandy Kam
	<input type="checkbox"/> Cr Darrell White	<input type="checkbox"/> Cr Michael Rossiter	<input checked="" type="checkbox"/> Cr Sharon Gibson
Officer/s:	Kathleen Roberts – Acting Manager AETIR Wendy Hrynyszyn – Senior Events Officer		
Matter/s and main topic/s discussed: <i>Provide dot points only, not the minutes of the meeting</i>	How the Moe township Christmas Grants was to be distributed for 2014 with input provided from representatives from the following groups - Moe Traders, Committee for Moe, Make Moe Glow and the Moe Development Group.		
Confidential/ Not confidential	Are the matters considered confidential under the Local Government Act? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

CONFLICT OF INTEREST DISCLOSURES: (refer to page 2)

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



Completed by: (full name, title, date)

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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- any conflict of interest disclosures made by a Councillor attending under subsection (3);
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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:

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

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

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- 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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Section 80B

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

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



pecuniary interest, disclosure in writing shall be made to the Mayor.



Assembly of Councillors Record

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

Assembly details:	Councillor Briefing Session
Date:	1 December 2014
Time:	6.30pm
Assembly Location:	NAMBUR WARIGA ROOM LATROBE CITY COUNCIL CORPORATE HEADQUARTERS COMMERCIAL ROAD, MORWELL

IN ATTENDANCE

Councillors:	<input checked="" type="checkbox"/> Cr Christine Sindt	<input checked="" type="checkbox"/> Cr Graeme Middlemiss	<input type="checkbox"/> Cr Peter Gibbons
	<input checked="" type="checkbox"/> Cr Dale Harriman	<input checked="" type="checkbox"/> Cr Kellie O'Callaghan	<input checked="" type="checkbox"/> Cr Sandy Kam
	<input checked="" type="checkbox"/> Cr Darrell White	<input checked="" type="checkbox"/> Cr Michael Rossiter	<input checked="" type="checkbox"/> Cr Sharon Gibson
Officer/s:	Sarah Cumming, Amy Phillips, Phil Stone, Steven Piasente, Sara Rhodes-Ward.		
Matter/s and main topic/s discussed: <i>Provide dot points only, not the minutes of the meeting</i>	<ul style="list-style-type: none"> Update from the Acting CEO regarding the Morwell Main Drain Update from the Mayor regarding influx of foxes Councillor issues for general discussion 11.1 HAZELWOOD PONDAGE WATERWAY - RISK WORKSHOP 11.2 2014/15 COMMUNITY GRANTS PROGRAM - SIX APPLICATIONS HELD BACK FOR FURTHER CONSIDERATION BY COUNCIL 		
Confidential/ Not confidential	Are the matters considered confidential under the Local Government Act? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

CONFLICT OF INTEREST DISCLOSURES: (refer to page 2)

Councillors:	<input type="checkbox"/> Cr Christine Sindt	<input type="checkbox"/> Cr Graeme Middlemiss	<input type="checkbox"/> Cr Peter Gibbons
	<input type="checkbox"/> Cr Dale Harriman	<input type="checkbox"/> Cr Kellie O'Callaghan	<input checked="" type="checkbox"/> Cr Sandy Kam
	<input type="checkbox"/> Cr Darrell White	<input type="checkbox"/> Cr Michael Rossiter	<input type="checkbox"/> Cr Sharon Gibson
Officer/s:			
Times that Officers / Councillors left/returned to the room:	Cr Kam left the room at 8.52pm due to a Conflict of Interest in item 11.2 - 2014/15 Community Grants Program - Six Applications Held Back For Further Consideration By Council.		



Completed by: Katrina Pizzi

Assembly of Councillors Record Explanation / Guide Notes
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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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pecuniary interest, disclosure in writing shall be made to the Mayor.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)****12.4 REQUEST FOR PROFESSIONAL DEVELOPMENT
EXPENDITURE, MAYOR, CR DALE HARRIMAN****Executive Manager****Office of the Chief Executive****For Decision****PURPOSE**

The Mayor, Cr Harriman, has submitted a request to the Acting Chief Executive Officer for the use of the allocated personal development funds to undertake a Bachelor of Applied Management through Federation Training.

EXECUTIVE SUMMARY

Each Councillor is allocated \$2,500 (inclusive of travel, meals and accommodation if required) on an annual calendar year basis for personal development where such development is considered to be in the interest of the Latrobe City community. This allocation is not transferable to another Councillor.

Councillors can elect to roll over unused funds from one year to another, up to the cumulative total due for that year, not exceeding the amount of \$10,000 in the fourth year. (That is, \$2500 for year one, up to \$5000 in year two, \$7500 in year 3 and \$10,000 in year 4). In order for a Councillor to spend more than one years allocation (\$2,500) on one personal development activity, the Councillor must first submit a development plan to Council for approval.

The Mayor, Cr Harriman, submitted a request to the Acting Chief Executive Officer to access \$8,600 of his allocation assigned, to undertake a Bachelor of Applied Management through Federation Training.

The proposed studies indicate an alignment with the leadership and management role of a Councillor as Mayor.

RECOMMENDATION

That Council supports the request from Cr Harriman to access \$8,600 of his assigned allocation of personal development funds in order to undertake a Bachelor of Applied Management at Federation Training.

Cr Harriman, Mayor left the Council Chamber at 8.39 pm due to an interest and Cr Gibbons, Deputy Mayor took the chair.

Cr Harriman, Mayor returned to the Council Chamber at 8.43 pm and resumed the chair.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

Cr Harriman, Mayor left the Council Chamber at 9.38 pm due to an interest and Cr Gibbons, Deputy Mayor took the chair.

Cr Harriman, Mayor returned to the Council Chamber at 9.40 pm and resumed the chair.

Cr O'Callaghan left the Council Chamber at 9.38 pm.

Cr O'Callaghan returned to the Council Chamber at 9.40 pm.

Moved: Cr Gibson
Seconded: Cr Rossiter

That the Motion be adopted.

For the Motion

Councillor/s Gibbons, Kam, Rossiter, White, Middlemiss

Abstain from the Motion

Councillor/s O'Callaghan, Sindt.

Motion be put

Moved: Cr O'Callaghan
Seconded: Cr Kam

That the Motion be adopted.

For the Motion

Councillor/s Gibbons, Kam, Rossiter, White, Middlemiss, O'Callaghan

Abstain the Motion

Councillor/s, Sindt

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

Strategic Direction – To provide open, transparent and accountable governance

Provision of Resources and Support to Councillors Policy - 12 POL-6

BACKGROUND

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Councillors can elect to roll over unused funds from one year to another, up to the cumulative total due for that year, not exceeding the amount of \$10,000 in the fourth year. (That is, \$2500 for year one, up to \$5000 in year two, \$7500 in year 3 and \$10,000 in year 4). In order for a Councillor to spend more than one years allocation (\$2,500) on one personal development activity, the Councillor must first submit a development plan to Council for approval.

Should a Councillor identify or wish to pursue a professional/personal development program or course that exceeds the allocation available to the Councillor the matter must be referred to Council for a decision. In considering this matter, Council will take into consideration the merits of the program or activity in accordance with the overall parameters set by this policy. Regardless of the overall cost, Councillors must seek formal approval from Council for any course that involves interstate or overseas travel.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Developmental programs that qualify for this expenditure, provided that these relate to the areas of local government activity, leadership, governance in the context of the role of Councillor, or enhance the personal skills of the individual to undertake the role, include but are not limited to:

- Specific workshops, seminars and conferences;
- Undergraduate and post graduate studies;
- Short courses, and study tours that relate to the areas of local government activity, leadership, governance in the context of the role of Councillor, or enhance the personal skills of the individual to contribute to the good governance of Latrobe City.

The Mayor, Cr Harriman, submitted a request to the Acting Chief Executive Officer to access \$8,600 of his allocation assigned, to undertake a Bachelor of Applied Management through Federation Training.

KEY POINTS/ISSUES

The Mayor, Cr Harriman, has advised that he is seeking a contribution of \$8,600 towards the \$9,600 cost.

The proposed studies indicate an alignment with the leadership and management role of a Councillor as Mayor.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

The Mayor has not accessed all personal development funds allocated to in the Council term so far.

The current balance available is \$4,329.29. This means, that a total allocation of \$9,329.29 may be available.

INTERNAL/EXTERNAL CONSULTATION

Engagement Method Used:

No community consultation has been undertaken

OPTIONS

Council has the following options to consider:

1. To support the Mayor, Cr Harriman's request for utilising the allocation of personal development funds to undertake the training.
2. To not support the Mayor, Cr Harriman's request for utilising the allocation of personal development funds to undertake the training.

CONCLUSION

The request for expenses is in accordance with the Provision of Resources and Support to Councillors Policy.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

SUPPORTING DOCUMENTS

Provision of Resources and Support to Councillors Policy 12 POL-6.

Attachments

1. Letter to the Acting Chief Executive Officer - Cr Harriman Request for Professional development expenditure

12.1

Request for Professional Development Expenditure, Mayor, Cr Dale Harriman

- 1 Letter to the Acting Chief Executive Officer - Cr Harriman
Request for Professional development expenditure 131**

DH:AP

10 December 2014



Latrobe City ABN 92 472 314 133

Telephone 1300 367 700

Facsimile (03) 5128 5672

TTY (NRS) 133 677

Post to PO Box 264 Morwell 3840

Email Address latrobe@latrobe.vic.gov.au

Internet www.latrobe.vic.gov.au

AUSDOC DX217733 Morwell

Mr John Mitchell
Acting Chief Executive Officer
Latrobe City Council
PO BOX 264
MORWELL VIC 3840

Dear John

REQUEST FOR PROFESSIONAL DEVELOPMENT EXPENDITURE

In accordance with the Provision of Resources and Support to Councillors Policy, I wish to request consideration of utilising my personal development allocation to undertake a Bachelor of Applied Management through Federation Training.

Having undertaken and completed previous studies in a Diploma of Management, Advanced Diploma of Management (Human Resources) and a Vocational Graduate Certificate in Career Development, I would now like to further improve my understanding of management by undertaking the Bachelor of Applied Management. I believe that this will assist me to better serve on Council; particularly in relation to understanding the protocols and procedures operating at Latrobe City Council and how our staff are required to operate.

Federation Training offer the following overview:

'The Bachelor of Applied Management is an innovative degree integrating applied and academic learning. It has been developed to reflect the changing roles and responsibilities of business and management, incorporating applied skills and higher-level management concepts. You will learn the strategic approach essential for developing and growing an organisation and the necessary practical planning, marketing, finance, project management and people skills to manage the complexities of a modern business.'

The total cost of the Bachelor of Applied Management is \$9,600. I have not utilised the allowance in the 2012-2013 financial year, and have only utilised an allocation of \$670.71 in the 2013-2014 financial year. I am requesting to access a total of \$8,600 of the allocation.

If you require further information please contact me on (03) 5128 5414 or via email dale.harriman@latrobe.vic.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dale Harriman', with a horizontal line extending to the right.

CR DALE HARRIMAN
Mayor

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)****12.5 TRARALGON CITY BAND REQUEST FOR FINANCIAL ASSISTANCE****Executive Manager****Office of the Chief Executive****For Decision****PURPOSE**

The Traralgon City Band gave a public presentation to Council on Monday 8th December 2014 outlining their planned Tour of Remembrance to the United Kingdom and France in May and June 2015, and seeking financial support from Council to support the cost of the tour. This report recommends that Council provides financial support of \$25,000 to the Traralgon City Band.

EXECUTIVE SUMMARY

The Traralgon City Band (the band) has a long and distinguished history having been formed on the 19th July 1881.

The band proudly represents the Latrobe City and has long been recognised as a leading regional band.

In May and June 2015 during the 100 year anniversary of WW1, the band is planning a Tour of Remembrance (the tour) of the United Kingdom and France. The tour aims to develop strong community links in representing local families who have lost their loved ones in France by laying poppies and performing memorial ceremonies in their honour.

The tour cost is approximately \$150,000 – \$175,000 and band members have each made a personal up front financial contribution. In addition to this significant fundraising efforts are underway with band members participating in up to 10 fundraising activities per week. Fundraising efforts have raised \$50,000 in the past 6 months.

To ensure the band is able to commit to the tour, \$25,000 in financial assistance has been requested from Latrobe City Council. The band has also invited the Mayor or other Councillor to accompany the band on its tour given the tour's close connection to the Latrobe community.

It is the officer's recommendation that Council provide the requested financial assistance to the band on the condition that should fundraising efforts exceed the required amount that any additional funds be returned to the Latrobe City Council. The recommended approach provides the band with funding certainty but also encourages funding requests to other relevant organisations such as the RSL.

It is also recommended that the attendance of the Mayor or other elected representative of Latrobe City Council be considered at a later date.

RECOMMENDATION

That council:

1. Provide financial assistance to the Traralgon City Band for their Tour of Remembrance in May and June 2015 to the sum of \$25,000 on the condition that the funds are repayable to the Latrobe City Council if fundraising efforts exceed the total amount required.
2. That the financial assistance of \$25,000 be funded from the 2013/14 accumulated cash surplus.

Moved: Cr Kam
Seconded: Cr Gibbons

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

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

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

- *Providing affordable and people focused community services*
- *Listening to and working with the community*

Latrobe City Council Plan 2013 - 2017

Theme and Objectives

Theme 4: Advocacy for and consultation with our community

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

The Traralgon City Band provides leadership within the Latrobe community and contributes to the overall culture and well-being of our community through the enormous volunteer contribution of the band membership in support of community functions and events throughout each year.

BACKGROUND

The Traralgon City Band is wholly owned by Latrobe City and all assets belong to the city. The band has strong independent leadership and to officer's knowledge does not have a history of seeking financial support from the Latrobe City Council. The band has approximately 50 members, with its membership drawn from across Latrobe City.

The band proudly represents Latrobe City at local, state and national band events, and has an impressive history of achievement at those events. The band also plays a significant role in the Latrobe City community through its participation in community events throughout the year, including formal services and ceremonies, concerts, parades, marches and celebratory events.

The band typically provides over 6,000 hours of community service in any one year.

The planned Tour of Remembrance has a strong community link, tying in with the 100 year anniversary of WW1 and planned activities include the representation of local families who have lost their loved ones in France by laying poppies and performing memorial ceremonies in their honour. The tour also provides Latrobe City Council with the opportunity to promote our region and municipality at the many events and venues the band will be performing at

The band has invited the Mayor or other elected representative to accompany the band on its tour given the tour's close connection to the Latrobe City community. Officer's will undertake a cost and benefit analysis of this request and report back to Council in early 2015.

RISK IMPLICATIONS

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management framework. Any risk that the band will receive excess funding has been offset by the condition placed upon the recommendation to provide financial assistance.

FINANCIAL AND RESOURCES IMPLICATIONS

There is no budget allocation for this expenditure in this financial year. The recommended financial assistance of \$25,000 would need to be funded from the accumulated cash surplus as at the end of 2013/14.

**ORDINARY COUNCIL MEETING MINUTES
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The Traralgon City Band made a public presentation to Council on the 8th December 2014.

OPTIONS

Council has the following options:

1. Approve conditional funding to the Traralgon City Band of \$25,000.
2. Approve funding to the Traralgon City Band of \$25,000 without condition.
3. Approve conditional funding to the Traralgon City Band to a greater or lesser amount than \$25,000.
4. Not approve the funding request.

CONCLUSION

The Traralgon City Band has a long and distinguished history within Latrobe City and provides considerable support to the Latrobe community through its performances at community events throughout the municipality each year.

The planned Tour of Remembrance to France and the UK by the Traralgon City Band provides an opportunity to showcase our city and provide a strong community link to the region through the planned activities to represent local families who have lost their loved ones during WW1.

SUPPORTING DOCUMENTS

Traralgon City Band presentation to council dated 8th December 2014.

Attachments
Nil

PLANNING & ECONOMIC SUSTAINABILITY

13. PLANNING & ECONOMIC SUSTAINABILITY

**13.1 LAKE NARRACAN PRECINCT STRUCTURE PLAN AND
PROPOSED AMENDMENT C86 TO THE LATROBE PLANNING
SCHEME**

General Manager

Planning & Economic
Sustainability

For Decision

PURPOSE

The purpose of this report is (i) for Council to consider submissions received in response to the Lake Narracan Precinct Structure Plan community package; (ii) to seek Council's adoption of the Lake Narracan Precinct Structure Plan and associated amendment documentation subject to minor changes in response to submissions received; and (iii) to request the Minister for Planning to prepare and approve Amendment C86 under Section 20(4) of the *Planning and Environment Act 1987*.

EXECUTIVE SUMMARY

Since November 2012, the Metropolitan Planning Authority (MPA) has assisted Council to plan for the development of the Lake Narracan precinct (the precinct) through the preparation of a precinct structure plan and associated documentation (the project).

The precinct is identified in the State Government's Gippsland Regional Growth Plan (2014) as an area for future urban growth.

The Lake Narracan Precinct Structure Plan (PSP) is a 30 to 40 year long-term strategic plan that describes how the Lake Narracan precinct is expected to be developed. In addition to the PSP, the Lake Narracan project also includes the preparation of a Development Contributions Plan (DCP) and a Native Vegetation Precinct Plan (NVPP) which resolve the complex issues of infrastructure provision and biodiversity.

To facilitate the strategic land use and development outcomes for the precinct, the project also proposes a number of changes to the Latrobe Planning Scheme (Proposed Amendment C86). These changes include:

- Incorporation of Lake Narracan PSP, DCP, and NVPP into the Planning Scheme;
- An update to the Moe-Newborough Structure Plan to include the precinct within the Moe-Newborough township boundary; and
- Introduction of an Urban Growth Zone and a Development Contributions Plan Overlay to the Planning Scheme.

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The Lake Narracan project has undergone thorough stakeholder and public consultation since late 2012. More recently, the Lake Narracan Precinct Structure Plan consultation package (Attachment 1) including documentation relating to proposed Amendment C86, was placed on non-statutory exhibition from 1 August to 29 August 2014. A range of community engagement activities also took place between July to November 2014. During this time, 393 written submissions were received; of which 369 were generally supportive of the Lake Narracan project and 24 were objections.

The key points that emerged from the submissions include:

- Support for the project due to creation of job opportunities and attraction of people to Moe/Newborough and the wider region
- Support for an improved access to Lake Narracan
- Concerns regarding potential increase in rates
- Concerns about potential detrimental impact of urban development on the environment and the general amenity / lifestyle
- Concerns regarding increase in traffic and location of new road alignments
- Questions surrounding development contributions

In an attempt to respond to the above key concerns, three different PSP options (i.e. Options A, B and C) have been investigated and were presented to the affected landowners at a group meeting on 14 October 2014 for consideration. These options involve exploring the possibilities and implications of removing some of the small rural living properties out of the PSP. A comparison of the three options is included in Attachment 2 of this report.

Through feedback received from the landowners, the majority of affected land owners prefer the small rural living properties to be included as part of the PSP and the Lake Narracan project in general, which is Option A or essentially, the exhibited PSP.

It is identified in the report that Option A will provide significant benefit to the existing Moe-Newborough community in a number of ways. In particular, key road and open space projects as proposed under Option A will provide direct linkages to the centre of the existing Moe-Newborough township with the lake. Enhancing the connection to Lake Narracan will lead to increased economic activity through tourism, potentially acting as a spring board to revitalising the existing Moe-Newborough area. This will also lead to redevelopment in the existing Moe town centre and create local job opportunities.

In addition, the body of this report provides detailed planning consideration of each of the above key issues raised and where applicable, recommends changes to the PSP and/or associated documentation to address the issues. Detailed response to each individual submission is further included as Attachment 3 of this report.

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This report recommends Council adopts the Lake Narracan PSP and associated documentation as exhibited (i.e. Option A), subject to minor changes being made as outlined in this report, in response to the submissions received.

This report also recommends Council request to the Minister for Planning to prepare and approve Proposed Planning Scheme Amendment C86 under Section 20(4) of the *Planning and Environment Act 1987*.

RECOMMENDATION

1. That Council adopts the Lake Narracan Precinct Structure Plan, Development Contributions Plan, Native Vegetation Precinct Plan, subject to the changes outlined in Attachment 10 (Proposed detailed changes to the Lake Narracan Precinct Structure Plan, Development Contributions Plan and Planning Scheme Amendment documentation).
2. That Council adopts the revised Moe-Newborough Structure Plan and proposed Amendment C86, subject to changes outlined in Attachment 10 (Proposed detailed changes to the Lake Narracan Precinct Structure Plan, Development Contributions Plan and Planning Scheme Amendment documentation).
3. That Council supports and requests the Minister for Planning to prepare and approve Planning Scheme Amendment C86 under Section 20(4) of the *Planning and Environment Act 1987* to effect the above recommendations
4. That Council advises those persons who made written submissions to the proposed Amendment C86 of Council's decision.

MOTION

1. **That Council adopts the Lake Narracan Precinct Structure Plan, Development Contributions Plan, Native Vegetation Precinct Plan, subject to the changes outlined in Attachment 10 (Proposed detailed changes to the Lake Narracan Precinct Structure Plan, Development Contributions Plan and Planning Scheme Amendment documentation).**
2. **That Council adopts the revised Moe-Newborough Structure Plan and proposed Amendment C86, subject to changes outlined in Attachment 10 (Proposed detailed changes to the Lake Narracan Precinct Structure Plan, Development Contributions Plan and Planning Scheme Amendment documentation).**
3. **That Council supports and requests the Minister for Planning**

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to prepare and approve Planning Scheme Amendment C86 under Section 20(4) of the Planning and Environment Act 1987 to effect the above recommendations

4. That Council advises those persons who made written submissions to the proposed Amendment C86 of Council's decision.
5. The Chief Executive Officer seek to enter into a community lease arrangement with the Latrobe Valley Hovercraft Club at the Lake Narracan North shore location as identified as Option E in the Relocation Strategy with access via Fernlea Road.
6. That Council continue to advocate on behalf of the Latrobe Valley Model Aero Club with Energy Australia to facilitate a lease for use of land at Toners Lane, prior to residential development commencing.

Moved: Cr Gibson

Seconded: Cr White

That the Motion be adopted.

CARRIED UNANIMOUSLY

Cr Harriman, Mayor left the Council Chamber at 7.24 pm due to an interest and Cr Gibbons, Deputy Mayor took the chair.

Cr Harriman, Mayor returned to the Council Chamber at 7.39 pm and resumed the chair.

Adjournment for 5 minutes carried at 7.39 pm.

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

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In 2026 Latrobe Valley benefits from a well-planned built environment that is complimentary to its surrounds 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

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 1: Job Creation and Economic Sustainability

Strategic Direction - Job Creation and Economic Sustainability

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

Theme 2: Appropriate, Affordable and Sustainable Facilities, Services and Recreation

Strategic Direction - Appropriate, Affordable and Sustainable Facilities, Services and Recreation

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

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

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

Improve and link bicycle paths, footpaths and rail trail networks to encourage physical activity and promote liveability.

Continue to maintain and improve access to Latrobe City's parks, reserves and open space.

Theme 5: Planning for the future

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

BACKGROUND

The Lake Narracan precinct (the precinct) includes approximately 600 hectares of land, generally defined by Lake Narracan to the north, Halls Bay to the east, John Field Drive and the Moe-Yallourn Rail Trail to the south and Old Sale Road and Becks Bridge Road to the west.

The majority of land within the precinct is currently zoned Farming Zone, with the remaining land within the precinct being zoned either Rural Living 6 Zone, Public Use Zone, General Residential or Public Park and Recreation Zone. There are a total of 60 landowners within the precinct.

This precinct is identified in the State Government's Gippsland Regional Growth Plan (2014) as an area for future urban growth.

Since November 2012, the Metropolitan Planning Authority (MPA) has assisted Council to plan for the development of the Lake Narracan precinct through the preparation of a precinct structure plan and associated documentation (the project).

The Lake Narracan Precinct Structure Plan (PSP) is a 30 to 40 year long term strategic plan that describes how the Lake Narracan precinct is expected to be developed. The PSP seeks to convert the non-urban land within the precinct into urban land, and identifies road infrastructure, neighbourhood activity centres, community facilities that are required for a sustainable future residential community within the precinct. In addition to the PSP, the Lake Narracan project also includes the preparation of a development contributions plan (DCP) and a Native Vegetation Precinct Plan (NVPP) which resolve the complex issues of infrastructure provision and biodiversity.

To facilitate the strategic land use and development outcomes for the precinct, the project also proposes a number of changes to the Latrobe Planning Scheme (Proposed Amendment C86). These changes include the incorporation of Lake Narracan PSP, DCP, and NVPP, an update to the Moe-Newborough Structure Plan to include the precinct within the Moe-Newborough township boundary, as well as the introduction of an Urban Growth Zone and a Development Contributions Plan Overlay.

The Lake Narracan project has undergone thorough stakeholder and public consultation since late 2012. More recently, the Lake Narracan PSP

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consultation package was presented to Council for consideration at its Special Council Meeting of 28 July 2014. At the meeting, Council resolved:

1. *That Council notes the information contained in the detailed Lake Narracan Precinct Structure Plan consultation package and releases the package for a second stage of community engagement between 1 August and 29 August 2014.*

In accordance with the resolution above, the Lake Narracan project was made available to the public for comment in August 2014.

INTERNAL/EXTERNAL CONSULTATION

The community consultation aspect of the Lake Narracan PSP project has been split into two stages. Stage 1 relates to the draft Lake Narracan Concept Plans and Stage 2 relates to the detailed Lake Narracan Precinct Structure Plan.

Stage 1 Community Consultation (Concept Plans)

As detailed in a previous report to Council (dated 24 March 2014), the first stage of community consultation involved the release of draft Lake Narracan PSP Concept Plans to the community for comment, from 11 November to 13 December 2013.

In summary, the result of the first stage of consultation is as follows:

- 66 attended the 'Open House' information session
- Approximately 20 one on one meetings
- 78 written submissions received, with 63 submissions supported the draft Concept Plans and 15 submissions raised concerns

At the Ordinary Council Meeting held on 24 March 2014, all submissions received during the first phase of community consultation, together with the planning officers response to each submission received were presented to Council. The outcome of this meeting was that Council acknowledged the submissions received and resolved to commence the detailed Precinct Structure Plan phase of the project.

Stage 2 Community Consultation (Precinct Structure Plan)

In accordance with Council's resolution on 28 July 2014, the detailed Lake Narracan PSP consultation package was placed on non-statutory public exhibition from 1 August to 29 August 2014. The following community engagement activities were undertaken during the exhibition period:

- Direct mail to over 650 landowners and occupiers within and adjoining the precinct, as well as agencies / authorities, community groups and other stakeholders advising of the public exhibition and inviting submissions to the project;
- More than 30 one-on-one meetings were held with landowners;
- Latrobe City Council website was updated with public exhibition dates and invitation for submissions. The draft Lake Narracan PSP and associated documentation, including a frequently asked question

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information sheet were available online for download. An electronic submission form (Have A Say Page) was set up on the website.

- A copy of the draft Lake Narracan PSP and associated documentation was made available at each of Latrobe City Council service centres.
- Advertisements were placed in the Latrobe Valley Express on the Council Noticeboard on 4 August, 11 August, 21 August 2014.
- An information session was held on 13 August 2014 from 9am to 6:30pm at the Moe RSL. Approximately 65 people attended this session.
- A group landowner meeting / Q&A session was held on 26 August 2014 at the Yallourn/Newborough RSL.
- Hard copy documents were also available upon request, approximately 13 requests for documentation were made and these were provided during the formal stage 2 public exhibition period.
- As part of the consultation process, a land broker was appointed to assist in the engagement with landowners and other stakeholders who have an interest in the precinct. His role was to facilitate group meetings and attend some one-on-one meetings where appropriate.
- It should also be noted that since the inception of this project, a number meetings have been held with key stakeholder groups, including the Lake Narracan User Group Committee, to provide regular project updates. More recently, as part of the second stage of community consultation, meetings were held with the Moe/Yallourn Rail Committee on 21 August 2014, the Moe Golf Club Committee on 21 August 2014.
- A meeting was held with the Lake Narracan User Group Committee on 6 August 2014 to present an update of the relocation strategy for the Latrobe Valley Model Aero Club and the Latrobe Valley Hovercraft Club. In addition to this update meeting, Council's consultants also met with the user group on a number of occasions to work with them on the details of the relocation strategy.

Petitions Received

On 13 August 2014, Council received two petitions: (i) to request a group meeting with all landowners of the precinct to address ongoing concerns with the Lake Narracan project; and (ii) to request a time extension to the formal Lake Narracan Stage 2 consultation period from Friday 29 August 2014 to Friday 27 February 2015 to allow landowners and the general community more time to understand the project.

The two petitions were considered by Council at its Ordinary Meeting of 1 September 2014.

In relation to the first petition, it should be noted that a landowner group meeting took place on 26 August 2014, prior to Council's consideration of the petition. Council therefore resolved at its Ordinary Meeting of 1 September 2014:

1. *That Council note the petition received requesting a resident landowner meeting to discuss ongoing concerns with the Lake Narracan Precinct Structure Plan.*

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2. *That Council note that a meeting with landowners within the Lake Narracan Precinct Structure Plan area has already taken place and was held on 26 August 2014.*
3. *That all signatories to the petition be advised of Council's decision in relation to the petition requesting a resident landowner meeting in relation to ongoing concerns with the Lake Narracan Precinct Structure Plan.*

In relation to the second petition, Council resolved:

1. *That Council notes the petition received on 13 August 2014 requesting an extension to the Lake Narracan Precinct Structure Plan consultation period.*
2. *That Council not extend the Lake Narracan Precinct Structure Plan formal consultation period, but continue to work with landowners and general community members.*
3. *That all signatories to the petition be advised of Council's decision in relation to the petition requesting an extension to the Lake Narracan Precinct Structure Plan consultation period.*

As per the resolution of the second petition above, whilst the formal Lake Narracan Stage 2 consultation period was not extended, further consultation with landowners and members of the general public on the project was undertaken. More specifically, the following additional engagement activities took place between September to November 2014:

- A second group landowner meeting was held on 14 October 2014 at the Yallourn/Newborough RSL. The purpose of this meeting was to present three alternative options (refer to key issues section of this report for more details) to landowners for further consideration. Landowners were provided with the opportunity to ask questions at this meeting. A total of 33 landowners attended this meeting.
- On 21 October 2014 as a follow up to the landowner meeting, a letter was sent to all landowners in the precinct providing an overview of the three options and enclosing a copy of the presentation from the landowner group meeting together with a form that asked for landowners to indicate their preference out of the three options.
- As requested by landowners, approximately 20 one-on-one and small landowner group meetings were held between September to November 2014, as a follow up to the 14 October 2014 meeting.

It should be noted that whilst the formal Stage 2 public exhibition closed on 28 August 2014, written submissions were accepted up till early December 2014.

A total of 402 written submissions were received to the detailed Lake Narracan PSP and associated documentation, of which 378 were generally supportive of the Lake Narracan project (some of these contain minor requests for modifications or clarifications) and 24 objected to the project.

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Table 1 – Summary of Submissions

Stage 2 Community Consultation / Proposed Amendment C86 Submissions	
Support	369
Object	24
Total Submissions	393

Breakdown of Submissions

For the purpose of this report, a breakdown of the submissions shows that:

- Of the total of 393 submissions, 30 submissions were from landowners / occupiers from within the precinct and one submission was from a user group (Moe/Yallourn Rail Trail Committee).
- Of the 30 submissions from landowners / occupiers of the precinct, nine lodged supporting submissions and 21 lodged objection submissions.
- A detailed submission (over 100 pages) raising a number of significant concerns was received from the NBA Group, acting on behalf of their clients who own approximately 60% of PSP area.
- In addition to the 393 submissions, 12 responses were received from government agencies and authorities.

The following section of the report provides detailed planning consideration of the key issues raised in submissions and where applicable, recommends changes to the PSP and/or associated documentation to address the issues.

Detailed response to each individual submission is further included as Attachment 3 of this report.

KEY ISSUES

The key points that emerged from the submissions include:

- Support for the project due to creation of job opportunities and attraction of people to Moe/Newborough and the wider region
- Support for an improved access to Lake Narracan
- Concerns regarding potential increase in rates
- Concerns about potential detrimental impact of urban development on the environment and the general amenity / lifestyle
- Concerns regarding increase in traffic and location of new road alignments
- Questions surrounding development contributions

Alternative Options

In an attempt to respond to some of the above concerns (the rates concern in particular), Councillors met with the MPA and Councillors on 8 September 2014 as part of a Strategic Issues session. The possibility of providing three different options for the PSP was discussed. The three PSP options are as follows:

Option A – Exhibited PSP

Option A is the original proposal that was available for public comment during August 2014 and seeks to rezone all properties to the Urban Growth Zone with the General Residential Zone as the applied zone on all areas shown as residential on the PSP. All landowners would have immediate development/subdivision potential.

Option B – Removal of small lots from PSP

Option B removes all small Rural Living Zone and Farming Zone lots from the precinct and seeks to introduce a revised PSP into the Latrobe Planning Scheme that does not include key road connections and other community infrastructure (as they fall outside of the precinct boundary). All small lot owners outside of the precinct boundary would not be rezoned and therefore would not have the opportunity to develop/subdivide their land.

Option C – Include all small lots in the PSP but with Rural Living Zone (RLZ) being the applied zone

Option C seeks to rezone all properties to the Urban Growth Zone however the applied zone of the existing larger Farming Zone properties would be General Residential while the applied zone of the existing small Rural Living Zone and Farming Zone properties would be Rural Living Zone.

Only the properties with the General Residential Zone as the applied zone would have immediate development/subdivision potential. The lots with Rural Living Zone as the applied zone would not have immediate subdivision potential. For these small properties to be able to subdivide, a request to Council to undertake an amendment to rezone the applied zone to General Residential would be required and would require further assessment at that time to determine if and when the land would be rezoned. Any costs associated with the rezoning would be at the responsibility of the landowner, as per current practice of proponent driven rezoning proposals.

Option C seeks to introduce the PSP into the Latrobe Planning Scheme that includes the same key road connections and community infrastructure as Option A. However, under Option C, the timing required for the delivery of infrastructure projects would be over a longer period of time when

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compared to Option A, as these projects will only be implemented once the applied zones of the properties are rezoned to General Residential Zone in the future and are developed.

Maps illustrating the above three PSP options are included as Attachment 2 of this report.

Comparison of Options A, B and C

Table 2 below provides a comparison of the three PSP options against some of the key issues/ concerns that emerged from submissions.

Table 2 – Comparison of Options A, B and C

Issue	Option A - No change	Option B - Removal of small lots from PSP	Option C - Include all small lots in the PSP but with Rural Living Zone (RLZ) being the applied zone
Rates	The 'general rate' would still apply to all Rural Living Zone properties. The 'farming rate' still applies to Farming Zone properties that are not being developed	The 'general rate' would still apply to all Rural Living Zone properties. The 'farming rate' still applies to Farming Zone properties that aren't being developed	The 'general rate' would still apply to all Rural Living Zone properties. The 'farming rate' still applies to Farming Zone properties that aren't being developed
Land Valuations / Capital Improved Value	Likely to increase at the quickest rate due to immediate subdivision potential	Likely to increase at the slowest rate for small lot landowners that are excluded from the PSP	Likely to increase at a moderate rate for small lot landowners, as there is no immediate subdivision opportunity
Development Potential	Immediate development / subdivision potentials for all landowners within the precinct	No subdivision potential for any of the lots that are excluded from the PSP	No immediate development/subdivision potential for small lots with Rural Living Zone as the applied zone
Traffic Implications	Likely to have the quickest impact if multiple developments occur	Increase in traffic would still occur. The increase would need to distribute within existing road network Increase in traffic may not be as much as Option A and C due to less area for development	Increase in traffic not likely to be as rapidly as Option A due to lesser potential for immediate subdivision
Development Contributions	Only applied to those who wish to subdivide or develop their land.	Only applied to those who wish to subdivide or develop their land.	Only applied to those who wish to subdivide or develop their land.
Environment and Wildlife	Most likely to have greatest impact if multiple developments occur	Most likely to have the least impact	Will have a moderate impact, as development will be slower
General Amenity & Lifestyle	Most likely to have greatest impact if multiple developments occur	Most likely to have the least impact	Will have a moderate impact, as development will be slower
Implications on general community	Most likely to provide the most benefit	Most likely to provide the least benefit	Most likely to provide the most benefit but at a slower rate

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The three PSP options as outlined above and a detailed version of the above were presented to landowners at a group meeting on 14 October 2014.

On 21 October 2014 as a follow up to the group landowner meeting, a letter was sent to all landowners asking them to advise of their preferred option.

Based on written preferences received by Council, the majority of landowners that responded within the precinct prefer Option A.

Table 3: Summary of written preferences in relation to the three PSP options

Summary of Written Preferences Received	
Option A	16
Option B	11
Option C	1
'Option D' (no development)	1
Total Preferences	29

Response

In line with the written preferences received from landowners, Option A – Exhibited PSP (subject to changes in response to submissions received) is recommended. This is because whilst Options B and C may be beneficial to selected small lot landowners (in terms of land valuation and subsequent rates increase at the slowest rate out of the three options), Option A appears to offer the most flexible option for all the affected landowners to either stay or develop their land as they wish. Option A provides for an integrated urban development with the existing township of Moe/Newborough and broader benefits to the wider community.

The Lake Narracan precinct is identified in the State Government's Gippsland Regional Growth Plan (2014) as an area for future urban growth and the background report forming part of the project has identified the need for additional land within the Moe and Newborough area within the next 15 – 30 years. Future development of the precinct at urban densities supported by appropriate infrastructure is therefore important in terms of accommodating the future population of Latrobe City. Option B, which seeks to significantly reduce the amount of land available for long term urban development, excludes plans for the delivery of key infrastructure (as the location of infrastructure falls outside of the Option B precinct boundary) and encourages ad-hoc development activities. It is therefore not consistent with the State's planning and regional urban growth policy.

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There are risks associated with Option C. Based on best planning outcomes, having selected properties within a designated urban growth area left in Rural Living or Farming Zone, either in short or long term, could result in further incompatible land uses and developments being introduced to the area (e.g. agriculture and rural industry are some of the permissible land uses in a Rural Living Zone). Land use conflicts are more likely to arise between rural and residential activities; hence, undermining the long term urban development potential for the Lake Narracan precinct.

The intent of the Lake Narracan Project, as agreed with both the Department of Transport, Planning and Local Infrastructure (DTPLI) and Regional Development Victoria (RDV) through the project funding agreements with Council, is to prepare a long term strategic plan for the Lake Narracan area with a focus to facilitate physical integration with the existing Moe/Newborough area through the open space, road and waterway networks. Specifically, DTPLI and RDV have already provided approximately \$300,000 project funding to Council (of which approximately \$200,000 was for the Gippsland region in general) and was on the basis that an Integrated Framework Plan for growth and urban improvement for Moe and Newborough is to be included as part of the project. This Integrated Framework Plan was exhibited as part of the first stage community engagement process in November / December 2013.

With the removal of selected properties and key infrastructure from the PSP, Option B is inconsistent with the previously exhibited Integrated Framework Plan, by failing to provide appropriate integration with the existing Moe/Newborough townships.

State Government departments are currently in care-taker period and are therefore unable to provide written advice on the project. However, based on recent discussion with DTPLI, they reiterate their position on the Lake Narracan project and the purpose of their project funding, is to assist Council to facilitate integrated growth and urban development for Moe/Newborough and the Lake Narracan precinct.

Any significant variations to the Lake Narracan project as previously agreed with DTPLI or RDV under the funding arrangement will require written consent from the relevant parties, which may not be forthcoming.

Accordingly, should Council no longer wish to pursue the integration aspect of the project (i.e. proceed with Option B), it is recommended that written consent be sought from DTPLI and RDV seeking a variation to the funding agreement and project objectives in order to ensure that the project will be supported by the Minister for Planning.

The MPA has also advised that it considers Option B to be the inferior of the three options from the prospective of proper and orderly planning as it does not provide the physical integration of the new precinct with the existing townships of Moe and Newborough as provided by Option A or C.

For the purpose of the remainder of this report, consideration of the various key issues raised in submissions will be based on exhibited PSP (i.e. Option A) only.

Potential Increase in Rates

There are concerns that the PSP and any subsequent rezoning of land to Urban Growth Zone would result in an increase in rates which would cause financial hardship.

Response

Rates are calculated by multiplying a property's Capital Improved Value (CIV) by the 'rates in the dollar'. CIV is the value of the property, inclusive of land, buildings and other improvements, whereas 'rates in dollar' are set by Council. Council currently applies two types of 'rates in dollar', being the general rate and the farming rate. The general rate type currently applies to all Rural Living Zone properties within the precinct and this arrangement will not be changed as a result of the Lake Narracan project. Farming rate type currently applies to all Farming Zone properties which also undertake agricultural related activities on the land, and the farming rate type will continue to apply to these properties until such time the land is no longer used for agricultural purposes. In other words, for those landowners who wish to continue to stay or operate their current farms within the precinct after rezoning, there will be no impact on their rates type.

In relation to the CIV aspect of rates calculation, due to the future prospect of development as a result of the PSP and the Urban Growth zone (which is essentially a holding zone that reserves land for future urban development), it is anticipated that the market value of parcels of land within the precinct is likely to gradually increase over time. However, as development within the precinct will be gradual, it is unlikely that there would be dramatic increases in CIV and subsequent rates as result of the PSP. Gradual positive growth in property values is usually appealing for landowners who have bought property in the hope that the land value will increase.

The relationship between rates and strategic land use planning is common for all rezoning of land. The Planning Scheme requires Council to maintain a forward supply of land (at least 15 years) for all types of land use. In fulfilling this statutory function, there will, in most instances, be an unavoidable impact on land values and subsequent rates.

Council's Property and Rates team are responsible for valuations. Landowners who have difficulty meeting these increased rates are encouraged to contact Council's Property and Rates team to discuss possible payment options at the appropriate time. Council provides a number of assistance measures to reduce rate stress. Landowners will be worked with closely during this process.

**Loss of Amenity, Potential Adverse Impact on the Environment /
General Lifestyle**

There are concerns regarding the potential loss of amenity due to increased traffic, construction of new roads and potential impacts on the natural environment through removal of vegetation and increased urban development. Some landowners from the small Rural Living Zone or Farming Zone properties submit that they had bought into the area for its rural environment and consider that the PSP and subsequent urban development would negatively impact on their lifestyle.

Response

To respond to the precinct's rural setting and to minimize impact on the environment, the exhibited Lake Narracan PSP documentation includes a Native Vegetation Precinct Plan (NVPP) which identifies significant vegetation for retention and vegetation acceptable for removal within the precinct. Specifically, it is identified in the NVPP and PSP that large areas of vegetation on the southern banks of Lake Narracan are to be retained, including the eastern end of the precinct. Further vegetation is to be retained within the Moe Golf Course and along the existing Moe-Yallourn Rail Trail, Old Sale Road and Becks Bridge Road. Through the retention of significant elements of the landscape as clearly identified in the NVPP, the PSP seeks to protect the significant natural values of the precinct and promote the rural character of Latrobe City.

In addition, the PSP does not seek to replace any of the existing public reserves around Lake Narracan with urban development. Rather, the PSP includes a continuous foreshore treatment comprising parkland, pedestrian/cyclist paths and a foreshore road to be established along the southern side of the lake between Sullivans Track and Becks Bridge Road. These aim at reinforcing the rural characteristics of the precinct and for the wider community to enjoy.

The PSP also protects prominent high points and representative sections of the prominent terrace landform in the central area of the precinct as open space, so these areas can remain free from development and will allow the community to enjoy the views that these locations offer.

Extensive revegetation will occur in areas of public open space, particularly along and in waterways.

Existing landowners within the precinct are not obliged to develop their land but are able to continue to reside on their existing holdings for as long as they wish. As development within the precinct will be gradual over the next 30-40 years, impact on general lifestyle of existing landowners is unlikely to be dramatic.

Also refer to the next section of this report for consideration of amenity impact associated with increase in traffic and new road alignments.

Increase in traffic and location of new road alignments

A number of submitters raise concerns regarding the proposed re-alignment of Thompson Road / Old Sale Road / Macpherson Road and John Field Drive extension / Broad Way collector street due to encroachment onto their land and increased traffic movements near their property. These submitters also query the mechanism to acquire land for the proposed road infrastructure and the relevant compensation process.

Response (Thompsons Road / Old Sale Road / Macpherson Road)

One of the key features of the Lake Narracan project is to promote connectivity of street network and to create a direct connection between the Moe Town Centre and Lake Narracan via Haigh Street, Thompsons Road and Macpherson Road. It is therefore necessary in the PSP to include a realignment of the western end of Thompsons Road to connect to the existing Old Sale Road and Haigh Street roundabout. This realignment (or intersection) as exhibited directly affects three properties by encroaching onto part of their land (land only, no impact on their existing dwelling). One of the affected landowners supports the Lake Narracan project, whilst the other affected landowner objects to the proposed realignment due to impact on her land and suggest an alternative realignment to minimize encroachment onto her land.

In response to the above objection and upon receipt of the alternative realignment, further consideration has given to this matter by Council and the MPA. The results of the investigation indicate that there is scope to adjust the exhibited Thompsons Road / Old Sale Road / Macphersons Road realignment to minimize the area of encroachment onto the land of one of the landowners (refer to Attachment 4 for the revised realignment details), without impacting on any other existing dwellings in the area or compromising the efficiency of this intersection. Accordingly, it is recommended that changes be made to the PSP and associated documentation to reflect the revised realignment as shown in Attachment 4.

In addition, to further minimize impact of existing residents as a result of the Thompsons Road / Old Sale Road / Macphersons Road, it is recommended that changes be made to the PSP and associated documentation to ensure that this realignment will only occur if the property at 2 Thompsons Road is subdivided. Until such time the existing Thompsons Road and Macphersons Road reserves can be utilised to provide an interim connection to the new Thompsons Road alignment.

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In order to provide greater certainty to the landowners affected by road infrastructure, further traffic investigation has also been undertaken to determine the trigger point for the realignment of Thompsons Road to the Haigh Street roundabout (refer to Attachment 5) and it is estimated that this realignment will not be required:

- for at least 14 years; or
- when the current intersection at Old Sale Road and Thompsons Road reaches capacity of up to 400 turning movements in the peak hour (the current vehicle movement at this intersection is approximately 120 vehicle movements per hour); or
- until such time up to 250 dwellings are approved / constructed to the west of the new Broad Way collector street.

It is recommended that the above indicative provision trigger point be included in the DCP for the project to realign Thompsons Road to the Haigh Street roundabout accordingly.

Response (John Field Drive extension / Broad Way)

In relation to the proposed John Field Drive extension / Broad Way collector street, the objective of this new road extension is to create a direct connection between the heart of Newborough and Lake Narracan. This road alignment as exhibited directly affects six properties (including the rail trail) by encroaching onto part of their land and five of the affected landowners object to this road alignment due to impact on their land.

Meetings have been held with all of the above six affected landowners on a number of occasions and the discussions have resulted in minor design changes in order to reduce the extent of unusable land created by the road alignment (refer to Attachment 6). As most of the affected landowners essentially do not want any of their land to be encroached by the proposed road alignment, a functional solution agreeable to all cannot be reached.

It is the view that the road alignment as shown in Attachment 6 is the most effective one in terms of minimizing the overall impact on existing residents. This road alignment has been designed in consultation with the MPA, VicRoads and GTA traffic consultants to ensure that it will operate safely without impacting on the existing electricity pylons in the area, accommodate the projected traffic volume and B-double movements, as well as allowing all the existing dwellings to be retained and unaffected (i.e. encroachment onto land only, no impact on dwellings).

In order to fully understand the potential impact of the proposed John Field Drive extension and Broad Way collector street on the six affected landowners, the provision trigger point for this alignment has been determined with the detailed traffic analysis included in Attachment 5. Based on findings of the analysis, it is estimated that the project to extend John Field Drive and construct Broad Way collector street will not be required for at least 30 - 36 years or until such time up to 650 new dwellings are approved or constructed to the east of Broad Way.

Given the long-term nature of this John Field Drive extension and Broad Way collector street project, there will be no significant impact on any of the six affected properties in the near future as a result of road infrastructure. The existing landowners of these properties can continue to stay or operate their business on site for the next 30 years.

In response to query regarding the mechanism to acquire land for road infrastructure, it should be noted that land can be set aside and handed over to Council for road infrastructure at the time of subdivision (voluntarily provision of land). These landowners are then paid for this land through the DCP. For those who have no intention to subdivide, it is recommended that the preferred process for acquisition is for Council to acquire the relevant portion of land by agreement through negotiation with landowners at the time Council requires the land. Compulsory acquisition through a Public Acquisition Overlay is usually a last resort method and used when agreements cannot otherwise be reached.

Development Contributions Plan Issue

The submission by the NBA group on behalf of their clients who own approximately 60% of the PSP raises the concern that the per hectare cost of the DCP is above what the usual cost would be for a precinct of this size, and requests further detailed interrogation of the various projects in the DCP after the approval of the PSP.

In particular, the submission notes that the location and size of water treatment assets and drainage lines should be refined.

Some landowners also express concerns regarding the application and timing of development contributions levies. In particular, some submitters query the requirement to pay development contribution levies associated with their existing dwelling.

Response

Given the DCP is critical to the delivery of the overall Lake Narracan project, it is considered that any review to the various DCP projects should be done prior to rather than after the approval of the PSP. Accordingly, in response to the above submission, a detailed review of the Lake Narracan DCP, including an additional investigation of the stormwater quality treatment works by the MPA, in consultation with Council's Infrastructure Department, was undertaken.

Items which have been included in the exhibited Lake Narracan DCP, such as local roads and associated waterway crossings, local parks and primary links in the shared trail network, are not those which are usually seen in DCPs but are usually considered developer works. These items were included in the exhibited DCP due to the highly fragmented nature of the land holdings within the precinct (the fragmentation will require additional infrastructure such as connector roads and associated waterway crossings to ensure a more equitable outcome for landowners).

However, further to the detailed review of the DCP, it has been found that some of the local roads and associated waterway crossings, local parks and shared paths can be removed from the DCP and delivered as developer works. This means that these projects will still be required but will be delivered by developers as each subdivision gets developed rather than a contribution shared amongst the whole development area. It should be noted that removal of these projects from the DCP does not shift the cost of these projects to Council. The list of projects recommended for removal is outlined in Attachment 10 of this report.

In relation to the stormwater quality treatment works, the findings of additional investigation (refer to Attachment 7) show that the overall wetland area in the exhibited Lake Narracan DCP can be reduced by 1.9 hectares, leaving a total wetland area of 28.8 hectares across the precinct.

Other than the removal of projects as outlined in Attachment 7 and the minor adjustments to selected wetland areas as discussed above, all the other items are integral to the creation of a viable and well-connected precinct and cannot be reasonably delivered as developer works at the time of subdivision.

In consideration of the above and based on preliminary calculations, the per hectare rate of the Lake Narracan DCP can reasonably be reduced from the exhibited figure of \$256,802 to \$170,000 - \$180,000 (including connector roads and drainage). The adjusted per hectare rate of the Lake Narracan DCP is considered generally comparable to other development contributions in Latrobe City and represents a significant reduction in the exhibited DCP rate. .

In relation to DCP implementation, DCP Development Infrastructure Levy applies to subdivisions and/or development of land.

To address concerns raised in the submission and to avoid financial burden on existing landowners within the precinct, it is recommended that changes be made to the DCP to clarify that development contributions will not apply in a development involving:

- Renovations or alterations to an existing dwelling;
- Demolition of a dwelling followed by construction of a replacement dwelling on the same land.
- Outbuildings normal to an existing dwelling and fences

Support for the Lake Narracan Project

A large number of the submissions are supportive of the Lake Narracan project. In particular, the potential of this project to create job opportunities and to attract people to Moe/Newborough and the wider region is well received by the community. There is also strong support for improved access to Lake Narracan.

Detailed support submissions are included in Attachment 3 of this report.

Response

The future development of the Lake Narracan precinct as envisaged in the exhibited PSP (i.e. Option A) has the potential to provide significant benefit to the existing Moe–Newborough community in a number of ways.

Firstly, development along Lake Narracan will create a connection to the lake that will be available to all members of the community. Key road and open space links will be created to more directly link the centre of Moe–Newborough with the lake. An extensive network of pedestrian and cyclist paths will be established throughout the precinct, linking to the heart of existing Moe - Newborough.

The connection to the lake will provide significant community benefit through the enhancement of recreation opportunities, both along the banks of the lake and in or on the lake itself.

Increasing access to the lake will also lead to increased economic activity through tourism. Enhancing the lake experience for tourists has the potential to increase local economic activity and create jobs for residents.

Increased economic activity initiated by enhancing the connection to Lake Narracan can potentially act as a spring board to revitalising the existing Moe–Newborough area. This will lead to redevelopment in the town centre and again create local job opportunities.

Relocation of User Groups

In response to Council's resolution of 6 November 2013, there was a requirement for a Relocation Strategy to be developed for the Latrobe Valley Hovercraft Club and the Latrobe Valley Model Aero Club as part of the Lake Narracan project. The purpose of this strategy is to provide options for the two clubs to relocate to within the Latrobe City Municipality.

Further to ongoing discussions with the Lake Narracan User Group committee, an update report as an addendum to the Relocation Strategy has since been prepared and is included as Attachment 8 of this report.

The strategy identifies shifting the hovercraft club to a preferred site on the northern bank of Lake Narracan and re-opening a section of North Shore Road from Fernlea Road to provide access to club members. The hovercraft club has been involved in the site identification process and is generally supportive of moving to this location subject to future support to upgrade road access.

In the case of the model aero club, several options have been identified on areas of land owned by Energy Australia, but more consultation is currently being undertaken with the Model Aero Club and Energy Australia to determine suitability and/or lease arrangements.

Council officers will continue to work with the two clubs to finalise arrangements for their relocation.

RISK IMPLICATIONS

The PSP will contribute to reducing the following specific risk that is identified within the Council's *Risk Management Plan 2011-2014*:

'Shortage of land available to support population growth and planning application processes that do not encourage development'.

The risk is described as,

'...the slow transitioning of structure plans to actual zoned and developable land'.

Precinct Structure Plans are identified as an existing control to manage and mitigate against the risk.

There are other risks involved with this project which will impact timeframes and budgets. These are identified in the section below.

FINANCIAL AND RESOURCES IMPLICATIONS

The PSP has been jointly funded by RDV, DTPLI and Council with the intent to seek a Ministerial Amendment. The costs associated with the Ministerial Amendment process will be minimal.

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Should Council decide to deviate from the funding agreement, that is, not produce an integrated plan (as previously discussed in this report), the likelihood of a streamlined Ministerial Amendment process may be impacted. This may result in a standard planning scheme process being required with planning panel consideration which means considerable time, resources and budget implications for Council as follows:

- Estimated timeframe required for formal exhibition and planning panel consideration of a planning scheme amendment – 12 months
- Estimated cost for planning panel preparation - \$50 to \$70k (including expert witness)
- Estimated cost for a part time project manager (Senior Strategic Planner) to manage the planning scheme amendment process - \$30k

Council should also be aware that the adoption of the Lake Narracan PSP has the following implications:

- The adoption of the associated DCP will provide a funding stream for implementation of key infrastructure that cannot be delivered as developer works, which significantly reduces financial risk to Council.
- Potential funding gap associated with the DCP, i.e. the difference between the cost of delivering the committed infrastructure and the amount that can be recovered from future development may need to be provided by Council.
- Impact on Council's resources and administrative costs, as there will be ongoing implementation and maintenance of the PSP and DCP.

OPTIONS

The options available to Council are as follows:

- 1 That Council adopts the Lake Narracan Precinct Structure Plan and associated documentation as exhibited (i.e. Option A), subject to minor changes being made in response to the submissions received. That a request be made to the Minister for Planning to undertake Amendment C86 under Section 20(4) of the *Planning and Environment Act 1987*.

Or

- 2 That Council supports in principle the Lake Narracan Precinct Structure Plan and associated documentation subject to:
 - the removal of the small Rural Living Zone and Farming Zone properties from the precinct area (i.e. Option B); and
 - approval from RDV and DTPLI to make variations to previous funding agreements and objectives relating to this project.
 - written clarification from the Minister for Planning in relation to his/her view on Option B and that a request for a planning scheme amendment under Section 20(4) of the *Planning and Environment Act 1987* will generally be supported

That the Lake Narracan project be reported back to Council at a future Council meeting with status of the above.

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Or

- 3 That Council adopts the Lake Narracan Precinct Structure Plan and associated amendment documentation subject to:
- changes to the documentation to reflect the applied Rural Living Zone for the existing small Rural Living Zone and Farming Zone properties (i.e. Option C)
 - other consequential changes to the Development Contribution Plan as required, to reflect the long term nature of selected infrastructure projects.

That a request be made to the Minister for Planning to undertake Amendment C86 under Section 20(4) of the *Planning and Environment Act 1987*.

Or

- 4 That Council resolves not to adopt the Lake Narracan Precinct Structure Plan (PSP) and associated amendment documentation, and requests further information be provided and/or further work be undertaken in relation to the project.

CONCLUSION

The Lake Narracan project has undergone thorough consultation since late 2012 and more recently, a large number of stakeholders (including landowners and occupiers, user groups, government agencies and authorities, as well as the members of the general public) were involved in the second stage of the Lake Narracan PSP public exhibition process, with over 390 submissions received.

In an attempt to respond to some of the key concerns raised in submissions, three different PSP options have been investigated. As discussed in the body of this report, the exhibited PSP (Option A) with changes in response to submissions received as documented in Attachment 10 will assist in facilitating an integrated urban development with the existing township of Moe/Newborough and deliver broader benefits to the wider community. Option A is also preferred by the majority of landowners within the precinct and is in line with the Lake Narracan project requirement as previously agreed with DTPLI under previous funding arrangement with Council.

Subject to minor changes to the exhibited PSP and associated documentations, issues relating to the potential loss of amenity, impact on the environment and general lifestyle, traffic and road alignment implications, as well as development contributions concerns, can reasonably be addressed as discussed in the body of this report. With regard to the issue of rates, it is reasonable to consider that the increase will only be gradual over long term and assistance can be provided to individual landowners on a case-by-case basis to reduce rate stress.

In conclusion, all issues raised in submissions have now been addressed and it is recommended that Council adopt the Lake Narracan Precinct

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Structure Plan (PSP) and associated amendment documentation as exhibited, subject to minor changes as detailed in the attachments of this report.

Attachments

1. Attachment 1 - Lake Narracan Precinct Structure Plan Consultation Package (exhibited version) (Published Separately)
2. Attachment 2 - Maps Illustrating Three Possible PSP Options & Table Comparing the Three Options (Published Separately)
3. Attachment 3 - Detailed Response to Each Individual Submission (Published Separately)
4. Attachment 4 - Revised Realignment of Thompsons Road / Old Sale Road / McPherson Road Intersection (Published Separately)
5. Attachment 5 - Additional Traffic Assessment (Published Separately)
6. Attachment 6 - Revised Alignment of John Field Drive Extension / Broad Way (Published Separately)
7. Attachment 7 - Additional Whole of Water Cycle Assessment (Published Separately)
8. Attachment 8 - Addendum to Relocation Strategy (Published Separately)
9. Attachment 9 - Revised Future Urban Structure Plan Showing Key Changes as Recommended in the Report (Published Separately)
10. Attachment 10 - Proposed detailed changes to the Lake Narracan Precinct Structure Plan, Development Contributions Plan, Revised Moe/Newborough Structure Plan and Planning Scheme Amendment Documentation (Published Separately)
11. Attachment 11 - Submissions received during Phase 2 Consultation (Confidential) (Published Separately)
12. Attachment 12 - Landowner Option Preferences (Confidential) (Published Separately)

**13.2 ECONOMIC SUSTAINABILITY STRATEGY 2013/14 ANNUAL
REPORT****General Manager****Planning & Economic
Sustainability****For Decision****PURPOSE**

The purpose of this report is to present outcomes of the third annual review of the Latrobe City Council Economic Sustainability Strategy 2011-2015 for the period 1 July 2013 – 30 June 2014.

EXECUTIVE SUMMARY

The Latrobe City Council Economic Sustainability Strategy 2011- 2015 provides a framework for the delivery of economic development activities for Latrobe City Council.

This report provides an overview of the work done in relation to the Strategy for the 2013/2014 year.

Key strategy achievements include:

- Responded to 509 business development enquiries. These are generally assisting new business or helping existing firms with internal Council processes, referrals to other agencies and funding applications.
- 80,000 hits to the Latrobe City Tourism website.
- The delivery of 11 training, information and networking sessions for local businesses.
- Four editions of Business Connect newsletter that are distributed to 3,500 businesses and stakeholders.
- Delivery of the Accelerated Business Support & Small Medium Enterprise Program in partnership with State Government.

This Economic Sustainability Strategy Annual Report details the progress made in relation to each of the 56 Strategy actions.

RECOMMENDATION

That Council notes the Latrobe City Council Economic Sustainability Strategy (2011-2015) 2013-14 Annual Report.

Moved: Cr Middlemiss**Seconded:** Cr White**That the Recommendation be adopted.****CARRIED UNANIMOUSLY**

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 – 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

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 1: Job Creation and Economic Sustainability

Objectives:

- *Actively pursue long term economic prosperity for Latrobe City, one of Victoria's four major cities.*
- *Actively pursue further diversification of business and industry in the municipality.*
- *Actively pursue and support long term job security and the creation of new employment opportunities in Latrobe City.*

Strategic Direction - Job Creation and Economic Sustainability

Provide incentives and work proactively to attract new businesses and industry to locate in Latrobe City.

Assist existing small and medium enterprises to expand and sustain employment opportunities.

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

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

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

Promote research and development for new products and processes to exploit the significant coal resource of the Latrobe Valley .

Strategies:

Strategy 1 – Economic Sustainability Strategy

Strategy 2 – Latrobe Regional Airport Master Plan

Strategy 3 – Gippsland Logistics Precinct Project Plan

Strategy 4 – Former Lurgi Site Master Plan

Strategy 5 – Positioning Latrobe City for a Low Carbon Emission Future

Strategy 6 – Latrobe City Council Low Carbon Transitional Immediate Opportunities

Policy - Economic Development Assistance Policy 11 POL-6

BACKGROUND

The *Latrobe City Council Economic Sustainability Strategy 2011-2015* (the Strategy) was adopted by Latrobe City Council on 28 June 2011.

The Strategy:

- Provides a framework to direct Latrobe City Council economic development activities;
- Guides the work of Council so that work can be prioritised to focus on those activities that best position Latrobe City to prosper in a changing economic environment; and
- Identifies emerging challenges and opportunities and corresponding actions to assist business to grow and invest.

To achieve sustainable economic development, the Strategy identifies three equally important and inter-dependent groups of activities being:

- Providing strategic business development services for new and existing businesses;
- Building the Latrobe City investment brand; and

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- Creating an enabling business environment that fosters business activity and supports further investment.

The Strategy also identifies actions which are aimed to consolidate Latrobe City's position as a major regional city and service centre for the Gippsland region and drive economic growth at a pace exceeding that of other regional centres as measured by:

- Job creation;
- Growth in gross regional product; and
- Reduction in unemployment rates.

The Strategy requires progress on its implementation to be monitored and reported to Council on an annual basis and published on the Latrobe City website.

KEY POINTS/ISSUES

Economic Sustainability Strategy Annual Report

At the completion of the 2013-2014 year, a review of the Strategy was completed and a report of key statistics and activities undertaken was prepared. (This is included as Attachment 1).

Key strategy achievements include:

- A 23% increase in business development enquiries. These are generally assisting new business or helping existing firms with internal Council processes, referrals to other agencies and funding applications.
- 80,000 hits on the Latrobe City Tourism website.
- The delivery of 11 training, information and networking sessions for local businesses.
- Four editions of Business Connect newsletter distributed to 3,500 businesses and stakeholders.
- Dissemination of 4,500 "Securing our Future" documents.

This report details the progress made in relation to each of the Strategy actions.

A full review of the strategy is scheduled to be undertaken in 2015 for the consideration of Council so as to provide strategic direction for the next four year planning period.

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Performance of the Latrobe City Economy

Unemployment has trended downwards over the past year with Latrobe City being the only regional city to experience a decrease in unemployment from 6.5% in 2012 to 6.1% in 2013. In general, unemployment rates have decreased across Latrobe City over the past 10 years, from 9.2% in 1999 to 6.1% in 2013. Latrobe City has overall experienced a decreased local GRP with an estimated GRP of \$4.20 billion in 2014, compared to \$4.07 billion in 2013. Similarly the number of businesses with a turnover between \$50,000 and \$2 million has decreased from 4,453 in 2012 to 4,298 in 2013.

Latrobe City experienced a 16% decrease in the value of planning approvals compared to the previous year. The City experienced an increase of 6.4% in the value of building approvals compared to 2012/13.

Year	Planning approvals (\$)	Building approvals (\$)
2012/2013	\$162.7 million	128.5 million
2013/2014	\$136.0 million	136.7 million

The number of house, flat or unit vacant lots sales have increased from 2012 to 2013 with the sale of vacant lots increasing by 28% from 186 in 2012 to 247 in 2013.

The economic data reported annually to Council over the past three years via this and previous Economic Sustainability Strategy Annual Reports indicates the Latrobe City economy remains resilient and presents a viable foundation for continuing efforts to diversify our economic base. A key project planned for the next period is a full review of the Economic Sustainability Strategy to identify key economic development priorities for Council over the next four to five years.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

There are no financial implications as a result of considering this report. Implementation of the Strategy is accommodated within the Planning and Economic Sustainability divisional budget.

INTERNAL/EXTERNAL CONSULTATION

No consultation has been undertaken in preparation of this report.

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Council has the following options:

1. Note the *Economic Sustainability Strategy 2011-2015 Annual Report Report*,
2. Request further information relating to the *Economic Sustainability Strategy 2011-2015 Annual Report Report*.

CONCLUSION

The Economic Sustainability Strategy 2011-2015 Annual Report provides an update on the progress of the Latrobe City Council Economic Sustainability Strategy 2011-2015. The review demonstrates the significant progress that has been made in delivering the Strategy.

SUPPORTING DOCUMENTS

Latrobe City Council Economic Sustainability Strategy (2011-2015).

Attachments

1. Economic Sustainability Strategy 2013-2014 Report Card

13.2

Economic Sustainability Strategy 2013/14 Annual Report

- 1 Economic Sustainability Strategy 2013-2014 Report Card 169**

Economic Sustainability Strategy 2011 – 2015



Annual Review of Actions and Report Card on Progress

August 2014





1. Summary

The Latrobe City Council Economic Sustainability Strategy provides a framework for the delivery of economic development activities for Latrobe City Council.

This report provides an overview of the work done in relation to the Strategy for the 2013/2014 year.

Key strategy achievements include:

- Responded to **509** business development enquiries. These are generally assisting new business or helping existing firms with internal Council issues, referrals to other agencies and funding applications.
- **80,000** in hits to the Latrobe City Tourism website.
- The delivery of **11 training, information and networking sessions** for local businesses.
- Four editions of **Business Connect** newsletter that are distributed to **3,500 businesses and stakeholders**.
- **Delivery of the Accelerated Business Support & Small Medium Enterprise Program** in partnership with State Government.

This report details the progress made in relation to each of the 56 Strategy actions.





2. About the Strategy

The Economic Sustainability Strategy (ESS) was adopted by Latrobe City Council on 28 June 2011.

The Strategy:

- Provides a framework to direct Latrobe City Council economic development activities;
- Guides the work of Council so that work can be prioritised to focus on those activities that best position Latrobe City to prosper in a changing economic environment; and
- Identifies emerging challenges and opportunities and corresponding actions to assist business to grow and invest.

To achieve sustainable economic development the Strategy identifies three equally important and inter-dependent groups of activities being:

- Providing strategic business development services for new and existing businesses;
- Building the Latrobe City investment brand; and
- Creating an enabling business environment that fosters business activity and supports further investment.



The Strategy identifies three employment zones of significant interest in terms of the future prosperity and growth for the municipality. The employment zones place an emphasis on job creation, industry diversification and the ability to offer opportunities to prospective investors:



- Former Morwell Gasworks/Lurgi site
- Gippsland Logistics Precinct
- Latrobe Regional Airport

The Strategy identifies actions which are aimed to consolidate Latrobe City's position as a major regional city and service centre for the Gippsland region and drive economic growth at a pace exceeding that of other regional centres as measured by:

- Job creation;
- Growth in gross regional product; and
- Reduction in unemployment rates.

A requirement of the Strategy is that a review will be undertaken annually and the list of strategy actions be revised and supplemented accordingly.

It is planned that a full review of the strategy will be undertaken in 2014 in preparation for the next four year planning period.





3. Responsibility for Implementation

The Economic Sustainability Strategy is an adopted strategy of Latrobe City Council and is an organisation wide responsibility. The Planning and Economic Sustainability Division is the primary resource allocated to the Strategy's implementation and is charged with progressing the majority of its Actions.

Other key Divisions involved in progressing the Economic Sustainability Strategy include Recreation, Community Infrastructure and Corporate Services.





4. Measuring Progress

The Strategy requires progress on its implementation to be monitored and reported to Council on an annual basis and published on the Latrobe City website. The implementation report is to include data on the number of:

- Responses to business enquiries;
- Media releases produced;
- Contacts developed; and
- Delegations organised.

Furthermore it requires Latrobe City Council to develop, collate and publish economic development indicators, measuring Latrobe City's economic progress for the 2011-15 period.

These indicators cannot be used directly to assess the success of implementation of this Strategy, as there are many factors outside the control of Latrobe City Council that impact on economic development. However, the data will enable Latrobe City Council to identify opportunities and issues and to adapt the Strategy accordingly.

The Strategy requires that an annual assessment of economic development performance in Latrobe City relative to the other major regional centres will be undertaken, focused on:

- Gross Regional Product;
- Employment rates/job growth;
- Unemployment rates;
- Mean taxable income; and
- Population growth.

In addition, performance against the following indicators is to be monitored:

- Visitation statistics;
- Business confidence;
- Planned investment;
- New business registrations by sector;
- Value of planning approvals (commercial, industrial and residential);
- Value of building construction;
- Value of property sales and median prices; and
- Population forecasts.

Please note that details of all external sources of statistical information are referenced in the document. Where no source is identified, the statistic has been derived internally.

The remainder of this document will provide a snapshot of progress over the second year of the four year Strategy and recommendations for some revision of actions.



5. Performance Against Activity Indicators

5.1 Responses to Business Enquiries

The type of Business enquiries received vary greatly but are typically the provision of assistance when starting a new business, assistance with site selection or referrals to other agencies. In the 2013/2014 financial year, 507 business enquiries were responded to by the Business Development Unit compared to 414 business enquiries responded to in the 2012/2013 financial year. Details of activity are as follows (it should be noted that some requests cover many of the categories outlined below):

- Assisted 51 new businesses to establish in Latrobe City;
- Provision of advice to over 144 businesses on government assistance programs and funds; and
- Assisted over 44 businesses identify suitable sites and work through the regulatory permits and approval process.

New business contacts made through business enquiries are also added to the business database and supplied with information, newsletters and updates as outlined in section 5.3.

5.2 Media Releases Distributed

In the 2013/2014 financial year, 22 media releases were prepared by the Economic Development Unit and distributed by the Economic Sustainability Division compared to 21 media released in the 2012/2013 financial year.

5.3 Number of New Business Contacts

In the 2013/2014 financial year, 343 new business contacts were made by the Planning and Economic Sustainability Division compared to 259 new business contacts in the 2012/2013 financial year. These contacts are then periodically supplied with information and updates from the Division including the Business Connect newsletter, Business Development E-newsletter, information on grants and assistance and training and networking opportunities as available.

5.4 Tourism Statistics

The Latrobe City Visitor Information website hits increased with 80,000 hits for 2013/2014 compared to 75,110 hits in the 2012/2013 financial year.



5.5 New Business Registrations by Sector

In the 2013/2014 financial year, the following new business registrations were recorded in Latrobe City in the following sectors:

Sector	Registrations 2013/14
Construction	114
Administrative & Support Services	69
Professional, Scientific & Technical Services	65
Retail Trade	50
Health Care & Social Assistance	37
Rental, Hiring & Real Estate Services	36
Accommodation & Food Services	26
Arts & Recreation Services	26
Transport, Postal & Warehousing	26
Education and Training	22
Agriculture, Forestry & Fishing	21
Financial & Insurance Services	18
Manufacturing	18
Wholesale Trade	13
Information Media & Telecommunications	4
Public Administration & Safety	4
Electricity, Gas, Water & Waste Services	0
Mining	0
Other	0
Total	623

Source: Australian Business Register, July 2014

5.6 Value of Planning Approvals

\$138 million in the 2013/2014 financial year compared to \$162.7 million in 2012/2013.

5.7 Value of Building Construction

\$136.7 million in the 2013/2014 financial year compared to \$128.5 million in 2012/2013.





5.8 Value of Property Sales

Latrobe City median property price and sales activity for 2011 to 2013 are as follows.

	2011	2012	2013
Median house price (\$)	209,000	208,000	212,000
Mean house price (\$)	229,465	224,850	230,912
Number of house sales	1,131	1,123	1,139
Median flat or unit price (\$)	165,000	170,000	170,000
Mean flat or unit price (\$)	186,308	188,690	196,878
Number of flat or unit sales	195	149	177
Median vacant block price (\$)	127,000	135,000	129,500
Mean vacant block price (\$)	128,713	136,022	129,711
Number of vacant block sales	245	186	247

Source: A Guide to Property Values 2013, Department of Transport, Planning and Local Infrastructure, July 2014

5.9 Population Forecasts

Latrobe City population forecasts are as follows.

2011	2016	2021	2026	2031
73,788	74,767	78,215	82,538	85,299

Source: Victoria in Future 2014 - Population and Household Projections 2011–2031 for Victoria and its Regions, Department of Transport, Planning and Local Infrastructure, May 2014.





6. Comparative Economic Indicators against other Regional Centres

6.1 Gross Regional Product (GRP)

GRP for Latrobe is estimated at \$4,020 million. A comparison against Victoria's other key regional centres is provided below.

Expenditure Method	Latrobe (C)	Ballarat (C)	Greater Bendigo (C)	Greater Geelong (C)
Gross Regional Expenses	\$4,929 M	\$6,593 M	\$6,962 M	\$X 14,178
Net exports	\$3,591 M	\$3,076 M	\$2,597 M	\$9,455 M
Gross Regional Product	\$4,020 M	\$4,949	\$5,278 M	\$10,449 M
Per Capita GRP	\$55,542	\$52,930	\$52,459	\$49,551
Per Worker GRP	\$156,945	\$127,640	\$140,160	\$132,985

Source: Latrobe City Council Economic Profile, City of Greater Bendigo Economic Profile, City of Greater Geelong Economic Profile, City of Ballarat Economic Profile, REMPLAN, August 2014





6.2 Employment Growth / Jobs Rates

Between 1999 and 2013, Latrobe City experienced the highest total growth (an increase of 58.78%) in the number of jobs over the 15 year period, from 23,023 jobs in 1999 to 36,576 jobs in 2013. In comparison, over the same period, the number of jobs in Greater Bendigo increased by 49.28%, Greater Geelong increased by 43.09% and Ballarat increased by 27.19%.

The following table shows the number of jobs and job growth rate from 1999 to 2013 for the four regions.

	Latrobe (C)		Ballarat (C)		Greater Bendigo (C)		Greater Geelong (C)	
	Jobs	Percentage Change	Jobs	Percentage Change	Jobs	Percentage Change	Jobs	Percentage Change
1999	23,023	-	38,611	-	33,854	-	77,665	-
2000	24,646	7.05%	41,046	6.31%	34,641	2.33%	77,870	0.26%
2001	26,385	7.05%	39,547	-3.65%	37,085	7.06%	88,033	13.05%
2002	28,275	7.16%	35,276	-10.80%	41,042	10.67%	88,010	-0.03%
2003	30,220	6.88%	37,303	5.75%	43,353	5.63%	88,958	1.08%
2004	32,386	7.17%	37,668	0.98%	41,291	-4.76%	85,266	-4.15%
2005	32,457	0.22%	39,572	5.06%	40,995	-0.72%	89,382	4.83%
2006	32,391	-0.20%	40,365	2.00%	43,757	6.74%	94,202	5.39%
2007	33,329	2.90%	41,130	1.90%	47,700	9.01%	99,292	5.40%
2008	34,035	2.12%	42,733	3.90%	46,949	-1.57%	103,114	3.85%
2009	34,901	2.54%	44,712	4.63%	47,967	2.17%	104,862	1.70%
2010	37,152	6.45%	45,545	1.86%	48,439	0.99%	105,452	0.56%
2011	40,354	8.62%	46,487	2.07%	51,561	6.44%	105,681	0.22%
2012	38,607	-4.33%	46,117	-0.80%	52,582	1.98%	109,299	3.42%
2013	36,576	-5.26%	49,108	6.49%	50,536	-3.89%	111,130	1.68%
Total Change in Jobs								
1999-2003	7,197	31.26%	-1,308	-3.39%	9,499	28.06%	11,293	14.54%
2004-2008	1,649	5.09%	5,065	13.45%	5,658	13.70%	17,848	20.93%
2009-2013	1,676	4.80%	4,397	9.83%	2,570	5.36%	6,268	5.98%
1999-2013	13,554	58.87%	10,497	27.19%	16,682	49.28%	33,465	43.09%

Source: Data prepared by REMPLAN for Latrobe City Council
Department of Employment, Small Area Labour Markets Australia, July 2014
Note: Average annual number of persons employed in the 12 months to December.

6.3 Unemployment Rates

Unemployment has trended upwards over the past year for Bendigo, Ballarat and Geelong with Latrobe the only region to experience a decrease in unemployment from 6.5% in 2012 to 6.1% in 2013. In general, unemployment rates have decreased across all regions, with Latrobe decreasing from a comparably high level of unemployment of 14.1% in 1999 to 6.1% in 2013.



6.4 Mean Taxable Income

When comparing the four regions, Latrobe has consistently had the highest average taxable income over the four year period, with the average taxable income being \$42,722 at June 2010.

6.5 Population Growth

Latrobe has been experiencing moderate population growth, particularly over the last four years.

	2009	2010	2011	2012	2013	Change 2009-2012	Growth rate (%) 2009-2013
Latrobe (C)	72,306	73,082	73,788	74,001	73,846	1,540	2.13
Ballarat (C)	91,390	93,359	95,185	96,972	98,684	7,294	7.98
Greater Bendigo (C)	99,003	100,506	101,995	103,605	105,332	6,329	6.39
Greater Geelong (C)	209,429	212,585	215,837	218,125	221,515	12,086	5.77
Gippsland	251,696	256,014	259,816	262,123	263,723	12,027	4.78
Regional Victoria	5,371,934	5,461,101	5,537,817	5,632,521	5,739,341	367,407	0.07

Source: Latrobe City Economic Profile, Ballarat City Council Economic Profile, City of Greater Bendigo Economic Profile, City of Greater Geelong Economic Profile, REMPLAN, August 2014





7. Review of Actions

To progress the objectives of the Economic Sustainability Strategy 2011 – 2015 the following actions have been undertaken. They are collated under the Strategy action areas and, where necessary, are applied to more than one area.

Actions for Retention and Growth of Existing Businesses

1. Connect with the business community and maintain relationships to keep abreast of business needs and gaps in provision of service.

Indications of Activity:

- Relationships created and reinforced with business representatives through six business development workshops, two developers forums and tailored one-on-one business assistance;
- Participated in industry related conferences including:
 - Brown Coal Innovation Australia Coal to Products Seminar - Gasification, Pyrolysis and Beyond;
 - Brown Coal Innovation Australia Coal Drying and Developments Forum;
 - Victorian Infrastructure Summit;
 - All Energy Australia Conference;
 - Timber Towns Annual Conference;
 - Timber Towns Victoria AGM;
 - Committee for Economic Development of Australia (CEDA) Missed opportunities of our Asian engagement;
 - Committee for Economic Development of Australia CEDA Broadband/Digital economy;
 - Committee for Economic Development of Australia CEDA Economic & Political Overview 2014;
 - National Tourism and Events Conference;
 - Gippsland Tourism Conference;
 - 2013 Victorian Employers Chamber of Commerce and Industry (VECCI) Victorian Summit;
 - Clean Coal Victoria Regional Stakeholder Exchange;
 - Melbourne Business School -The Journey to Economic and Social Impact;
 - Gippsland Freight and Logistics Road Network Forum;
 - Committee For Gippsland (C4G) Energy Forum;
 - Committee For Gippsland (C4G) Post Budgets Briefing with Small Business Ministers Forum;
 - Agribusiness Gippsland China Forum;
 - Melbourne Caravan and Camping Show;



- Industry Capability Network Local Government Event - Regional Gateway;
- MAV Business Expansion and Retention Seminar;
- Australian Airports Association conference;
- GHD Resource Efficiency through Innovation Forum; and
- Low Rank Brown Coal Symposium.
- Supported the Latrobe City Business Tourism Association (LCBTA) through attendance at 22 meetings and the provision of business development assistance;
- Conducted five meetings with the Industrial Capability Network (ICN) to exchange business related intelligence;
- Regularly distributed information to local business associations;
- Delivered two major project updates to Latrobe City Real Estate Agents;
- Conducted six Latrobe Regional Airport board meetings; and
- Conducted six meetings with Latrobe Regional Airport Community Committee.

2. *Keep the business community appraised of emerging developments in the business operating environment so that they can effectively prepare and adapt for change.*

Indications of Activity:

- Published and distributed four editions of the Business Connect newsletter which were sent to 3,500 businesses and stakeholders;
- Prepared and distributed the Business Development E-newsletter on a monthly basis;
- Distributed the Small to Medium Enterprise Toolkit;
- Engaged with 30 local businesses in delivering the Accelerated Business Support Program;
- Responded to 507 business enquiries;
- Undertook a review of the 'Support for Business' section of the Latrobe City Council website; and
- Established regular meetings with local business groups and trader organisations.

3. *Facilitate regional industry networking, partnerships and knowledge sharing events to build business capacity and connectedness.*

Indications of Activity:

- Facilitated 11 networking and information sharing activities including:
 - Two development sector breakfast forums;
 - Six Workshops;
 - Two call centre sector forums; and
 - Launch of the "Showcasing Latrobe City's Resource Sector Capabilities" in partnership with the Industry Capability Network (ICN).



4. Support skills development in local industry.

Indications of Activity:

- Promoted and facilitated the Small Business Mentoring Service;
- Promoted and facilitated four business training courses run through the Latrobe City Business Tourism Association (LCBTA);
- Provided sponsorship and promoted the LCBTA People's Choice Awards; and
- Provided sponsorship and promoted the annual Gippsland Business Awards.

5. Promote and advocate for local industry in the broader community.

Indications of Activity:

- Prepared and disseminated over 4,000 'Securing Our Future' advocacy documents;
- Prepared and submitted responses to proposed government policy including government White Papers;
- Financial contribution, input into policy and Councillor representation on the National Timber Council Taskforce and Timber Towns Victoria;
- Input into policy and Councillor and officer representation on the Alliance of Councils for Rail Freight Development;
- Membership and participation in the Victorian Employers Chamber of Commerce and Industry (VECCI) Regional Council;
- Participation in the VECCI Regional Business Forum;
- Participation in the Latrobe Valley Industry and Employment Roadmap Senior Offices Group;
- Participation in the Latrobe Valley Transition Committee;
- Membership and participation in the Broadband Today Alliance;
- Financial contribution and support to Agribusiness Gippsland;
- Participated in public hearing of the Parliamentary Inquiry into the opportunities for increasing exports of goods and services from regional Victoria;
- Provided a financial contribution and support to the LCBTA; and
- Provided a financial contribution, input into policy and Councillor and officer representation on the South East Australian Transport Strategy forum (SEATS).

6. Provide assistance to businesses to grow and expand.

Indications of Activity:

- Referred 32 businesses to the Victorian Government regarding funding opportunities;
- Assistance through the provision of 14 letters of support for business requests for funding;



- Provision of statistical data in response to 12 enquiries;
- Identification and provision of information regarding 44 potential sites for existing/inbound investment;
- Provided assistance to over 507 requests from businesses including:
 - Assisted 44 proponents to identify suitable sites;
 - Provision of advice to over 144 businesses on government assistance programs and funds;
 - Assisted over 44 businesses in working through the regulatory permits and approval process;
 - Engaged with 30 business in delivering the Accelerated Business Support Program; and
 - Provision of additional information to business associations from 10 referrals.
- Continued lobbying to the Victorian Government to facilitate the development of the Gippsland Heavy Industry Park (Lurgi site); and
- Continued progress on the Gippsland Logistics Precinct through attraction of private sector interest.

7. Intensify efforts to expand domestic and international markets for local goods and services.

Indications of Activity:

- Provision of information and facilitation of eight meetings for international delegations and visitors related to brown coal, manufacturing and aviation related industries;
- Liaison and provision of information with key State Government international officers representing:
 - Japan;
 - China; and
 - India.
- Provision of information and facilitation of meetings for international businesses located in Latrobe City;
 - Nippon Paper; and
 - Mahindra.

8. Position Latrobe City as the location of choice for international students.

Indications of Activity:

- Provision of information with key State Government international officers representing:
 - China;
 - Japan; and
 - India.



9. Play a substantive role in promoting and supporting the development of the tourism and events sector in Latrobe City.

Indications of Activity:

- Support of the Latrobe City Business Tourism Association (LCBTA) by representation on the Executive and Sub Committees, financial contribution, In kind support such as the e-newsletter, ticket sales and promotional activities;
- Supported the LCBTA to host the fifth annual People's Choice Awards including sponsoring an award;
- Featured the LCBTA in each edition of Business Connect and to drive membership and promotion;
- Provided business development opportunities through business seminars and events in partnership with the LCBTA;
- Provided visitor services through the visitor information centre, Latrobe City tourism website, and support with volunteers at events;
- Delivered familiarisation tours within Latrobe City and the wider Gippsland region for visitor services staff and volunteers;
- Produced and distributed the official visitor guide state wide and developed the e-guide for tourism websites;
- Editorial and promotion in appropriate publications and websites;
- Provision of an online accommodation booking service;
- Business operator training and promotion, hosted tourism student visit to the visitor information centre;
- Provided tourism information USBs for conference and promotions;
- Developed a visitor survey to capture their views on the attractiveness and cleanliness of Latrobe City;
- Provided a ticketing service for major events;
- Developed promotion material for the Latrobe City Student Music Exchange to China and Japan;
- Supported the Arts and Events activities; and
- Commencement of the Capacity & Capabilities Review for Events, Arts & Conferences.

10. Promote opportunities for local procurement by the Latrobe City Council and in the wider business community.

Indications of Activity:

- Featured the 'Doing Business with Latrobe City' brochure and film clip in Business Connect and on Latrobe City Council website;
- Conducted meetings with the Industry Capability Network (ICN) and participation in the review of Council's procedures to support local procurement; and
- Produced and delivered the "Showcasing Latrobe City's Resource Sector Capabilities" in partnership with ICN.



Actions for Pursuing New Investment

11. *Promote Latrobe City to domestic and international investors to increase international investment.*

Indications of Activity:

- Provided support, referrals and the provision of site information for the proponents of proposed major projects;
- Provided support, referrals and facilitated meetings for local employers looking to further invest including the Latrobe Valley Bus Lines, GippsAero, Safetech Tieman Solutions, Victorian American Imports, Morwell Shopfitters, Tradeweld, Aerostaff and Gippsland Motor Group;
- Prepared and distributed the *Securing our Future* advocacy document; and
- Continued assistance to Victorian and Federal Government for department meetings, organising briefings, providing venues and gathering information.

12. *Actively pursue targeted investment opportunities.*

Indications of Activity:

- Supported Australian Paper's significant expansion into recycled paper production;
- Supported Safetech Tieman Solutions to secure the headquarters of its merged company at Moe;
- Finalised the \$6.24 million the expansion and redevelopment of Latrobe Regional Airport;
- Supported the relocation of Aerostaff from metropolitan Melbourne to Latrobe Regional Airport;
- Development and distribution of the *Securing Our Future* advocacy document outlining key projects for transitioning the economy;
- Promoted Latrobe City's significant competitive strengths shared service facilities to the industries peak body and key operators through a series of meetings and presentations; and
- Advocated to the State Government regarding the upgrade of facilities and infrastructure of the Gippsland Heavy Industry Park (Lurgi site).





13. *Position Latrobe City as a centre of knowledge and research in emerging technologies.*

Indications of Activity:

- Supported the proposal for establishment of the Centre for Sustainable Industries within Latrobe City;
- Supported the proposal for establishment of the timber research hub in Latrobe City; and
- Participated in a range of forums including:
 - Clean Coal Victoria Information session;
 - Clean Coal Victoria Regional Stakeholder Exchange;
 - Brown Coal Innovation Australia Coal Drying and Developments Forum;
 - Aviation Training Industry Roundtable;
 - Committee For Gippsland (C4G) Energy Forum;
 - Agribusiness Gippsland China Forum;
 - Gippsland Regional Executive Forum;
 - Gippsland Freight and Logistics Road Network Forum;
 - Low Rank Brown Coal Symposium
 - Rail Freight Alliance;
 - Regional Business Leaders Forum;
 - South East Australian Transport Strategy Inc meetings;
 - Destination Gippsland Industry Development Forum; and
 - Gippsland Accessible Tourism Forum.





Actions for Building the Latrobe City Investment Brand

14. *Actively promote Latrobe City to potential visitors, investors and other stakeholders to improve their understanding and familiarity with Latrobe City.*

Indications of Activity:

- Update the Latrobe City pocket guide;
- Led the coordination of the Latrobe City Council presence at the Regional Living Expo;
- Produced four editions of the Business Connect newsletter featuring profiles of local businesses;
- Produced a new E-Newsletter distributed to the Latrobe City business community;
- Produced and reviewed a series of 12 Fact sheets distributed within and outside the Latrobe City business community;
- Produced and distributed over 30 copies of the Small Business Toolkit; and
- Distributed 22 media releases showcasing a range of programs, services and initiatives being undertaken by the division.

15. *Work in partnership with the business community to understand if and how the perception of our region affects residential attraction, visitation and investment decisions and develop targeted programs to enhance the profile of Latrobe City in the broader community.*

Indications of Activity:

- Coordinated the Latrobe City stand at the Regional Living Expo;
- Production and distribution of the Latrobe City Council visitors and residents survey and;
- Produced and delivered the "Showcasing Latrobe City's Resource Sector Capabilities" in partnership with Industry Capability Network.





Actions for Providing Strong Leadership and a Clear Direction

Indications of Activity:

- The 2013/2014 Division Business Plan consisted of 56 specific actions with progress reported on a monthly basis;
- Facilitated four GLGN Economic Development Managers Forums to help facilitate regional cooperation; and
- Participated in the Senior Officers Group in support of the Latrobe Valley Transition Council.

16. Work in partnership with the GLGN and with sector specific regional associations to develop and implement regional plans.

Indications of Activity:

- Supported the development of the Gippsland Broadband Engagement Plan;
- Supported the development of the Latrobe Valley Industry and Employment Roadmap
- Supported the development of the Gippsland Accessible Tourism Plan;
- Participated in the development of the Gippsland Regional Growth Plan; and
- Contributed to the development of the Gippsland Investment Prospectus.

17. Foster the development of new community leaders and entrepreneurs

Indications of Activity:

- Provided sponsorship for the Latrobe City Business Tourism Association (LCBTA) People's Choice Awards; and
- Supported the Gippsland Business Awards through sponsorship of the "New Business" category and through promotion via Business Connect and the Latrobe City website.



18. Prepare Latrobe City for future carbon emissions regulation by implementing Latrobe City's Low Carbon Emissions Future policy initiatives.

Indications of Activity:

- Engaged with the community through a range of initiatives including update of Securing Our Future; and
- Active role in implementing a range of actions in the policy, with particular focus on lobbying and advocacy at a state and federal government level.

The majority of actions within the Policy have been commenced or completed.

19. Support the development of the Gippsland Low Carbon Economy Transition Plan and lead the formation of the Gippsland Regional Plan Low Carbon Transition Committee to develop and implement regional planning activities.

Indications of Activity:

- Completed the Gippsland Low Carbon Economy Transition Plan and finalised the Gippsland Regional Plan Low Carbon Transition Committee.





Actions for Advocating for an Attractive Policy Setting

20. Seek to influence government policy at an early stage.

Indications of Activity:

- Proactive approach to strengthening of relationship with government decision makers through hosting of officer delegations from Melbourne and Canberra;
- Prepared and distributed the 'Securing Our Future' advocacy document;
- Attended and hosted Ministerial visits to present the case for Australian and Victorian Government support.
- Supported and participated in key forums focussed on influencing policy including the:
 - Small Business Ministerial Council;
 - Multicultural Business Ministerial Council;
 - Victorian Parliamentary Committee for Economic Development and Infrastructure Inquiry into Increasing Exports from Regional Victoria
 - 2013 Victorian Employers Chamber of Commerce and Industry (VECCI) Victorian Summit;
 - Clean Coal Victoria Information session;
 - Clean Coal Victoria Regional Stakeholder Exchange;
 - Brown Coal Innovation Australia Coal Drying and Developments Forum;
 - Gippsland Freight and Logistics Road Network Forum;
 - Low Rank Brown Coal Symposium;
 - Latrobe Valley Transition Committee;
 - South East Australian Transport Strategy Inc;
 - National and Victorian Timber Towns Council; and
 - Foundation member of the Gippsland Local Government Network.
- Participated in the Senior Officers Group in support of the Latrobe Valley Industry and Employment Roadmap; and
- Prepared submissions to the Victorian & Australian Governments White Papers including:
 - Victorian Parliamentary Committee for Economic Development and Infrastructure Increasing Exports from Regional Victoria; and
 - Submission to Federal Government Taskforce on Agricultural Competitiveness: Issues Paper



21. Ensure local representation on stakeholder committees to ensure Latrobe City needs are recognised and considered.

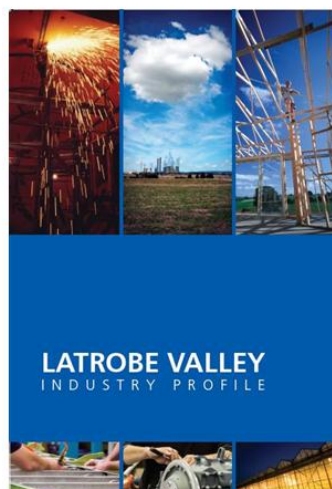
Indications of Activity:

- Representation on the Victorian Employers Chamber of Commerce and Industry (VECCI) Regional Council board;
- Representation on the Senior Officers Group in support of the Latrobe Valley Transition Committee;
- Gippsland Broadband Engagement Group;
- Gippsland Regional Plan Leadership Group;
- Broadband Today Alliance;
- South East Australian Transport Strategy Group Inc; and
- Alliance of Councils for Rail Freight Development.

22. Lobby for increased expansion of Victorian and Australian Government offices in Latrobe City and opportunities for local businesses to tender for provision of goods and services.

Indications of Activity:

- Development and dissemination of 'Securing Our Future' advocacy document;
- Participated in the development of the Latrobe City Buy Local Campaign;
- Supported and promoted the 'Doing Business with Latrobe City' brochure and film clip in Business Connect and on Latrobe City Council website;
- Conducted meetings with the Industry Capability Network (ICN) and participated in the review of Council's procedures to support local procurement; and
- Produced and delivered the "Showcasing Latrobe City's Resource Sector Capabilities" in partnership with ICN.





Actions for Conducting Innovative and Efficient Urban Planning

23. Conduct innovative and efficient urban planning.

Indications of Activity:

- Participation in the Municipal Association of Victoria (MAV) STEP audit process for planning assessments;
- Reviewed the planning application process;
- Implemented new planning delegation process;
- Conducted a Development Forum with key developers in the region to discuss simplifying processes to obtain permits more efficiently;
- Conducted meetings with engineering companies and landscape designers to look at the engineering and landscaping process to streamline for local developments; and
- Provided increased information on the planning process via the Latrobe City webpage.

24. Develop robust strategic plans to resolve land availability constraints and balance the needs of industrial, residential, environmental and recreational land users.

Indications of Activity:

- Achieved rezoning of 973 hectares of land for residential use;
- Ongoing preparation of key strategic land use planning projects including:
 - Churchill West Development Plan
 - Waterloo Road Development Plan
 - Morwell West Development Plan
 - Planning permit issued for Franklin Place Development Plan
 - Lake Narracan Precinct Structure Plan
 - Tyers Planning Scheme Amendment
 - New Residential Zones Planning Scheme Amendment
 - Traralgon and Morwell Car Parking Strategy;
 - Review of Public Open Space Strategy;
 - Review of Latrobe City Council Recreation Plans
 - Morwell to Traralgon Shared Path Study;
 - Monash Views, Moe/Newborough Development Plan;
 - Traralgon South Recreation Plan; and
 - Traralgon North Development/Contribution Plan.



Actions for Increasing Access to Skilled Labour

25. Support and provide input into the Skilling the Valley initiative.

Indications of Activity:

- Actively participated in meetings, building relationships with other Industry Link Officers, and providing regular reports to the Victorian Government.

Actions for Developing High Quality Infrastructure and Services

26. Progress strategic infrastructure development programs currently underway.

Indications of Activity:

- Participated in the Gippsland Broadband Connectivity Strategy Group;
- Advocated to the Port of Hastings Authority regarding the need for an effective transport link between the Port and Gippsland;
- Continued to implement a \$6.24 million project to improve infrastructure capability at Latrobe Regional Airport;
- Advocated to the State Government regarding the need to upgrade the facilities at the Gippsland Heavy Industry Park (Lurgi site);
- Continued to encourage full utilisation of shared service (call centre) infrastructure at Moe; and
- Continued to work with the private sector to encourage the development of the Gippsland Logistics Precinct.

27. Lobby for improved community transport links to increase opportunities for students and workers to travel into and around Latrobe City on a daily basis.

Indications of Activity:

- Advocated to Federation University regarding the need for improved and additional transport links.



28. Work with the GLGN to progress the Gippsland Gateways initiative and to improve freight links into Gippsland.

Indications of Activity:

- Continued progress on the Gippsland Logistics Precinct through attraction of private sector interest;
- Financial contribution, input into policy and Councillor representation on the South East Australian Transport Strategy forum (SEATS); and
- Financial contribution, input into policy and Councillor representation on Alliance of Council's for Rail Freight Development.





Actions for Facilitating Sustainable Use of Natural Resources

29. Promote Gippsland as the food bowl of Victoria to support initiatives to attract food processing industries and increase markets for Gippsland produce.

Indications of Activity:

- Financial contribution and in-kind support for the Gippsland Climate Change Impacts and Adaption Project to increase the body of knowledge about likely impacts and best use of Gippsland's agricultural land into the future;
- Financial and in-kind support for Agribusiness Gippsland;
- Participation in the Agribusiness Gippsland China Forum; and
- Participation in the public hearing of the Parliamentary Inquiry into the Opportunities for Increasing Exports of Goods and Services from Regional Victoria.

30. Advance the research agenda in environmental and natural resource management.

Indications of Activity:

- Advanced the research agenda in environmental and natural resource management through:
 - Financial contribution and in-kind support for the Gippsland Climate Change Network to further research on environmental and natural resource management; and
 - Financial contribution and in-kind support for the Gippsland Climate Change Impacts and Adaption Project to increase the body of knowledge.





31. Progress regional tourism initiatives with Destination Gippsland and Tourism Victoria to provide opportunities for Latrobe City businesses.

Indications of Activity:

- Participated in the Gippsland Business Events Website and Guide;
- Promotion at the Australasian Pacific Meetings and Incentives Expo held in Melbourne;
- Participated in the Gippsland stand at the Victorian Caravan & Camping Super Show, 4X4 and Fishing Show and Regional Living Expo;
- Participated in implementation of the Gippsland Accessible Tourism Plan and distribution of the brochure;
- Strengthened relationship with Destination Gippsland Ltd;
- Updated the image and video library for promotional activities;
- Participated in the Gippsland Villages campaign and pre-Easter TV marketing;
- Advertised Latrobe City's conference facilities in the Business Events Victoria Planners Guide and website;
- Updated the Tourism website and coordinated the Latrobe City Events & Tourism Facebook page;
- Provided support to the Latrobe City Business and Tourism Association and Tourism Advisory Board;
- Partnered with Wellington Shire for the completion and promotion of the Gippsland Plains Rail Trail;
- Sponsored a category at the Gippsland Wine show; and
- Participation in Gippsland tourism networks such as:
 - Gippsland Accessible Tourism;
 - Gippsland Visitor Information Centre Network;
 - Gippsland Tourism Regional Network; and
 - Gippsland Tourism Managers Network.





Actions for Contributing to a Liveable and Vibrant Community

32. Facilitate partnerships with the arts community, health sector and recreational clubs to identify, evaluate and progress events that contribute to a liveable and vibrant community.

Indications of Activity:

- Hosted eight international events, 11 national events, 39 state events, 17 significant community and cultural events and in total supported over 377 events;
- Continued implementation of the Latrobe City International Relations Plan 2011-2014. The Plan identified 36 actions for completion during the year;
- Presented 39 diverse exhibitions including Visitors, Education, Public Programs and Openings. Total attendances were 18,020; and
- Delivered the annual performing arts program including dramatic and musical performances, comedy and film screenings and facilitated the hiring of the Performing Arts Centre, Kernot Hall and Moe Town Hall with attendances of 100,118.





8. Conclusion

The Latrobe City Council Economic Sustainability Strategy provides a framework for the achievement of continued economic development within Latrobe City.

The Annual Review of Actions and Report Card provides an update on the progress of the 2011-2015 Economic Sustainability Strategy.

Key achievements for 2013/2014 include:

- The delivery of the 2014 Regional Living Expo;
- Supporting Safetech Tieman Solution to remain in Moe;
- Completion of the “Showcasing Latrobe City’s Resource Sector Capabilities”;
- Supported the relocation of Aerostaff from metropolitan Melbourne to Latrobe Regional Airport;
- Engaged with 30 local businesses in delivering the Accelerated Business Support Program;
- Redevelopment of the *Securing Our Future* document; and
- A 22.5% increase in the number of business development enquiries received and responded to.

This report highlights the range of activities and achievements of a range of departments within Latrobe City Council in response to the 56 strategy actions.





9. Glossary

Alliance of Councils for Rail Freight Development

The Alliance of Councils for Rail Freight Development is made up of 24 rural and regional Local Government Councils from Central and Western Victoria and Southern NSW to improve the condition of the rail network and ensure a functional rail freight service is provided to regional Victoria.

Clean Coal Victoria

Clean Coal Victoria (CCV) was established by the Victorian Government, within the Department of Primary Industries, to develop strategic plans to manage Victoria's lignite resource. CCV plays a key role in working with the community and industry to attract new investment and economic growth in areas such as the Latrobe Valley.

Committee for Economic Development of Australia

Committee for Economic Development of Australia (CEDA) is a respected independent national organisation with an engaged cross-sector membership which provides thought leadership and policy perspectives on the economic and social issues affecting Australia.

Gippsland Broadband Activity Strategy Group

The Gippsland Broadband Activity Strategy Group is made up of members from the six Local Government Councils from Gippsland with a key purpose of making aware the benefits of digital economy for business and community and the future installation of high speed broadband / NBN.

Gippsland Heavy Industry Park (Lurgi site)

The Gippsland Heavy Industry Park (GHIP) is a key future employment zone for Latrobe City located on Tramway Road within the Morwell Churchill Corridor in Morwell. and consists of constructing and installing infrastructure of sufficient capacity and quality to improve the Gippsland Heavy Industry Park site to a standard normally required for an industrial park.

Gippsland Integrated Land Use Plan

The Gippsland Integrated Land Use Plan (GILUP) represents Gippsland's growth planning and identifies opportunities for encouraging and accommodating future growth and managing the change that will occur over the next 30 years.

Gippsland Local Government Network

Alliance of six Gippsland Councils who represent the collective interests of Gippsland and work cooperatively on issues and projects of mutual interest.

Gippsland Logistics Precinct

64 ha of prime industrial development land to establish intermodal terminal and logistics precinct that actively promotes increased rail use, directly adjacent to the Gippsland Intermodal Freight Terminal.

Gippsland Low Carbon Transition Plan

Provides clarity with respect to the policies and priorities required to harness the benefits and address the issues associated with such a significant change in political and economic conditions, related to the transition to a low carbon economy.

Gippsland Major Projects and Opportunities Summit

The Gippsland Major Projects and Opportunities Summit is a biennial event held in Gippsland which showcases key projects in the Gippsland region and is an important networking event linking key stakeholders such as suppliers, sub-contractors and government agencies with project managers.



Industry Capability Network

Industry Capability Network (ICN) is a business network that introduces Australian and New Zealand companies to projects large and small and offers a new business source for suppliers and a sophisticated search service for project managers.

Latrobe Valley Transition Committee

The Latrobe Valley Transition Committee was established in May 2011 to report to a Joint Ministerial Forum by mid 2012 on challenges facing the Latrobe Valley's economy and labour market, opportunities for investment in industry and employment growth, priority actions to support industry growth and processes to support coordinated regional planning.

Small Business Mentoring Service

The Small Business Mentoring Service is an incorporated not-for-profit association which provides business assistance to help and grow small businesses.

South Eastern Australian Transport Strategy

The Strategy is a comprehensive review of the measures necessary to improve transport and access to Gippsland, Western Port, Snowy Mountains, the Illawarra Region, the South coast of NSW and the Australian Capital Territory Region.

Victorian Employers Chamber of Commerce and Industry

The Victorian Employers' Chamber of Commerce and Industry is the peak body for employers in Victoria, informing and servicing more than 15,000 members, customers and clients around the State with a commitment to being the voice for business, representing members in the difficult regulatory environment.

**13.3 COUNCIL AUTHORISATION TO PREPARE A PLANNING
SCHEME AMENDMENT TO INTRODUCE A PARKING OVERLAY
TO TRARALGON AND MORWELL****General Manager****Planning & Economic
Sustainability****For Decision****PURPOSE**

The purpose of this report is for Council to consider a request to be made to the Minister for Planning to authorise the preparation and exhibition of a proposed amendment to the Latrobe Planning Scheme in accordance with Section 8A (3) of the *Planning and Environment Act 1987* (the Act). The amendment proposes to apply the Parking Overlay to land within the Traralgon and Morwell Activity Centres and to insert the *Car Parking Framework Review August 2014* as a reference document into the Scheme.

EXECUTIVE SUMMARY

This report seeks Council consideration to authorise a request to the Minister for Planning to prepare and exhibit a proposed amendment to the Latrobe Planning Scheme. The amendment proposes to implement the Parking Overlay to reduce state government scheduled car parking rates in Traralgon and Morwell and introduce cash in lieu contributions for car parking that cannot be met onsite.

The Car Parking Project for Traralgon and Morwell has been split into two stages: Stage One - Applying a Parking Overlay and Stage Two - Complementary Measures (Use and other mechanisms). The complementary measures will address time allocation parking within the Traralgon and Morwell Activity Centres.

RECOMMENDATION

That Council

1. Refers Stage Two Complementary Measures to the 2015/16 Business Planning process.
2. Adopts the Car Parking Framework Review August 2014
3. Requests authorisation from the Minister for Planning to prepare and exhibit an amendment to the Latrobe Planning Scheme, which seeks to:
 - a. Apply the Parking Overlay and associated schedules to land within the Traralgon and Morwell Activity Centres.
 - b. Insert Schedules 1 and 2 of the Parking Overlay that are to apply to land within the Morwell and Traralgon Activity Centres.
 - c. Insert the Car Parking Framework Review August 2014 as a reference document into the scheme in Clauses 21.05 and 21.07 and in proposed Schedules 1 and 2 of the Parking Overlay.

MOTION

That Council defers consideration of this matter to the next Ordinary Council Meeting.

Moved: Cr White
Seconded: Cr Middlemiss

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

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.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Latrobe 2026: The Community Vision for Latrobe Valley

Strategic Objectives – Built Environment (City Planning)

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

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

Latrobe City Council Plan 2013 - 2017

Theme and Objectives

Theme 5: Planning for the future

To provide a well planned, connected and liveable community.

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

Strategic Direction – Planning for the future

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

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

Legislation –

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

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

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

BACKGROUND

In 2011 Council resolved to undertake the Traralgon Activity Centre Car Parking Strategy as part of the Traralgon Activity Centre Plan. The Car Parking Strategy was finalised in October 2013. The Morwell Activity Centre Car Parking Study was commissioned in 2012 and finalised in April 2013. As part of these studies; *the Latrobe Parking Study – Traralgon and Morwell Peer Review* (the Peer Review) was completed in 2013; recommending that the two parking studies be combined to prepare a planning scheme amendment to implement a Parking Overlay. At this point in time a Parking Strategy for Moe has not been completed, but provision could be made in the 2015/16 budget if considered a priority.

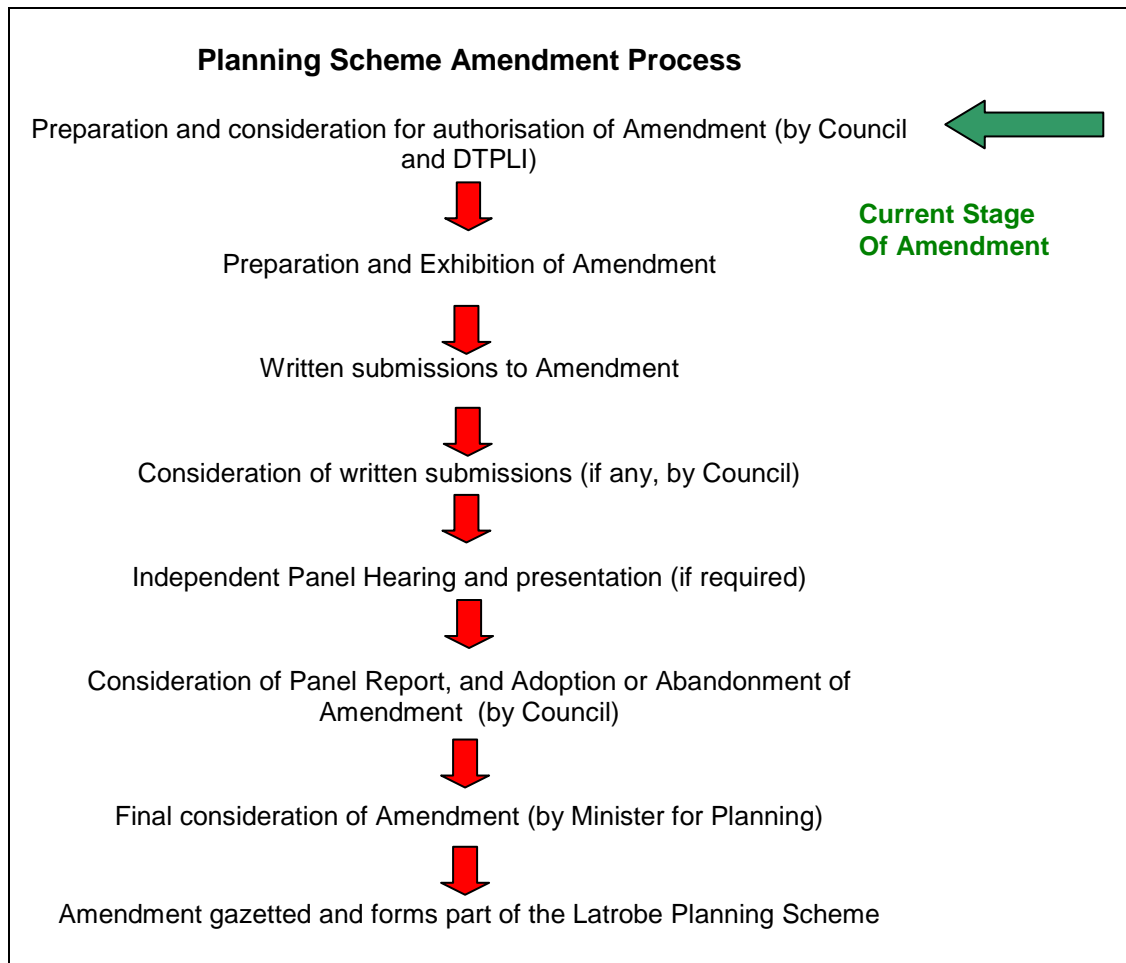
The various studies, reviews and strategies have been consolidated by Traffix Group to now form the *Car Parking Framework Review August 2014* (Attachment One). The Car Parking Framework Review August 2014 (the Review) acts on the recommendations of the Peer Review, taking into account existing parking demands, character, and economic performance of the respective activity centres.

The Review and subsequent studies have identified that current parking supply in Traralgon and Morwell is adequate to meet current demands. However the Review recommends a reduction of car parking rates in a Parking Overlay Schedule and a cash in lieu contribution for car parking unable to be supplied in Traralgon.

In order to give effect to the Review, a planning scheme amendment is proposed to the Latrobe Planning Scheme that introduces a Parking Overlay for Traralgon and Morwell prescribing parking rates and cash-in-lieu contributions as required. The Parking Overlay is proposed to be introduced over parts of the Traralgon and Morwell Activity Centres (Attachment Two and Three).

Statutory Requirements

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



In accordance with Section 9 of the Act, the Minister for Planning may authorise a municipal council to prepare an amendment to State and local standard provisions of a planning scheme in force in its municipal district. Municipal councils, as the planning authority, have a number of duties and powers. These duties and powers are listed at Section 12 of the Act. Under Section 12 a planning authority must have regard to (*inter alia*):

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

Any significant effects which it considers a planning scheme amendment might have on the environment or which it considers the environment might have on any use or development envisaged by the amendment.

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

Also each amendment must address the Department of Transport, Planning and Local Infrastructure (DTPLI) publication *Strategic*

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Assessment Guidelines for Planning Scheme Amendments 2013. A response to these guidelines is outlined in the attached Explanatory Report (see Attachment Three).

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

INTERNAL/EXTERNAL CONSULTATION

The amendment is subject to the prescribed process in accordance with the public notice and consultation requirements of Section 19 of the Act. This will include advertising in the government gazette 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.

As part of the proposal and throughout Stage One and Two, Council will engage with the key stakeholders in each of the Activity Centres, such as the traders, community groups and associations.

KEY POINTS/ISSUES

The Proposed Planning Scheme Amendment and Complimentary Measures

The Car Parking Framework Review for Traralgon and Morwell has been split into two stages (See Figure Two):

Stage One - Applying a Parking Overlay and

Stage Two - Complementary Measures (Use and other mechanisms).

Stage One seeks to apply the proposed Parking Overlay to the Latrobe Planning Scheme over the Traralgon and Morwell Activity Centres. The purpose of the Parking Overlay is to:

- facilitate an appropriate provision of car parking spaces in an area;
- to identify areas and uses where local car parking rates apply;
- to respond to local car parking issues and outline local variations to the standard requirements pursuant to Clause 52.06; and
- to identify areas where financial contributions are to be made for the provision of shared car parking.

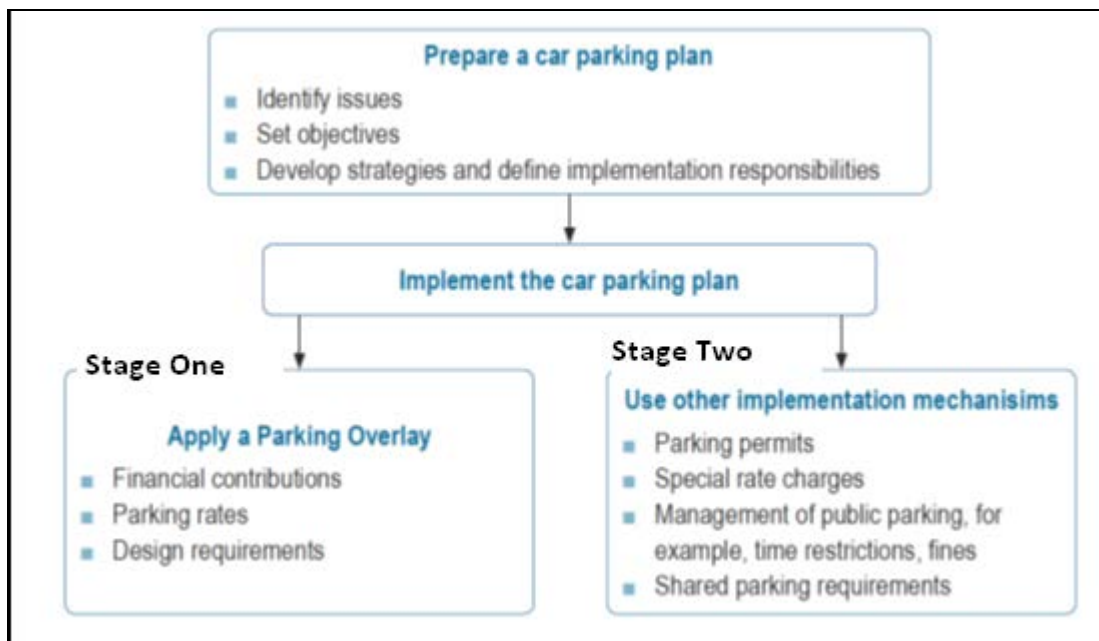


Figure One: Preparation of a Car Parking Plan – Showing Stage One - Apply a Parking Overlay and Stage Two - Complementary Measures (Use and other mechanisms)

Stage Two - Complementary Measures will be developed to address measures such as time allocation, all access car parking, permit allocation and a review of parking enforcement practices. The 'Complimentary Measures' will be delivered concurrently to the proposed planning scheme amendment.

The business planning process for the 2015/16 year will need to include the delivery of Stage Two - Complementary Measures to ensure appropriate resource prioritisation. Council could also include the provision of a Parking Strategy for Moe; however anecdotal evidence suggests that currently, car parking is not considered as a major issue within the Moe Activity Centre.

Reduced Car Parking Rates – Traralgon and Morwell

A schedule to the Parking Overlay can be used to vary the standard number of car parking spaces required under Clause 52.06 in Column A. To vary the standard number of car spaces required (i.e. Column A rates); a strategic assessment of existing car parking conditions has been completed. Column A is considered to suit parking requirements in metropolitan Melbourne. A recommended figure of 75% of Column B, will take into account factors such as existing (historical) floor space inefficiencies, and excessive vehicle circulation searching for vacant car spaces. The figure will reduce the overall car parking spaces required for proposals in future planning permit applications appropriate for a regional centre. The Review recommends that 75% of Column B rates be adopted in both Traralgon and Morwell. Further discussion regarding the reduction in car parking rates can be found in Attachment One.

Cash in Lieu

The Review identified that for Traralgon, the forecast future floor space indicates that new car parking will be required to be constructed in Traralgon to meet future demand generated by the expected increase in floor space. The Review recommends that where the parking requirement under Clause 52.06 of the Planning Scheme cannot be met on site in Traralgon, a financial contribution of \$8,000 in respect to each car parking space that is required and which is not provided on the land (but not net of car parking credits) should be applied.

The Review benchmarks the cash in lieu figure across both metropolitan and regional municipalities. It indicates that the average cash in lieu rate in metropolitan municipalities is \$13,087 per space, which reflects higher land costs. In regional municipalities the average cash in lieu rate is \$7,385. The proposed cash in lieu contribution of \$8,000 for the Traralgon Activity Centre is justified in terms of need, nexus, accountability and equity. The cash in lieu contribution for the Traralgon Activity Centre is similar to the previous cash in lieu figure that has been used by Latrobe City Council and therefore isn't considered to have a detrimental economic effect on the Activity Centre Precinct. The previous cash in lieu process was abandoned by Council in 2010 as the mechanism was not incorporated into the Latrobe Planning Scheme.

The cash in lieu is calculated to take into account the more efficient use of car parking resource allocations within the Traralgon Activity Centre Precinct; with multiple uses sharing the same parking spaces. In determining the cash in lieu rate, consideration has been given to equity between existing and future development, noting that historically in Traralgon, a substantial proportion of car parking has been provided as public parking and a minor proportion as private parking.

The Review recommends that Council use the funds collected by the cash in lieu contribution towards building new car parking facilities in the core of the Traralgon Activity Centre Precinct. The funds will be secured by an on title agreement outlining payment options. Council can then allocate these funds to parking improvements provided need, nexus, equity and accountability is demonstrated.

In Morwell, a cash in lieu scheme is not considered appropriate at this time, as the activity centre is already experiencing significant impediments to development, including a declining population, division of the centre by the railway line, high vacancy rates and competing retail facilities at Mid Valley and Traralgon. As the vision of the Re-activate Latrobe Valley project in Morwell is realised and vacant retail space is utilised, a cash in lieu contribution in Morwell can be revisited.

RISK IMPLICATIONS

There are a number of risks associated if this planning scheme amendment doesn't progress:

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

FINANCIAL AND RESOURCES IMPLICATIONS

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

Funds have been allocated in the current 2014/15 budget year to enable the planning scheme amendment to proceed.

OPTIONS

The options available to Council are as follows:

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

CONCLUSION

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

The two stage approach as outlined in Figure One will address key community concerns in the Activity Centres of Traralgon and Morwell, introduce a reduction of car parking suitable for a regional centre and apply a cash in lieu figure that has met requirements of need, nexus, accountability and equity.

SUPPORTING DOCUMENTS**Attachments**

1. Attachment One: Car Parking Framework Review August 2014
2. Attachment Two: Parking Overlay Schedule 1 Traralgon Activity Centre
3. Attachment Three: Parking Overlay Schedule 2 Morwell Activity Centre
4. Attachment Four: Proposed C94 Parking Overlay Explanatory Report
5. Morwell Activity Centre Car Parking Study (Published Separately)
6. Traralgon Activity Centre Car Parking Strategy (Published Separately)
7. Latrobe Parking Study Traralgon and Morwell Peer Review (Published Separately)

13.3

Council Authorisation to prepare a planning scheme amendment to introduce a Parking Overlay to Traralgon and Morwell

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2	Attachment Two: Parking Overlay Schedule 1 Traralgon Activity Centre	245
3	Attachment Three: Parking Overlay Schedule 2 Morwell Activity Centre	247
4	Attachment Four: Proposed C94 Parking Overlay Explanatory Report.....	249



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CAR PARKING FRAMEWORK REVIEW

TRARALGON & MORWELL

Prepared for




AUGUST, 2014

OUR REFERENCE: 16796R9594

CAR PARKING FRAMEWORK REVIEW

TRARALGON & MORWELL

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Released By:		26th August, 2014 <i>SIGNED</i> <i>DATE</i>
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1 INTRODUCTION

Traffix Group has been engaged by Latrobe City Council to prepare a consolidated Car Parking Framework Review for Traralgon and Morwell. This report consolidates the following documents:

- the Draft Traralgon Activity Centre Car Parking Strategy (prepared by Cardno Grogan Richards, dated 10th September, 2012, Ref: CG110032),
- the Morwell Activity Centre Car Parking Study (prepared by Cardno Grogan Richards, dated 9th April, 2013, Ref: CG120255), and
- the Latrobe Parking Study Peer Review (prepared by Traffix Group and Spade Consultants with the assistance of the DPCD Rural & Regional Flying Squad, Ref: 15688R9050).

In addition, the peer review document recommended that some additional work be undertaken, and the outcome of that additional work is also presented in this report.

Where this Car Parking Framework Review report expresses opinions, observations, strategies or recommendations, these are the expert views of Henry Tumbull (Traffix Group), Chris McNeill (Spade Consultants) and/or Rod Jude (Cardno) and have been formed based on the data, analysis and relevant experience, and are consistent with the views and recommendations expressed in the above-listed background documents.

2 CONTEXT

2.1 Latrobe City

Latrobe City is centrally located in eastern Victoria approximately two hours east of Melbourne. The City has a combined population of over 75,000 and includes three key urban centres – Moe/Newborough, Morwell and Traralgon – located in a linear arrangement along the Princes Highway. A fourth, but smaller urban centre, Churchill, is located due south of Morwell.

The balance of the municipality's population resides in a number of smaller townships and rural hinterland to the north and south of the Princes Highway.

2.2 Latrobe Retail Overview

Traralgon is the largest town within the municipality, with a population of 24,358 recorded at the 2011 ABS Census and acts as the primary business hub of not only the municipality but the broader region as well. Retail and commercial activity is focused on the Traralgon Activity Centre ("Traralgon AC"), a centrally located and compact activities area. The Traralgon AC presents as a prosperous and bustling activity centre.

Morwell is the third largest town (behind Moe/Newborough), with a population of 13,505 recorded at the 2011 ABS Census, and provides a second tier retail and commercial role. Retail activity in the town is split between the Morwell Activity Centre (Morwell AC) and the Mid Valley Shopping Centre, an out of centre shopping mall with two discount department stores (Kmart and Big W), two full line supermarkets, cinemas and specialty shops. The Morwell AC has become a central hub for municipal and state government activities and services with recent investment including the Latrobe City Council Offices, health services, law courts and the Department of Justice. Retail activity plays a largely supportive role to commercial and government services.



2.3 Projected Population Growth in the City of Latrobe

Population forecasts have been undertaken by demographic forecasting firm, id forecast on behalf of Council. The forecasts have been provided at both a municipal level and smaller area level, reflecting specific urban areas and rural districts.

Forecasts relevant to Traralgon and Morwell are provided in the following table.

Table 1: Population Projections

Location	Estimated Residential Population	
	2011	2036
Traralgon	26,038	36,545
Morwell ¹	14,205	16,123

Note 1: The id population forecast for Morwell does not include Churchill

Over the 25 year period 2011 to 2036, Traralgon is forecast to add an additional 10,500 persons to its 2011 population. Over the same period, Morwell is expected to add just under 2,000 persons to its 2011 population.

The population projections for Latrobe indicate:

- An ongoing concentration in future growth in Traralgon with approximately 75% of Latrobe's total growth occurring in Traralgon's growth areas.
- Moderate growth in both Morwell and Moe.
- Limited growth in the rural areas of the municipality.



2.4 Future Retail Floorspace Requirements

Traralgon and Morwell do not have current retail strategies. However, for the purpose of providing a rough guide (order of magnitude) as to the potential increase in retail floor space within these activity centres to 2036, an assessment has been made, adopting the general rule of thumb that demand for retail floorspace is generated at the rate of 2.2 square metres per capita. Of this figure approximately 0.7 square metres relates to bulky goods floorspace.

For the purposes of determining future retail floorspace requirements, it is assumed there is limited capacity for bulky goods floorspace to establish within activity centres (particularly Traralgon given the compact nature of the Traralgon AC area).

Traralgon

Based on an additional 10,500 persons, there will be an additional retail floorspace requirement of approximately 15,750 square metres between 2011 and 2031 (excluding the bulky goods floorspace component).

There are several points to note:

- Retail floorspace includes the categories of Food (groceries and liquor), Food-catering (e.g. restaurant, cafes and takeaway food), Non-food (apparel and general merchandise) and Services (spending on hairdressers, beauty salon etc.);
- A proportion of new retail floorspace is likely to be located in established or identified activity nodes outside the Traralgon Activity Centre¹;
- This analysis does not take account of future commercial (office) requirements;
- As Traralgon represents the municipality and region's principal retail and commercial centre, there is likely to be a significant amount of expenditure leakage from other centres to Traralgon which would generate an additional requirement for retail and commercial floorspace.

Morwell

Based on an additional 2,000 persons, there will be an additional retail floorspace requirement of approximately 4,400 square metres in Morwell between 2011 and 2031, including 1,400 square metres of bulky goods floor space.

It is not possible to predict whether additional retail floorspace will be located in the Morwell AC or at the Mid Valley Shopping Centre.

However, it is noted that existing shop vacancies in Morwell AC easily exceed the future retail space requirements to 2031 based on the id forecast projections.

¹ This refers to small local neighbourhood convenience shopping. Existing activity nodes outside the Traralgon Activity Centre with retail floor space include Tanjil Street, Hyland Street and Smith Street/Park Lane. There is the potential for similar local convenience shops to be located within Traralgon's residential growth areas in the future.

3 STUDY AREA

3.1 Traralgon

The designated activity centre precinct for Traralgon is irregular in shape, extending to Gordon Street to the north, Princes Highway to the east, Hyland Highway to the south and Mabel and Byron Streets to the west, as presented in the precinct locality plan at Figure 1. The precinct includes residential streets on the periphery of the commercial area². Figure 1 also shows two sub-precincts which were separately analysed in the Latrobe Parking Study Peer Review to give an indication of the variance of the parking occupancy rates within these sub-areas of the Traralgon AC compared with the overall precinct area.

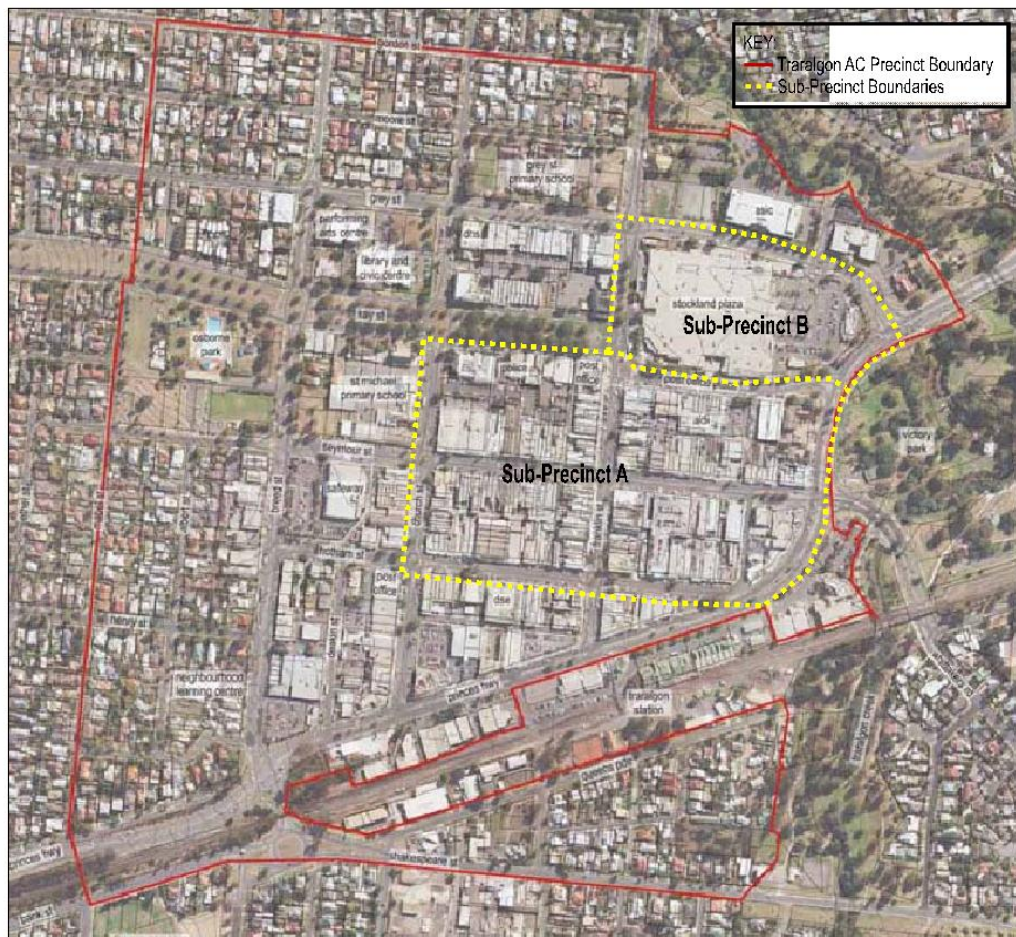


Figure 1: Traralgon Precinct Locality Map

² The designated activity centre precinct highlighted by the red line in Figure 1 is consistent with the Traralgon Activity Centre Plan prepared by Hansen (June 2010) and associated background documents. It is also consistent with the precinct boundary utilised for the purposes of the Draft Traralgon Activity Centre Car Parking Strategy (prepared by Cardno Grogan Richards, dated 10th September, 2012, Ref: CG110032), and also the Latrobe Parking Study Peer Review (prepared by Traffix Group and Spade Consultants with the assistance of the DPCD Rural & Regional Flying Squad, Ref: 15688R9050).

While Figure 1 shows a more expansive precinct boundary, retail and commercial activity is expected and encouraged (by way of Planning Scheme zone controls) to remain within a relatively compact area bounded by the Gippsland rail line to the south and east, Breed Street to the west and (nominally) Grey Street to the north.

This provides for an effective restriction on the spread of retail and commercial activity and is likely to result in an intensification of commercial activity in particular with greater use and development of upper levels to house office space.

Successful implementation of this strategy is likely to see an escalation in land values which, provided commercial activity remains attracted to Traralgon and in the absence of alternative locations, is likely to see higher density forms of development emerge in Traralgon over time.

It is understood higher intensity forms of development are already planned, with a three level office development set to proceed in Seymour Street and a multi-level Quest serviced apartment project approved nearby.

Two other key features are located in the north-eastern areas of the Traralgon AC.

The first is the Stockland Plaza, an internalised shopping mall with a Coles supermarket and Kmart Discount Department Store as anchor tenants. The centre includes a significant area of basement parking under the centre itself and at-grade parking on the eastern entrance to the centre.

The second feature is a major office presence in the form of the Australian Securities and Investments Commission processing centre on the north side of Grey Street and south of Traralgon Creek.

In addition, the Traralgon Station Precinct Masterplan area is located to the south, which provides extra car parking.

The Activity Centre Plan looks set to build on the current land use arrangements in Traralgon with:

- Specialised retail activity centred on the axis of Seymour and Franklin streets;
- Large format retail (Coles and Kmart) in Stockland Plaza north east of Franklin Street and Post Office Place and Woolworths at the western end of the AC between Hotham Street and Seymour Street;
- Ancillary retail and commercial (office) uses along Hotham Street in the south-western part of the AC; and
- Commercial (office) uses on the north side of the AC particularly between Kay Street and Grey Street.

The Gippsland Regional Aquatic Centre is currently in the planning phase, and is earmarked for the existing Traralgon Outdoor Swimming Pool site and surrounds, located on the west side of Breed Street south of Kay Street.

3.2 Morwell

The designated activity centre precinct for Morwell is irregular in shape, extending to Margaret Street to the north, McDonald Street to the east, Elgin Street to the south and Avondale Road and Helen Street to the west, as presented in the precinct locality plan at Figure 2.



Figure 2: Morwell Precinct Locality Map

The Morwell activity centre faces several significant challenges. The first is that from a retail perspective it is not the primary retail centre in Morwell – that role lies with the Mid Valley Shopping Centre. The second is the activity centre itself is bisected by the Gippsland rail line which creates an almost 200 metre divide (significantly longer by car) between activity located to the north and that to the south.

The area south of the rail line contains the majority of retail activity, Latrobe City Council Offices, Law Courts and other key office functions.

The area north of the rail line provides a limited retail function and a secondary commercial function. A significant Latrobe Health facility (Latrobe Community Health Service) represents the key anchor in the area.

A Morwell Activity Centre Plan is yet to be prepared.



4 CAR PARKING ANALYSIS

4.1 Existing Car Parking Supply

Table 2 below sets out the existing car parking supply for Traralgon and Morwell within the designated Activity Centre precinct boundaries.

Table 2: Existing Car Parking Supply

Location	Traralgon*	Morwell
On-Street	2,341 spaces	1,348 spaces
Public Off-Street	2,736 spaces	494 spaces
Private Off-Street	765 spaces	1,668 spaces
TOTAL	5,842 spaces	3,510 spaces

* The identified parking supply in the Traralgon Activity Centre differed in February 2010 to November 2011. The updated (November 2011) figures have been included in Table 2.

The area contained within sub-precincts A and B within the Traralgon Activity Centre (as shown in Figure 1) includes a total of 2,567 car spaces, of which 1,800 spaces are 'public' parking (excluding bus zones, taxi zones, loading zones, police parking, no stopping zones, no parking zones, motorcycle parking and restricted/permit/private parking), made up of 683 public on-street spaces and 1,117 public off-street spaces.

4.2 Existing Parking Restrictions

Traralgon

In the order of a third of the land identified within the Traralgon Activity Centre precinct boundary is residential in nature, and on-street parking in these residential streets is predominantly unrestricted.

Short-term parking (predominantly two-hour parking (2P)) is located on-street on commercial frontages within the Traralgon Activity Centre.

The majority of off-street parking is not time-restricted. The Council-owned Seymour Street multi-level carpark includes a mix of unrestricted, Permit, 2P, three-hour parking (3P) and disabled parking.

Morwell

Much of the on-street parking on commercial frontages is subject to short-term (predominantly 2P) restrictions, and on-street parking on the periphery streets identified within the Morwell Activity Centre precinct boundary is generally unrestricted.

The majority of off-street parking in Morwell is not time-restricted, however most is privately owned, and reserved for customers and staff.

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Table 3 below sets out the overall break-down of on-street parking restrictions within the two designated activity centre precinct boundaries. The majority of 'unrestricted' spaces are on residential frontages near the periphery of the designated activity centre precinct boundaries.

Table 3: On-Street Parking Restrictions

Restriction	Traralgon	Morwell
Unrestricted	1,183 spaces	630 spaces
Short-term: 1P & 2P	992 spaces	567 spaces
Less than 1P	34 spaces	64 spaces
Other*	132 spaces	87 spaces
TOTAL	2,341 spaces	1,348 spaces

* 'Other' includes Permit, Disabled, Loading Zone, Police Only, Bus Zone, Taxi Zone, No Stopping School Times, etc.

4.3 Car Parking Occupancy

Car parking occupancy surveys were undertaken as follows:

- Traralgon:
 - Friday 19th February 2010 from 8am till 8pm,
 - Saturday 20th February 2010 from 9am till 2pm, and
 - Friday 18th November, 2011 from 8am till 8pm.
- Morwell:
 - Friday 4th May 2012 from 7am till 7pm.

While it is acknowledged that the survey data is now a couple of years old, for the purposes of the Car Parking Framework Review, and in particular the analysis which has been undertaken to inform the Schedules to the Parking Overlay, the survey data is appropriate³.

Importantly, for the purposes of analysing appropriate car parking rates to be adopted for future development in the activity centres, the date of the survey data needs to be generally consistent with the date of the retail/commercial floor space data in order to compare the measured (observed) peak parking occupancy with the theoretical parking demands based on the floor space information. This is addressed in more detail at Section 4.5.

The peak parking occupancy for each of the overall activity centre precincts is summarised in Table 4 below.

³ It is noted that future surveys may show a higher parking occupancy in some locations, in particular as a result of a number of permits which have been issued in recent years granting parking reductions/waivers. However, the floor space of those developments did not exist at the time of the parking surveys so the analysis is not impacted. Furthermore, in terms of parking provision rates, new developments from now on should not be required to compensate for approved developments which have already been granted parking waivers.



Table 4: Peak Parking Occupancy

	Traralgon (Over all)	Traralgon Core (Sub-Precincts A & B)	Morwell (Overall)
Supply	5,842 spaces	1,800 spaces	3,510 spaces
Peak Demand	3,386 spaces	1,489 spaces	1,811 spaces
Day/Time	Friday 18/11/2011 12noon	Friday 18/11/2011 1pm	Friday 4/05/2012 1pm
% Occupancy	58% ^{Note 1}	83%	52%
Vacancies	2,456 spaces	311 spaces	1,699 spaces

Note 1: This figure (58% occupancy) is misleading, because it includes a significant number of spaces which were vacant but are located on residential frontages and are not appropriate to count towards the 'Activity Centre' parking supply. Accordingly, the Sub-Precincts A and B (entirely Commercial 1 Zone land in the core of the Traralgon Activity Centre) have been separately analysed for comparison purposes.

For the purpose of analysis, 'stressed' parking is defined as areas with a peak car parking occupancy of greater than 90%, and 'near-stressed' parking is defined as areas with a peak car parking occupancy of 85% – 90%.

Figures 3 and 4 below show the on-street and off-street 'stressed' and 'near-stressed' parking areas in Traralgon and Morwell respectively, at the peak surveyed time.

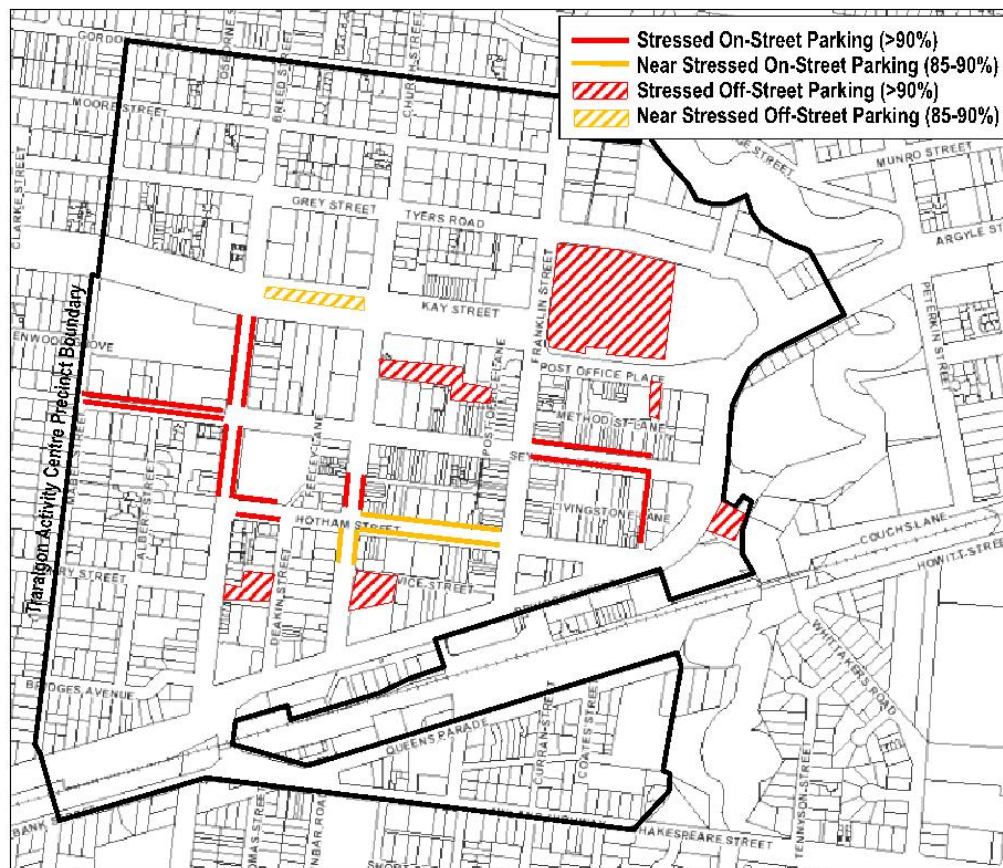


Figure 3: 'Stressed' and 'Near-Stressed' Parking Areas – Traralgon (12noon Friday 18th November, 2011)

Car Parking Framework Review

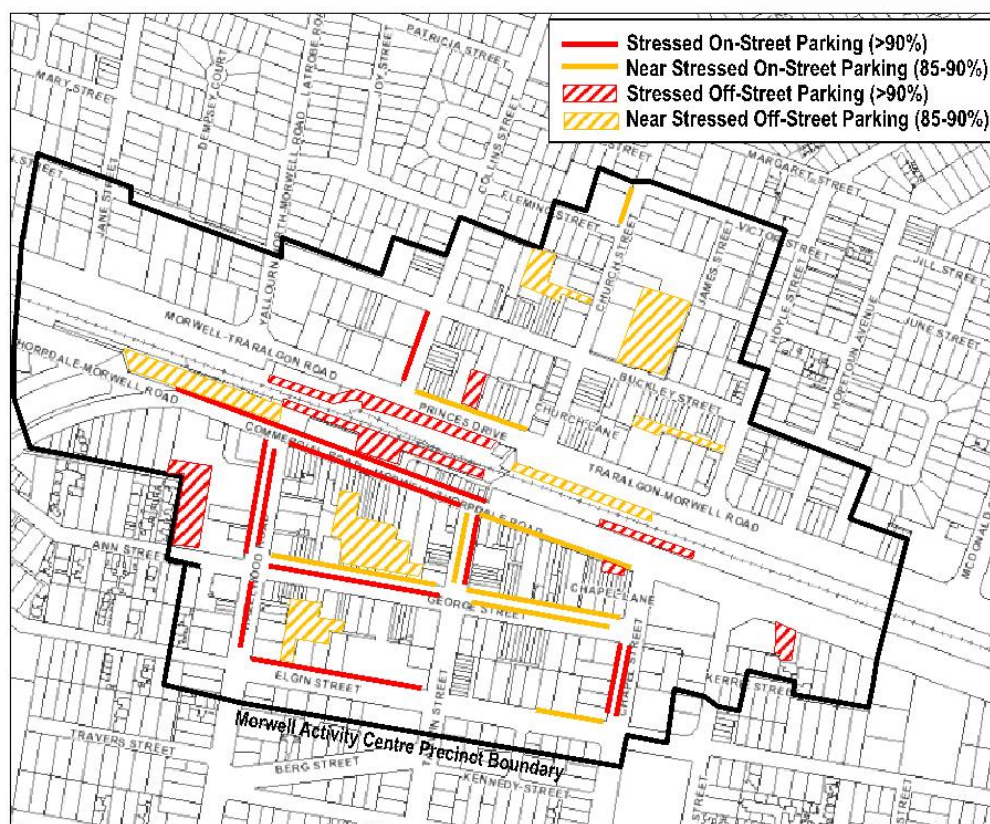


Figure 4: 'Stressed' and 'Near-Stressed' Parking Areas – Morwell (1pm Friday 4th May, 2012)

Car parking occupancy observations are set out below:

Traralgon

- On-street car parking demand in the Traralgon retail core is high but not 'stressed' (less than 85% overall within sub-precincts A and B), and on-street short-term car parking spaces are available at the peak time.
- Publicly available off-street car parking demand in the Traralgon retail core is very high (86% within sub-precincts A and B which is within the 'near-stressed' category at the peak time).
- The occupancy of publicly available off-street parking within the Traralgon retail core remained above 80% between 11:00am and 2:00pm on the peak day (Friday 19th November, 2011).
- The on-street car parking within the retail core is predominantly controlled by short-term restrictions.
- Much of the off-street parking is either unrestricted or has longer restrictions (3P at Stockland and in part of the Seymour Street carpark).
- The observed higher occupancy rate of off-street (predominantly long-term) parking compared with on-street (short-term) parking indicates that there may be in imbalance between short and long term parking supply versus demand in the Traralgon retail core, with a potential need to convert some existing short-term spaces to long-term restrictions to correct the imbalance.

Morwell

- Stressed and near-stressed areas are generally located to the south of the railway line.
- While there are high occupancy rates particularly in close proximity to the railway line, parking is available within a short walk (250m/4 minutes) of all 'stressed' areas.
- There is adequate availability of public on-street parking areas in the northern half of the activity centre precinct.

General

- High on-street parking occupancy rates are not necessarily bad, as it contributes to a sense of vibrancy in the activity centre. However this needs to be complimented by a high-turnover (short-term restrictions) so as to ensure visitors are able to find a space nearby to their destination.
- 'Stressed' parking within an activity centre environment is not uncommon. Car parking for activity centres is generally assessed on a 'whole of centre' approach, which recognises that people often make use of a trip to an activity centre to visit a number of different destinations within the centre. In turn, this spreads the parking demand across a number of land uses resulting in lower parking demands than would be generated by a similar individual land use that is not in an activity centre.
- The whole of centre approach recognises that different land uses within the centre may generate varying levels of parking demand throughout the course of the day, or at different times of the week, month or year. As a result it is possible to gain efficiencies in the public car parking supply through the 'sharing' of parking amongst a number of uses where peak parking demands do not coincide. This means that the overall parking requirement for the area is lower than if parking were to be provided to cater for the peak demands of all uses within the centre and leads to a more efficient use of the available land.
- Visitors will generally seek to park as close to their destination as possible and as a result, while parking for the area may be sufficient, parking around popular destinations within the centre will generally experience higher levels of utilisation than other parking opportunities that exist elsewhere.

4.4 Duration of Stay

Analysis of number plate data collected as part of the car parking occupancy survey process indicates that there are a substantial number of long-term parkers (presumably staff) parking within the short-term parking spaces and moving their vehicles throughout the day so as to comply with the restrictions, potentially due in part to there being inadequate long-term parking in close proximity to workplaces.

This is not the intent of the short-term restrictions and suggests that the current method of enforcement is not working, in the sense that whilst apparently resulting in time restrictions being generally adhered to (in Traralgon more so than Morwell⁴), it is not preventing staff from parking within the short-term spaces.

⁴ In Morwell, a high proportion of vehicles were observed to be overstaying time limits, with 65% of vehicles parked in 1P spaces observed during at least two consecutive hourly passes, and 15% of vehicles parked in 2P spaces observed during at least three consecutive hourly passes. Conversely in Traralgon there was a high level of compliance, however a significant number of vehicles were recorded as being moved nearby rather than leaving the activity centre, indicating that the vehicles are likely to be staff vehicles, requiring longer duration parking spaces.



Also, the results suggest that there may be an imbalance in the proportion of short-term and long-term parking.

High utilisation of on-street spaces (high occupancy and turnover) contributes to a sense of vibrancy of an activity centre. Long-term (staff) parking should generally be provided in off-street parking areas.

4.5 Theoretical Car Parking Demand Analysis

Statutory car parking requirements for land use developments are set out in the revised Clause 52.06 of the Planning Scheme, which came into effect on 5th June, 2012.

Clause 52.06 sets out 'standard' rates (intended for stand-alone developments which are not within major activity centres) in Column A.

Separate rates are specified at Column B. The Column B rates only apply where specified in a schedule to the Parking Overlay. Different rates (other than Column A or Column B rates) can also be applied via a Parking Overlay.

Both Traralgon and Morwell are activity centres which provide a substantial proportion of the overall car parking supply as 'shared' public parking, and accordingly the Column B rates provide an appropriate starting point.

A 'theoretical car parking demand' analysis has been undertaken for both Traralgon and Morwell, based on the existing floor areas⁵ and adopting Clause 52.06 Column B rates, as set out in Tables 5 and 6 below.

⁵ For Traralgon, the breakdown of retail floor space was set out in the economic report prepared by Hansen Partnership, dated July 2010. Given that the floor space information is current as at 2010, for the purposes of comparing the theoretical and observed car parking demands, the car parking supply and occupancy from the 2010 Cardno surveys has been used, as it coincides with the timing of the floor space data collection. In addition, the Traralgon assessment excludes tenancies which were vacant at the time that the economic report was prepared.

For Morwell, similar detailed land use data is not currently available. However, MacroPlan Australia prepared a Retail Strategy Review for Latrobe in 2007, which set out the total retail floor space and total 'other commercial' floor space for the Morwell Activity Centre. The 'supermarket' component of the retail floor space has been estimated from measuring off aerial photography.

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Table 5: Traralgon Theoretical Parking Supply Assessment – Clause 52.06 Column B Rates

Use	Size	Rate	Requirement ¹
Retail ²	58,083 m ²	3.5 per 100m ²	2,032 spaces
Supermarket	9,531 m ²	5 per 100m ²	476 spaces
Manufacturing	1,189 m ²	1 per 100 m ²	11 spaces
Wholesale	3,877 m ²	3.5 per 100m ²	135 spaces
Automotive Sales & Servicing	4,633 m ²	3 per 100m ²	139 spaces
Clubs, pubs and hotels	7,374 m ²	3.5 per 100m ²	258 spaces
Health and Community Services	9,549 m ²	3.5 per 100m ²	334 spaces
Education ³	9,654 m ² (57 FTE)	1 to each employee that is part of the maximum no. of employees on the site	57 spaces
Office ⁴	60,608 m ²	3 per 100m ²	1,818 spaces
TOTAL	157,455 m²		5,260 spaces

Note 1: Clause 52.06 states that where a number is a fraction of a whole number, it should be rounded down to the nearest whole number.

Note 2: Shop, Restaurant and Food & Drink Premises rates are the same (all 3.5 per 100sqm) under Column B so there is no need to distinguish between them for the purposes of the theoretical demand assessment.

Note 3: Based on 57 full time equivalent³ (FTE) staff – My School website confirms 24 FTE at St. Michael's PS and 33 FTE at Grey Street PS in 2011.

Note 4: Office use is assumed to incorporate transport, media and communications, finance and insurance, property and construction services, business services, government services, emergency services and other services.

Table 6: Morwell Theoretical Parking Supply Assessment – Clause 52.06 Column B Rates

Use	Size	Rate	Requirement ¹
Retail ²	56,061 m ²	3.5 per 100 m ²	1,962 spaces
Supermarket	4,325 m ²	5.0 per 100 m ²	216 spaces
Office	29,684 m ²	3.0 per 100 m ²	890 spaces
TOTAL	90,070 m²		3,068 spaces

Note 1: Clause 52.06 states that where a number is a fraction of a whole number, it should be rounded down to the nearest whole number.

Note 2: Shop, Restaurant and Food & Drink Premises rates are the same (all 3.5 per 100sqm) under Column B so there is no need to distinguish between them for the purposes of the theoretical demand assessment.

Table 7 below summarises the theoretical car parking requirement (based on Clause 52.06 Column B rates), the actual parking provision and the surveyed peak parking demand for both Traralgon and Morwell.

Table 7: Theoretical Parking Demand Analysis – Summary Table

	Traralgon	Morwell
Theoretical Demand (Column B)	5,260 spaces	3,068 spaces
Existing Supply ¹	4,903 spaces	3,510 spaces
Surveyed Peak Demand	3,259 spaces ²	1,811 spaces
Surveyed Peak as a Proportion of Column B	62%	59%

Note 1: The quoted supply for Traralgon in this table is based on a reduced 'activity centre' area which excludes on-street parking in streets which are in the Residential Zone, and also excludes all land south of the railway line.

Note 2: This figure is the surveyed peak for the 2010 surveys, as this coincides with the date of the land use data.

Table 7 indicates that the surveyed peak car parking demand was 62% and 59% of the theoretical car parking demand (using Column B rates) in Traralgon and Morwell respectively.

This suggests that requiring new developments to provide parking (or in-lieu contributions) at Column B rates may not be appropriate.

Typically in the order of 90% occupancy is considered to be fully occupied, as higher occupancy rates tend to lead to excessive congestion associated with vehicles circulating looking for vacant spaces.

If 90% is considered to be "capacity", then parking would need to be provided at a rate of at least 69% of the Column B rates in Traralgon and 66% of the Column B rates in Morwell.

In the case of Morwell, the floor space information utilised for the purposes of establishing the 'theoretical' parking demand (based on Column B rates) included tenancies which are currently vacant and not contributing to the current parking demands. A review of the Morwell Vacancy Handbook (Reactivate Latrobe) dated 16th October 2013 indicates that at that time, there were 34 vacant premises with a combined floor area of approximately 10,387m² of vacant commercial floor space, comprising approximately two-thirds retail and one-third non-retail (office, etc.). This represents 11.5% of the total floor space in Morwell being vacant. Table 8 below sets out the revised analysis, excluding the vacant floor space.

Table 8: Revised Theoretical Parking Demand Analysis – Summary Table

	Traralgon	Morwell
Theoretical Demand (Column B)	5,260 spaces	2,714 spaces
Existing Supply ¹	4,903 spaces	3,510 spaces
Surveyed Peak Demand	3,259 spaces ²	1,811 spaces
Surveyed Peak as a Proportion of Column B	62%	67%

Note 1: The quoted supply for Traralgon in this table is based on a reduced 'activity centre' area which excludes on-street parking in streets which are in the Residential Zone, and also excludes all land south of the railway line.

Note 2: This figure is the surveyed peak for the 2010 surveys, as this coincides with the date of the land use data.

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Table 8 shows that if the 'theoretical parking demand' for Morwell is adjusted down to exclude the vacant floor space, the revised theoretical parking demand would be 2,714 spaces⁶, and the actual observed peak parking demand of 1,811 spaces represents 67% of the revised theoretical parking demand. If 90% is considered to be "capacity", then parking would need to be provided at a rate of at least 74% of the Column B rates in Morwell, taking into account the existing vacancies.

Also, in both activity centres, there is likely to be existing (historical) floor space inefficiencies. Traditional regional centres have larger floor space/inefficient use of floor space with substantial "back of house" storage type areas counted in the overall floorspace, which generally corresponds to lower car parking ratios per floor space overall. Newer shops typically include less storage area on-site and accordingly converting older inefficient premises to new more efficient ones may also increase the parking rate. This factor needs to be built into the final parking rates incorporated into the Planning Scheme.

Having regard to these factors, it is recommended that in both Traralgon and Morwell, a Parking Overlay be introduced, requiring parking to be provided at 75% of Column B rates for retail uses, and 100% of the Column B parking rate for office uses⁷.

In Morwell, if the Parking Overlay rates cannot be achieved for individual development applications, the standard Clause 52.06 decision guidelines should be applied to determine whether the shortfall can be supported.

In Traralgon, if the Parking Overlay rates cannot be achieved for individual development applications, a cash-in-lieu payment per space which is not provided on the land should be applied (via the Parking Overlay mechanism). The recommended cash-in-lieu amount per space is discussed in greater detail later in this report.

⁶ The ratio of vacant floor space (2/3 retail and 1/3 non-retail) is consistent with the overall floorspace ratio in Morwell. Accordingly, the overall theoretical parking demand of 3,068 spaces calculated in Table 6 has been adjusted down by 11.5% (i.e. the overall proportion of vacant floor space) to represent the revised theoretical parking demand of 2,714 spaces for the occupied floor space.

⁷ It is noted that this recommendation is made in the Latrobe Parking Study Peer Review (prepared by Traffix Group and Spade Consultants with the assistance of the DPCD Rural & Regional Flying Squad, Ref: 15688R9050), and the recommendation to adopt 75% of the Column B (Clause 52.06) rates is based on consideration of the surveyed peak parking demands as a proportion of the full Column B rates (62% and 67% for Traralgon and Morwell respectively, as shown in Table 8) and adding a 'factor of safety' (by requiring a higher provision than observed rates) to account for historic inefficiencies and to ensure adequate spaces are provided so that vehicles aren't excessively circulating looking for a vacant space.

4.6 Adequacy of Current Allocation of All-Day Parking

Tables 9 and 10 calculate the theoretical staff (all day) parking demands for Traralgon and Morwell respectively, based on estimated proportions for the various uses within each of the activity centres, using the Column B rates.

Table 9: Theoretical All Day Staff Parking Demands - Traralgon

Use ¹	Size	Rate	Requirement	Proportion Staff	Number Staff
Retail	58,083 m ²	3.5 per 100m ²	2,032 spaces	25%	508 spaces
Supermarket	9,531 m ²	5 per 100m ²	476 spaces	20%	95 spaces
Manufacturing	1,189 m ²	1 per 100 m ²	11 spaces	75%	8 spaces
Wholesale	3,877 m ²	3.5 per 100m ²	135 spaces	25%	34 spaces
Automotive Sales & Servicing	4,633 m ²	3 per 100m ²	139 spaces	25%	35 spaces
Health and Community Services	9,549 m ²	3.5 per 100m ²	334 spaces	40%	134 spaces
Education	9,654 m ² (57 FTE)	1 to each employee	57 spaces	100%	57 spaces
Office	60,608 m ²	3 per 100m ²	1,818 spaces	95%	1727 spaces
TOTAL	171,541 m²		5,002 spaces		2,598 spaces

Note 1: The 'clubs, pubs and hotels' use has been excluded from this table, because the staff and customer parking demands during business hours are likely to be minimal, and including them would skew the results.

Table 10: Theoretical All Day Staff Parking Demands - Morwell

Use	Size	Rate	Requirement	Proportion Staff	Number Staff
Retail	56,061 m ²	3.5 per 100m ²	1,962 spaces	25%	490 spaces
Supermarket	4,325 m ²	5 per 100m ²	216 spaces	20%	43 spaces
Office	29,684 m ²	3 per 100m ²	890 spaces	95%	845 spaces
TOTAL	90,070 m²		3,068 spaces		1,378 spaces

Traralgon

Table 9 indicates that the theoretical staff parking requirement is 2,598 car spaces out of a total theoretical car parking demand of 5,002 spaces. The actual surveyed peak car parking demand was 3,259 occupied spaces.

It is anticipated that the number of all-day staff spaces required in Traralgon is likely to be close to the theoretical number calculated in Table 9.

It is also noted that Traralgon is Gippsland's Regional hub, with many regional services located within Traralgon.

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If the parking requirement in Traralgon is assumed to be 75% of the Column B rates for all uses except for 'Office' (which should not be less than 100%), then the parking requirement would be 4,206 spaces. If 2,598 of those spaces are required for staff use (as calculated in Table 9) then the long-term staff parking demand represents 62% of the total parking requirement.

The study area includes a total of 1,078 unrestricted car spaces (excluding residential frontages) and a further 1,052 private all-day staff spaces (including permit zone and parking on private land), which suggests that there may be insufficient all-day parking provided to meet the theoretical staff demand (2,600 spaces needed). Furthermore, the location of the all-day parking spaces may not be meeting the needs of users, as demonstrated by the high number of staff utilising the restricted spaces.

There are 2,027 short-term restricted spaces within the activity centre, which exceeds the theoretical requirement of 1,600 customer spaces. This is in addition to the spaces on private land signed for customer use. This suggests there is perhaps an excess of short-term parking, and that some of it could be converted to all-day parking.

Morwell

Table 10 indicates that the theoretical staff parking requirement is 1,378 car spaces out of a total theoretical car parking demand of 3,068 spaces. The actual surveyed peak car parking demand was 1,811 spaces. It is anticipated that the number of all-day staff spaces required in Morwell is likely to be close to the theoretical number calculated in Table 10.

As previously noted, Morwell has become a central hub for municipal and state government activities and services with recent investment including Latrobe City Council's Offices, health services, law courts and the Department of Justice. Retail activity plays a largely supportive role to commercial and government services, and accordingly much of the demand for retail services in the Morwell activity centre is generated from staff who are already in the town centre for work purposes, with a high proportion of people seeking to undertake purely retail visits in Morwell choosing to do so at the out-of-centre Mid Valley Shopping Centre, rather than within the Morwell activity centre.

If the parking requirement in Morwell is assumed to be 75% of the Column B rates for all uses except for 'Office' (which should not be less than 100%), then the parking requirement would be 2,523 spaces. If 1,378 of those spaces are required for staff use (as calculated in Table 10) then the long-term staff parking demand represents 55% of the total parking requirement.

The study area includes a total of 647 all-day on-street spaces (including 18 'authorised' parking spaces), and a further 2,029 all-day off-street spaces. While this appears to exceed the theoretical staff parking requirement, it is noted that 1,625 of the 2,029 all-day off-street spaces are listed as private staff/customer/reserved/permit spaces, and accordingly are not public/shared resources and may not be available to the users requiring them.

The significant overstay of parking restrictions observed in Morwell suggests the existing all-day parking supply is insufficient.

The Morwell study area includes sections with centre-of-road parking. From an operational perspective, it is generally considered to be good practice for centre-of-road spaces to be longer-term lower turnover parking, to reduce the number of people walking to and from the centre of the road. Accordingly, it is recommended that centre-of-road parking (particularly in Elgin Street, George Street and Tarwin Street) be converted to all-day parking. It is noted that complimentary measures will be undertaken as a separate piece of work in parallel with this car parking framework review, addressing potential changes to parking restrictions and enforcement measures, etc.

5 ADEQUACY OF EXISTING CAR PARKING SUPPLY

5.1 Physical Numbers

The preceding analyses (as presented in detail in the Draft Traralgon Activity Centre Car Parking Strategy, the Morwell Activity Centre Car Parking Study and the Latrobe Parking Study Peer Review) indicates that the current parking supply in Traralgon and Morwell is adequate to meet the current demands.

In addition, the future floor space predictions indicate that there is sufficient car parking within the Morwell activity centre to accommodate the future parking demands for the next 10 years within the existing supply, without constructing any new spaces within the Morwell activity centre.

The future floor space predictions for Traralgon indicate that new car parking will required to be constructed in Traralgon to meet future demands generated by the increase in floor space.

It is noted that the Gippsland Regional Aquatic Centre is planned to be located at the existing outdoor swimming pool site and surrounds on the west side of Breed Street south of Kay Street. It is envisaged at this stage that the planned Aquatic Centre will be self-sufficient in terms of car parking provision and accordingly will not impact on the existing parking supply within the Traralgon Activity Centre.

5.2 Allocation

While the all-day parking supply within the study area (excluding residential frontages) is sufficient to meet the theoretical all-day demands, it appears that in both Traralgon and Morwell, the breakdown of restricted and unrestricted car spaces within the core retail area does not match the demands, in particular, there appears to be an insufficient supply of all-day parking.

This is demonstrated in Traralgon by the occurrence of cars remaining within the core area but being moved so as to comply with time-based restrictions. This remains a challenge for the successful enforcement of short-term parking stock.

It is also demonstrated in Morwell by the apparent overstay in time-restricted car spaces, again with challenges for the enforcement regime.

It is important to consider the purpose of the restrictions. It seems that based on the car parking occupancy data, an increased number of all-day spaces may be warranted in closer proximity to the core retail precinct in both activity centres.

Historically, the core of Traralgon Activity Centre has relied heavily on public parking, with minimal on-site parking provided for staff (with the exception of large sites such as Stockland) and accordingly, public parking needs to continue to accommodate staff as well as customers.

As a general rule, on-site parking in CBD centres for short-term visitors (as currently occurs throughout Morwell) is undesirable (except for large sites such as Stockland) as it is inefficient and does not allow a sharing of the resources to occur. On-street parking on retail frontages needs to be readily available for high turnover, to support a vibrant



centre. Off-street parking should therefore accommodate staff so that the on-street parking is freed up for customers to park close to their destination.

Accordingly, it is recommended that Council-controlled off-street carparks should be designated as all-day parking. In particular, the Seymour Street carpark in Traralgon should be all-day parking.

We note that it is not appropriate to solve the all-day parking issue by allowing staff to park in residential areas, and accordingly the unrestricted parking on residential frontages on the streets surrounding the activity centre should not be counted in the activity centre parking supply⁸. However, this is an excellent resource at peak periods, e.g. Christmas trading.

5.3 Location

There appears to be sufficient all-day parking within the identified precinct boundaries, however it is not necessarily within the core retail and commercial area where the expectation is for parking facilities.

In part, there may be an unrealistic expectation in regional cities that parking should be available at the door, or within say 50 metres of their destination. However the reality is that parking within 250 metres (approximately 5 minutes' walk) is widely regarded in urban areas as being an acceptable distance to walk, particularly for long-term staff parking.

⁸ It is noted that parking on some residential frontages in Traralgon was surveyed by Cardno as these streets were included as part of the overall Activity Centre boundary identified in the Traralgon Activity Centre Plan prepared by Hansen (June 2010) and associated background documents. However it is important to note that the parking on these residential frontages was excluded from the Activity Centre parking supply for the purposes of analysis (refer to footnote 1 of Table 8, which clarifies that the supply for the purpose of analysis excluded residential frontages).

6 CASH IN LIEU

The new Clause 52.06 and Parking Overlay (Clause 45.09) provisions are set up in such a way so as to allow Councils to collect a financial contribution as a way of meeting the car parking requirements that apply to a particular development.

An example of the relevant section of a recent Parking Overlay is reproduced below:

A schedule to this overlay may allow a responsible authority to collect a financial contribution in accordance with the schedule as a way of meeting the car parking requirements that apply under this overlay or Clause 52.06.

A schedule must specify:

- *The area to which the provisions allowing the collection of financial contributions applies.*
- *The amount of the contribution that may be collected in lieu of each car parking space that is not provided, including any indexation of that amount.*
- *When any contributions must be paid.*
- *The purposes for which the responsible authority must use the funds collected under the schedule. Such purposes must be consistent with the objectives of Section 4 of the Act.*

6.1 Traralgon

In Traralgon, cash-in-lieu should be encouraged in preference to on-site customer parking on smaller development sites in particular (excluding large developments such as Stockland and Woolworths), to maintain vibrancy of the centre. Shared public parking resources are more efficient than private parking⁹, and this is demonstrated by surveys which suggest an underutilisation of private parking and a high demand for public parking.

Accordingly, the cash-in-lieu parking rate should take into account the desire to encourage this option for provision of customer parking.

There are a number of factors with implications beyond traffic engineering that should be considered in determining an appropriate cash-in-lieu value.

There is a limit to how much can be charged for parking via a cash-in-lieu scheme without discouraging the development of the activity centre.

It is also important to recognise that it is not intended that the cash-in-lieu amount cover the full cost of providing car parking (land plus construction value).

Council would not need to construct one car space for every space for which cash-in-lieu is paid. Due to the variation in demand over time for various uses, public parking resources are more efficient and can be shared by multiple users. For example, cash-in-lieu contributions might be collected from a retail store with opening hours of 9am till 5pm, and additional cash-in-lieu contributions might be collected from a restaurant which generates parking demands predominantly after 6pm. These two uses can share the same parking spaces.

⁹ Often taking access within a retail precinct will lose on-street spaces and adversely impact on the streetscape.

Car Parking Framework Review



In determining the cash-in-lieu rate, consideration should also be given to equity between existing and future developments, noting that historically in Traralgon, a substantial proportion of car parking has been provided as public parking.

Of the 4,130 car spaces within the activity centre (excluding the residential frontages and the large Stockland development which is, and should be, self-contained in terms of parking supply), 2,062 spaces are public spaces (either on-street or within public off-street carparks). This corresponds to almost exactly 50% of the existing parking supply being publicly provided.

A similar proportion would be appropriate for future developers, and the cash-in-lieu rate should reflect that historically, the community (via Council) has provided 50% of the parking requirement.

Example Cash-in-Lieu Rates

A number of other municipalities have Parking Overlays at Clause 45.09 which allow for the collection of cash in lieu of car parking spaces. The following table sets out cash-in-lieu rates which are currently applied in some other regional and metropolitan municipalities.

Table 11: Example Cash-in-Lieu Rates

Municipality	Planning Scheme Amendment No.	Cash-in-Lieu Rate
<i>Regional Municipalities</i>		
Greater Shepparton	VC95	\$4,500
South Gippsland	C85	\$0 (1 – 4 spaces) \$4,800 (per space for 5 th to 8 th space) \$7,200 (per space for 9 th to 20 th space) \$9,600 (per space for 21 st space and above)
Wodonga	VC95	\$5,000
Benalla	C10	\$6,431
Southern Grampians	C25	\$8,000
Moira	C56	\$8,060
Greater Bendigo	C169	\$10,000
Colac-Otway	C72	\$13,000
Surf Coast	C66	\$13,291
<i>Metropolitan Municipalities</i>		
Monash	C25	\$6,000 (Oakleigh) \$11,000 (Glen Waverley)
Wyndham	C151	\$12,500
Casey	C83	\$16,935
Greater Dandenong	VC95	\$19,000

Table 11 indicates that regional municipalities apply rates between \$4,500 and \$13,291 per space, with the average being \$7,385 per space. The metropolitan municipalities apply higher rates, with an average cost of \$13,087 per space, being reflective of higher land costs in metropolitan municipalities compared with regional municipalities.



Cash-in-Lieu Options

There are several options which can be considered in determining the cash-in-lieu rate, as follows:

- **Cost Penalty:** This option charges an amount in excess of the actual cost of providing parking spaces (i.e. the cost of providing spaces off-site exceeding the cost of providing them within a proposed development), with the intention being to discourage developments which do not meet their parking requirements on-site.
- **Full Cost Recovery:** This option charges an amount equal to the actual cost of providing parking spaces, with the intention being that Council utilise the funds to construct one car space for every space that cash-in-lieu payments are collected, without needing to contribute additional funds.
- **Subsidised Fee:** This option charges an amount less than the actual cost of providing parking spaces, and takes into account efficiencies in public parking resources (with the sharing of public parking meaning Council is unlikely to need to construct one parking space for every space which cash-in-lieu is collected). This also takes into consideration that most parking provided by Council would not be ideal for any particular developer, and would not be restricted for use by customers of the originally contributing developers, but would be in the general area and therefore utilised by shoppers shopping in the general area.

Most of the regional municipalities that have cash-in-lieu parking rates adopt the 'subsidised fee' approach in recognition that shared public parking resources are a valuable asset to the broader community, with the adopted cash-in-lieu rate not being reflective of the full cost of providing a parking space.

Locations for New All-Day Parking in the Traralgon AC

Three locations are considered to be suitable for further consideration in Traralgon in relation to the potential provision of additional public parking resources in the future (to be funded by future cash-in-lieu contributions) as follows:

- an extra level on the Seymour Street multi-deck carpark (this carpark has been designed to accommodate an additional level in the future),
- a decked carpark in the location of existing car parking adjacent to the Post Office (accessed via Deakin Street and Hotham Street), and
- a decked carpark in the location of existing public car parking behind Ryan's Hotel (accessed via Church Street and Kay Street).

Little needs to be done in terms of design for the Seymour Street carpark as it was originally designed to accommodate another level. This is also in a central location close to high parking demands where minimal staff parking is currently available. Accordingly, this location is best placed to provide additional parking through collection of cash-in-lieu funds in the short-term.

Cash-in-Lieu Calculation Formula

The formula for calculating cash-in-lieu contributions is generally:

$$P = (L + C + A) \times (1 - D)$$

Where:

- P – Cost per space (cash-in-lieu rate - \$ per car space)
- L – The market value of land (\$ per m² x land area per car space)
- C – The construction cost (\$ per m² x land area per car space)
- A – An administration charge (typically 2% of the total cost)
- D – Discount, e.g. 0.3 (30% discount)

Due to existing land constraints in the Traralgon AC, all of the options currently under consideration for delivery of future public parking resources involve construction of decked parking on land already owned by Council. Accordingly, there is no additional 'land' cost component.

However, the construction cost for decked parking is considerably more expensive than at-grade parking.

The Cobram Parking Precinct Plan for example (Moirra Shire, 2009) lists the construction cost for at-grade parking at \$2,200 per car space. In comparison, *Rawlinsons Construction Cost Guide 2011* states that the cost to construct multi-level carparks is approximately \$17,000 per space. Notwithstanding, the developer of the Seymour Street carpark has advised that the cost to construct an additional level may be somewhat cheaper than the cost indicated by the Rawlinsons Guide.

It is noted that the Panel reports for both Amendment C10 to the Benalla Planning Scheme and Amendment C56 to the Moira Planning Scheme determine that a 30% 'discount', is a reasonable compromise.

In the case of Traralgon though, historically, approximately 50% of the activity centre's parking supply has been provided as 'public' parking (Council-funded), including on-street and public off-street parking.

Recommended Cash-in-Lieu Rate

It is recommended that Council adopt the 'subsidised fee' option, providing for a 'discount' in the cost of actually providing a car space. This option is fairer for the development industry taking into account that the space will not be exclusively available for customers of the development which made the cash-in-lieu contribution and will instead be a shared public parking resource some distance away from the development site.

While Benalla and Moira adopted a 30% discount (70% developer-funded), the adopted rates in these municipalities are \$6,431 and \$8,060 respectively, suggesting the actual cost per space would be \$9,187 and \$11,514 respectively (with the in-lieu rates representing 70% of these costs), being significantly lower than the \$17,000 per space for multi-level carparks as indicated by the Rawlinsons Guide.

It is recommended that having regard to the historical 'public' contribution of approximately 50% of the parking supply in the Traralgon activity centre, a discount of 50% be applied to the \$17,000 car space cost, corresponding to a cash-in-lieu contribution rate of \$8,500, or \$8,670 if a 2% administration fee is added.

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It is noted that this is above the average of \$7,385 per space for regional centres (as set out in Table 11), is comparable to the rates charged by Southern Grampians Shire and Moira Shire, and is less than the rates charged in Bendigo, Colac-Otway Shire and Surf Coast Shire.

Other factors (beyond the actual cost of providing a space) also require consideration when determining the cash-in-lieu rate, such as the desire to either attract or discourage development in the Traralgon AC for example.

It is noted that the car parking peer review recommended an upper limit of \$5,000 per space, being approximately 30% of the actual cost of providing a space (a 70% discount), with this recommendation based on a desire to encourage and facilitate more intensive development in the Traralgon AC and also encourage the provision of shared public parking resources by making this an attractive option for developers, rather than each development providing all of its parking within private on-site carparks (with the disadvantage of breaking up the streetscape to provide access to the on-site parking).

Taking into account the range of factors discussed above, a cash-in-lieu rate in the range of \$5,000 to \$8,670 is recommended for the Traralgon AC.

6.2 Morwell

In Morwell, a cash-in-lieu scheme is not considered appropriate at this time, as the activity centre is already experiencing significant impediments to development, including a declining population, division of the centre by the railway line, high vacancy rates and competing retail facilities at Mid Valley and Traralgon.

7 PARKING OUTCOMES

7.1 Traralgon

Figure 5 below highlights the area which is recommended to have the 'Parking Overlay' applied in Traralgon. The highlighted area incorporates all of the Commercial 1 Zone (C1Z, B1Z, B2Z & B5Z) land to the north of the railway line, as well as the Mixed Use Zone (MUZ) parcel located on the northeast side of the Grey Street/Franklin Street intersection. Residential zoned land is excluded, as is the Public Park & Recreation (PPRZ) zoned land earmarked for the future Gippsland Regional Aquatic Centre¹⁰.

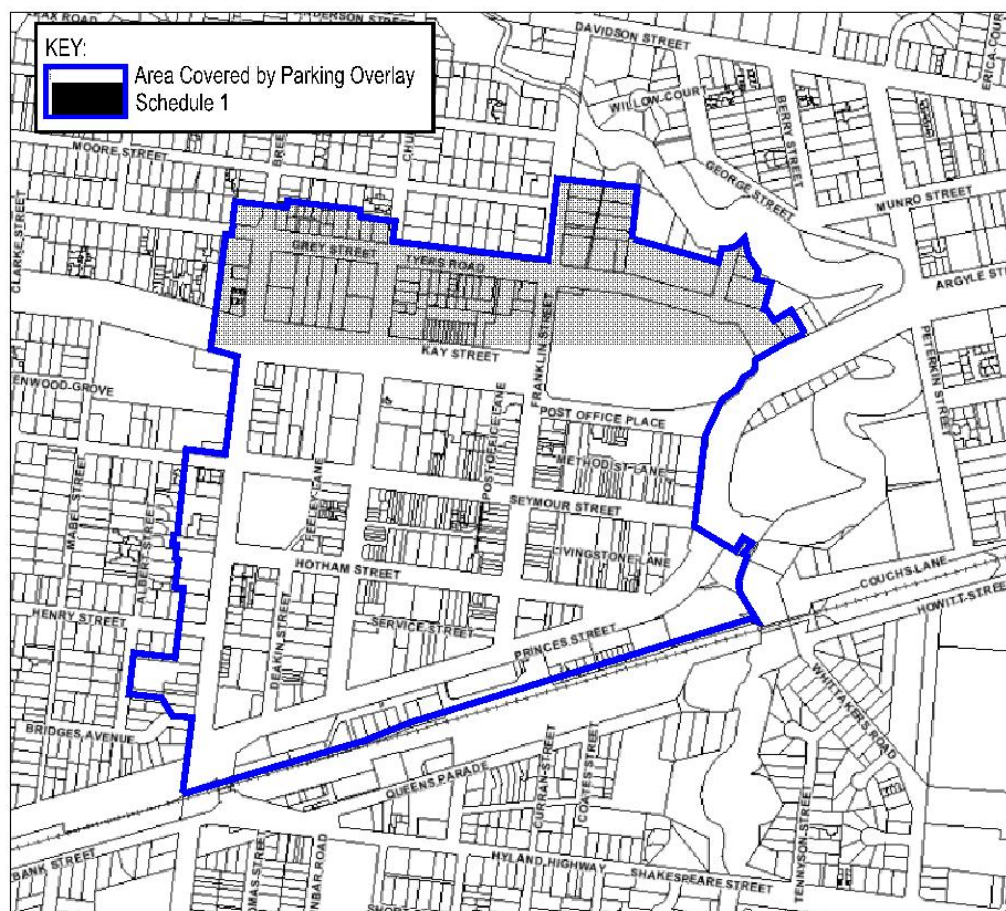


Figure 5: Recommended Parking Overlay Boundary - Traralgon

¹⁰ The proposed Regional Aquatic Centre site has been excluded from the area proposed to be covered by the Parking Overlay – Schedule 1, as it is understood that this facility will be self-sufficient in terms of meeting its car parking demands, and accordingly this development can be appropriately dealt with under the existing Clause 52.06 provisions (including any relevant dispensation criteria in the event that a lesser parking demand is justified than the statutory rate). In the event that the Aquatic Centre proposes to provide less car parking than the demand it generates, it would be appropriate to include it in the Parking Overlay so the development can be required to make a cash-in-lieu contribution to make up the shortfall, so as not to adversely impact on the existing public parking supply nearby.

Car Parking Framework Review



The area identified in Figure 5 should be covered by a 'Parking Overlay – Schedule 1'.

Section 1.0 of the Parking Overlay Schedule 1 will set out the parking objectives, generally as follows:

1.0 Parking Objectives to be Achieved

To ensure the appropriate provision of car parking spaces in the Traralgon Activity Centre and maintain a balance between car parking supply and demand in the centre.

To provide for cash-in-lieu payments for car parking provision.

Section 2.0 of the Parking Overlay Schedule 1 will set out the permit requirements, generally as follows:

2.0 Permit Requirement

In any permit that authorises or results in the commencement of a new use or the increase in an existing use by the measure specified in Column C of Table 1 in Clause 52.06-5 for that use, the amount of car parking spaces required by the responsible authority must be consistent with the amount specified in the scheme for that use.

A permit cannot be granted to reduce the car parking requirement for the uses specified in part 3.0 of this Schedule unless car parking entitlements or credits exist.

Where car parking credits exist:

- The reduction in the amount of car parking must not be greater than the extent of the credit, and
- The quantum of the credit must be determined having regard to the rates set out in this scheme.

A permit cannot be granted to reduce the car parking requirement.

Section 3.0 of the Parking Overlay Schedule 1 will set out the number of car spaces required, generally as follows:

3.0 Number of Car Spaces Required

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

Table: Car parking spaces

Use	Rate	Measure
Office	3.0	To each 100 sq m of net floor area

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

Car Parking Framework Review



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

Section 4.0 of the Parking Overlay Schedule 1 will set out the financial contribution requirement, generally as follows:

4.0 Financial Contribution Requirement

A financial contribution in the amount of \$8,670 (plus GST) in respect of each car parking space which is required under this Scheme and which is not provided on the land (but net of car parking credits) must be paid to the responsible authority.

The amount of \$8,670 (plus GST) is to be adjusted annually from 1 July 2015 using the Consumer Price Index (CPI) (all groups) as the index.

The cash contribution must be made before the use or development commences unless a permit condition allows payment instalments under the Section 173 agreement provisions of the *Planning and Environment Act 1987*.

7.2 Morwell

Figure 6 below highlights the area which is recommended to have the 'Parking Overlay' applied. The highlighted area incorporates all of the Commercial 1 Zone (C1Z, B1Z, B2Z & B5Z) land, Public Use Zone (PUZ2 & PUZ7) and Mixed Use Zone (MUZ) land to the south of the railway line, as well as the Mixed Use Zone (MUZ) land located on the north side of the railway line. Residential zoned land is excluded.

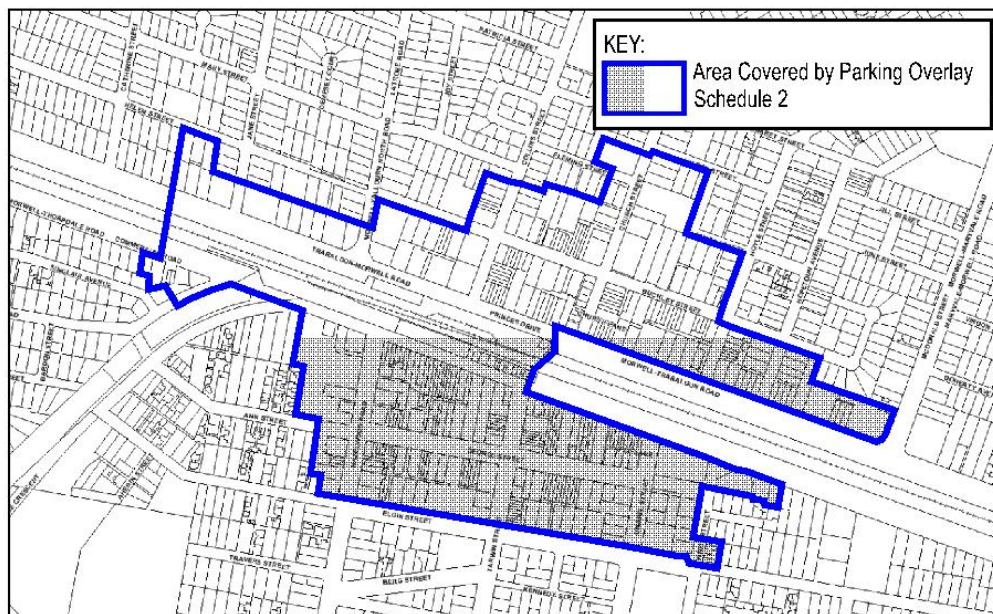


Figure 6: Recommended Parking Overlay Boundary - Morwell

The area identified in Figure 6 should be covered by a 'Parking Overlay – Schedule 2'.

Section 1.0 of the Parking Overlay Schedule 2 will set out the parking objectives, generally as follows:



1.0 Parking Objectives to be Achieved

To ensure the appropriate provision of car parking spaces in the Morwell Activity Centre and maintain a balance between car parking supply and demand in the centre.

Section 2.0 of the Parking Overlay Schedule 2 will set out the number of car spaces required, generally as follows:

2.0 Number of Car Spaces Required

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

Table: Car parking spaces

Use	Rate	Measure
Office	3.0	To each 100 sq m of net floor area

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

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

Section 3.0 of the Parking Overlay Schedule 2 will set out the conditions for granting a variation to the car parking requirements, generally as follows

3.0 Application Requirements and Decision Guidelines for Permit Applications

A permit may be granted to reduce (including reduce to zero) the number of car parking spaces required under Schedule 2 to the Parking Overlay.

Before granting a permit to reduce the number of spaces below the number required under Schedule 2 to the Parking Overlay, the responsible authority must consider the decision guidelines set out at Clause 52.06-6.

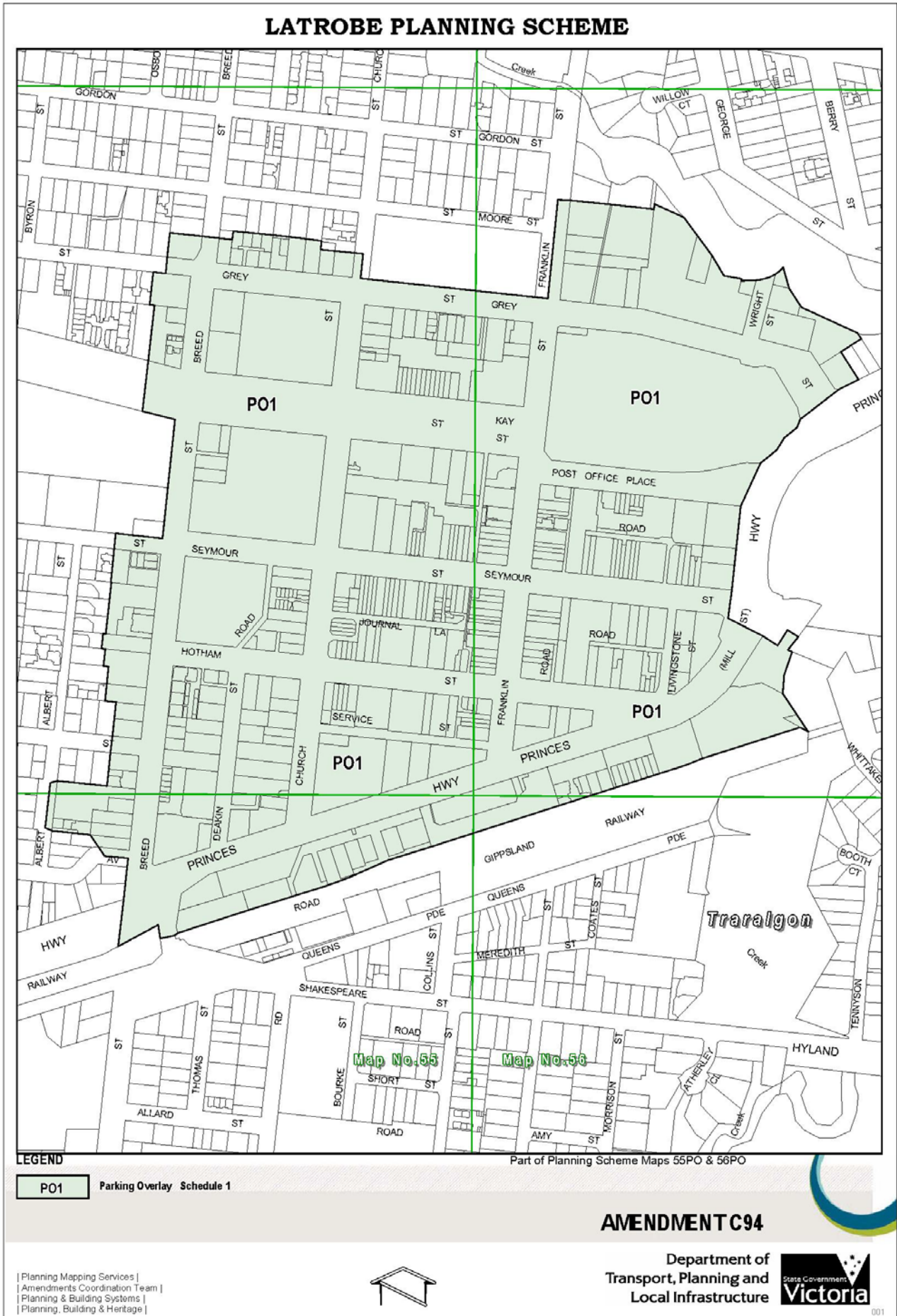


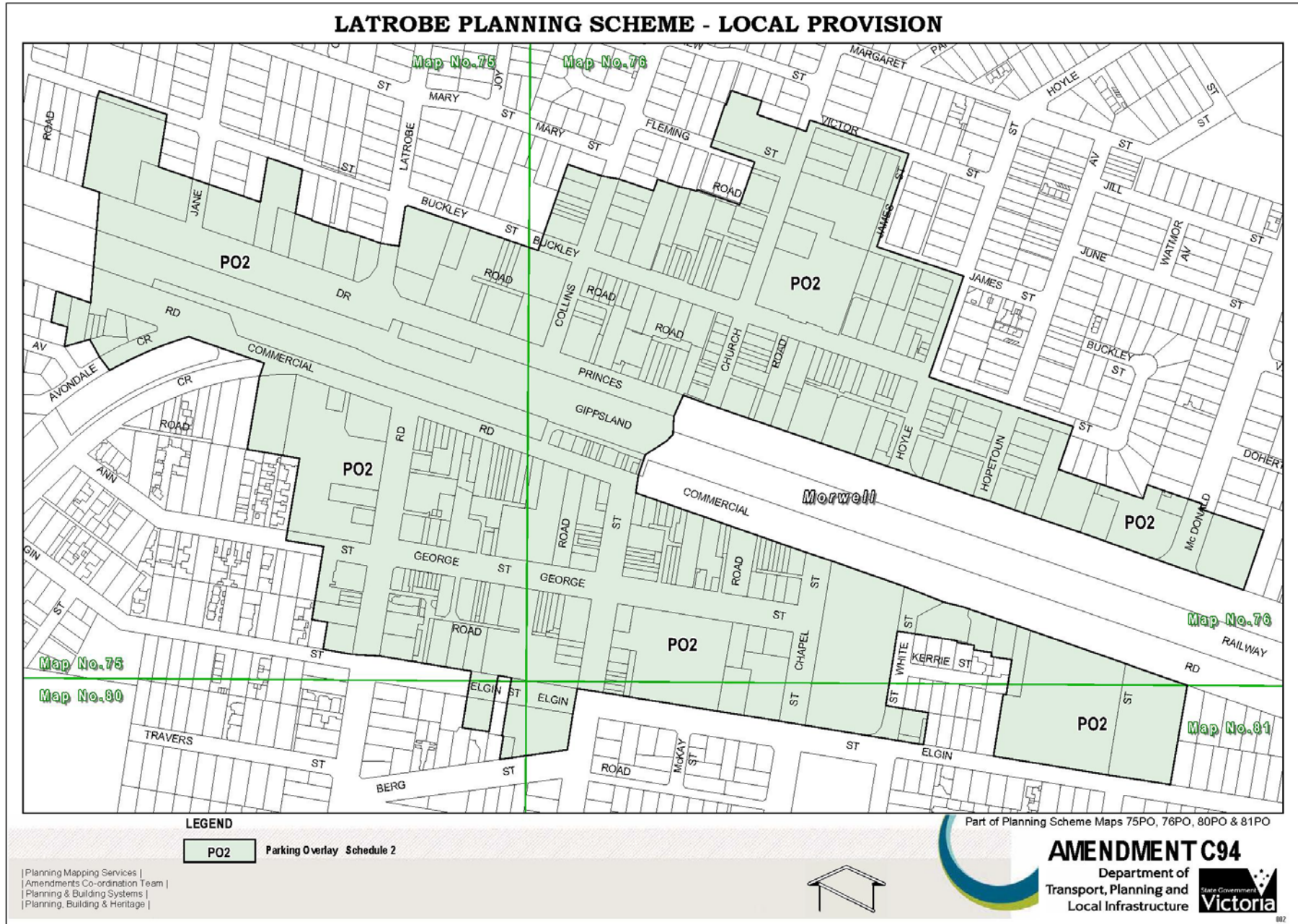
8 CONCLUSIONS & RECOMMENDATIONS

The Car Parking Framework Review for Traralgon and Morwell sets out guidelines for providing a consistent approach to varying the parking requirements outlined in Clause 52.06 of the Latrobe Planning Scheme, taking into account existing parking demands, character and economic performance of the activity centres.

Recommendations are as follows:

- A car parking rate of 100% of the 'Column B' rate is recommended for 'Office' use, and a car parking rate of 75% of the 'Column B' rate is recommended for all other uses, in both Traralgon and Morwell.
- In Traralgon, where the parking requirement cannot be met on-site, a financial contribution of between \$5,000 and \$8,670 (plus GST) in respect of each car parking space which is required and which is not provided on the land (but net of car parking credits) should be applied.
- A cash-in-lieu parking scheme is not warranted in Morwell at this time.
- In Morwell, where the parking requirement cannot be met on-site, the responsible authority will consider whether the proposed reduction is appropriate having regard to the relevant Clause 52.06-6 decision guidelines.
- Planning Scheme Amendment documents should be prepared, to introduce Parking Overlays for Traralgon and Morwell to give effect to the recommended parking rates and cash-in-lieu contributions outlined in this car parking framework review.
- Separate to the Planning Scheme Amendment process, the car parking restrictions and enforcement methods should be reviewed in both Traralgon and Morwell with this car parking framework review.





Planning and Environment Act 1987

LATROBE PLANNING SCHEME

AMENDMENT C94

EXPLANATORY REPORT

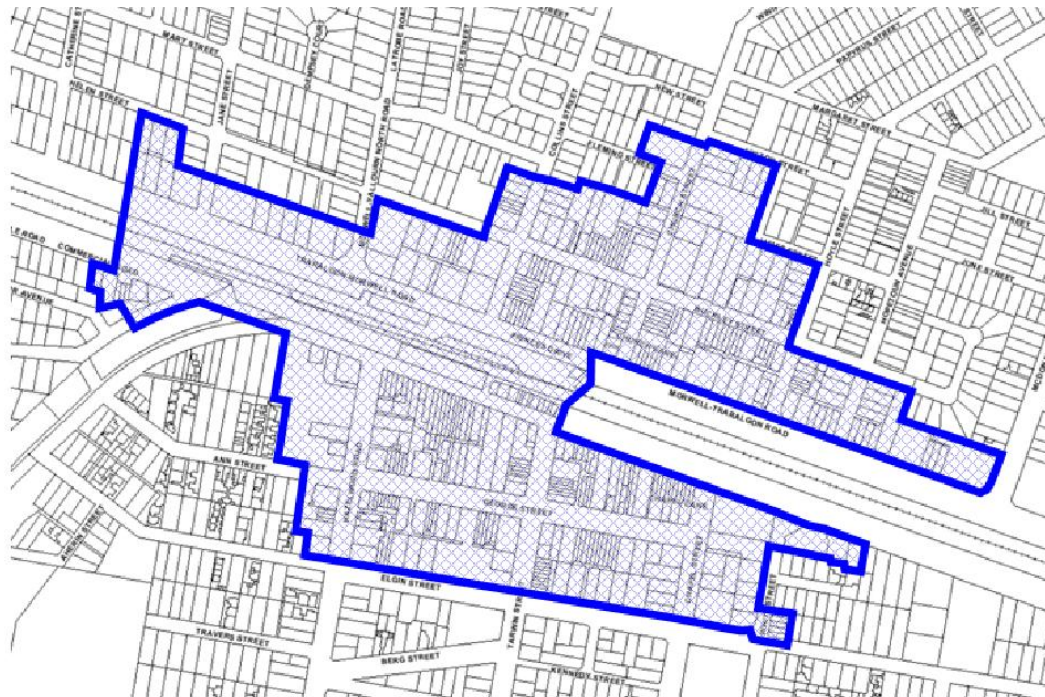
Who is the planning authority?

This amendment has been prepared by the Latrobe City Council, which is the planning authority for this amendment.

Land affected by the amendment

The amendment applies to land in Traralgon and Morwell activity centres as delineated on Maps 1 and 2 below.

Map 1 – Traralgon Activity Centre Amendment Area

Map 2 – Morwell Activity Centre Amendment Area**What the amendment does**

The amendment proposes to:

- Apply the Parking Overlay to land within the Traralgon and Morwell Activity Centres.
- Insert Schedules 1 and 2 of the Parking Overlay that are to apply to land within the Morwell and Traralgon Activity Centres.
- Insert the *Car Parking Framework Review August 2014* as a reference document into the scheme in Clauses 21.05 and 21.07 and in proposed Schedules 1 and 2 of the Parking Overlay.

Strategic assessment of the amendment**Why is the amendment required?**

Council carried out a Car Parking Framework Review in relation to Traralgon and Morwell taking into account existing parking demands, character, and economic performance of the respective activity centres. The various studies comprising this review have been consolidated by Traffix Group in the *Car Parking Framework Review August 2014* (the Review).

In order to give effect to the Review, amendments are proposed to the Planning Scheme that introduce Parking Overlays for Traralgon and Morwell prescribing parking rates and cash-in-lieu contributions as relevant.

The Review identified that current parking supply in Traralgon and Morwell is adequate to meet current demands.

The Review acknowledged that the actual parking rates in Morwell are lower than the standard rates set out in clause 52.06 of the Planning Scheme. The purpose of applying the Parking Overlay to Morwell activity centre is therefore to bring the requirements in the planning scheme relating to parking more in line with actual and expected demand. For Morwell, where the car parking requirement cannot be met on-site, the Review recommends that consideration be given to whether the proposed reduction is appropriate having regard to the relevant Clause 52.06-6 decision guidelines. The Review recommends that where the parking requirement under clause 52.06 of the Planning Scheme cannot be met on site in Morwell that no financial contribution should be applied.

The Review identified for Traralgon that forecasted future floor space indicates that new car parking will be required to be constructed in Traralgon to meet future demand generated by the expected increase in floor space. The Review recommends that where the parking requirement under clause 52.06 of the Planning Scheme cannot be met on site in Traralgon, a financial contribution of \$8,000 in respect of each car parking space that is required and which is not provided on the land (but net of car parking credits) should be applied.

How does the amendment implement the objectives of planning in Victoria?

The Amendment implements the objectives of planning in Victoria set out in Section 4 of the *Planning and Environment Act 1987* by providing a clear car parking policy framework for the fair, orderly, economic and sustainable use and development of land in Morwell and Traralgon.

How does the amendment address any environmental, social and economic effects?

The amendment will have no adverse environmental, social and economic effects. The amendment promotes the economic and social success of Morwell and Traralgon activity centres by considering the adequacy of parking in these centres to support existing and future activities, and ensuring adequate supply in the future.

The proposed cash-in-lieu contribution of \$8,000 for the Traralgon activity centre is justified in terms of need, nexus, accountability and equity. The cash-in-lieu contribution for the Traralgon activity centre is similar to a previous cash-in-lieu figure that has been used and

therefore isn't considered to have a detrimental economic effect on the Traralgon activity centre. No cash-in-lieu contribution is proposed for the Morwell activity centre.

The amendment also implements the recommended car parking strategy set out in the Review which promotes the sustainable and efficient delivery of car parking within each of the activity centres thereby promoting a positive environmental outcome.

Does the amendment address relevant bushfire risk?

The amendment will have no effect on bushfire risk.

Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?

The amendment is consistent with the Ministerial Direction on the Form and Content of Planning Schemes under section 7(5) of the Act.

The amendment complies with the requirements of Ministerial Direction No. 11: Strategic Assessment of Amendments.

The amendment complies with and is affected by Ministerial Direction 15: The Planning Scheme Amendment Process that establishes time frames for completing steps in the planning scheme amendment process.

How does the amendment support or implement the State Planning Policy Framework and any adopted State policy?

The amendment is supported by the State Planning Policy Framework (SPPF).

Clause 11.05-1 promotes the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework Plan. Strategies for achieving this planning objective include directing urban growth into major regional cities (e.g. Traralgon and Morwell) of Latrobe as Gippsland's regional city.

In order to strengthen the economic resilience of Gippsland as a region, Clause 11.08-1 of the Planning Scheme promotes the creation of vibrant and prosperous town centres that are clearly defined and provide commercial and service activities that respond to changing population and market conditions.

Morwell and Traralgon, located along the Princes Highway are two key urban centres within Latrobe City with Traralgon being the largest town within the municipality acting as a primary business hub for Latrobe city and the broader region as well. Morwell is the third largest town and provides a second tier retail and commercial role, with Morwell activity centre

acting as a central hub for municipal and state government activities and services. Recent population forecasts suggest that 75% of Latrobe's total growth to 2036 will occur in Traralgon's growth areas and that there will be moderate growth in Morwell.

Clause 18.02-5 of the State Planning Policy Framework (Car Parking) encourages the provision of an adequate supply of car parking that is appropriately designed and located. Strategies for achieving this include:

- Allocate or require land to be set aside for car parking subject to the existing and potential modes of access including public transport, the demand for off-street car parking, road capacity and the potential for demand management of car parking.
- Encourage the efficient provision of car parking through the consolidation of car parking facilities.

The SPPF also states that parking precinct plans should be prepared or required for the design and location of local car parking to:

- Protect the role and function of nearby roads, enable easy and efficient use and the movement and delivery of goods.
- Achieve a high standard of urban design and protect the amenity of the locality, including the amenity of pedestrians and other road users.
- Create a safe environment, particularly at night.
- Facilitate the use of public transport.

The SPPF further states that the amenity of residential land is to be protected from the effects of road congestion created by on-street parking, and that adequate provision for taxi ranks should be planned for.

The purpose of the Review for Traralgon and Morwell is to co-ordinate the efficient provision of car parking in the activity centres having regard to many of the above planning policy objectives.

The amendment is also consistent with Gippsland's Regional Growth Plan 2014 that promotes the sustainable and planned growth of Morwell and Traralgon.

How does the amendment support or implement the Metropolitan Planning Strategy, Plan Melbourne?

The amendment supports the implementation of Plan Melbourne by facilitating key shared infrastructure that supports the growth of the regional city of Latrobe. This is in-line with the 'networked state of cities' concept contained in Plan Melbourne and the promotion of regional growth plans for Victoria. The Gippsland Regional Growth Plan 2014 specifically

promotes the sustainable growth of Latrobe City's key urban centres including Traralgon and Morwell.

How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?

The amendment is supported by the Local Planning Policy Framework and the Municipal Strategic Statement.

Specifically, the amendment is consistent with:

Clause 21.05 Main Towns

- Encourage the development of new retail, office and residential mixed use developments within the Traralgon and Morwell Primary Activity Centres.
- Encourage increased densities and vertical growth of Traralgon's town centre to support growth of the office sector.

Clause 21.07 Economic Sustainability

- Promote the development of Transit City principles and the creation of private investment opportunities to attract new retail development.
- Undertake a car parking policy review

The provision of suitable car parking arrangements is critical to the development of Traralgon and Morwell activity centres by helping to attract new commercial investment. The amendment proposes implementation of a car parking strategy that will help to support the above strategies.

Does the amendment make proper use of the Victoria Planning Provisions?

The appropriate Victoria Planning Provisions are proposed to be utilised. The amendment has considered and is consistent with the following Victorian State Government Practice and Advisory Notes:

- Practice Note May 2000: Writing schedules
- Practice Note 13 October 2013: Incorporated and reference documents
- Practice Note 22 April 2013: Using the car parking provisions
- Practice Note 46 July 2014: Strategic assessment guidelines for preparing and evaluating planning scheme amendments
- Practice Note 57 April 2013: The Parking Overlay
- Advisory Note 25 June 2012: New car parking provisions
- Advisory Note 34 January 2011: Addressing the *Transport Integration Act 2010* in a planning scheme amendment

How does the amendment address the views of any relevant agency?

The amendment will be referred to all relevant agencies as part of the exhibition process and any comments will be included as necessary. Preliminary feedback has been sought from VicRoads on a number of traffic issues around the Traralgon and Morwell activity centres.

Does the amendment address relevant requirements of the Transport Integration Act 2010?

The amendment will not have a significant impact on the transport system, as defined by Section 3 of the *Transport Integration Act 2010*. The amendment is expected to provide a policy framework whereby traffic and transport issues in Traralgon and Morwell town centres will be better planned that is likely to result in a greater level of efficiency and performance of the town centres. The amendment therefore supports the objectives and principles of the *Transport Integration Act 2010*.

Resource and administrative costs**What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

The proposed amendment would not have an unreasonable impact on the resource and administrative costs of the responsible authority. The amendment if approved will result in council collecting and administering funds for cash in lieu contributions. It is not considered that this function will have a significant impact on the resource and administrative costs of the responsible authority.

Panel hearing dates

In accordance with clause 4(2) of Ministerial Direction No.15 the following panel hearing dates have been set for this amendment:

Directions hearing: [dates to be confirmed]

Panel hearing: [dates to be confirmed]

Where you may inspect this Amendment

The amendment is available for public inspection, free of charge, during office hours at the following places:

Latrobe City Council Corporate Headquarters 141 Commercial Road Morwell VIC 3840	Latrobe City Council Moe Service Centre 44 Albert Street Moe VIC 3825
Latrobe City Council Traralgon Service Centre 34 – 38 Kay Street Traralgon VIC 3844	Latrobe City Council Churchill Service Centre 9 – 11 Phillip Parade Churchill VIC 3842

The amendment can also be inspected free of charge at the Department of Transport,
Planning, and Local Infrastructure website at
<http://www.dpcd.vic.gov.au/planning/publicinspection>

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)****13.4 PLANNING PERMIT APPLICATION 2014/141- 3 LOT
SUBDIVISION AT 370 OLD MELBOURNE ROAD, TRARALGON****General Manager****Planning & Economic
Sustainability****For Decision****PURPOSE**

The purpose of this report is to determine Planning Permit Application 2014/141 for a three lot subdivision at 370 Old Melbourne Road, Traralgon. As per the Statutory Planning Delegations agreement, this application has formally been requested by a Councillor to be decided at an Ordinary Council meeting.

EXECUTIVE SUMMARY

Having evaluated the proposal against the relevant provisions of Latrobe Planning Scheme (the Scheme), it is considered that the application is inconsistent with the relevant objectives and decision guidelines of the Scheme. It is therefore recommended that a refusal to grant a Planning Permit be issued for the reasons set out in this report. More specifically, it is considered that:

- The proposal is inconsistent with Clauses 11.02-1 (Supply of Urban Land) and 21.04-3 (Rural Living Overview) of the Scheme by facilitating an inappropriate low density residential subdivision on land that is designated as a long-term urban growth corridor. The proposal would compromise future development at higher densities and restrict the orderly planning of future growth for Traralgon.
- The proposal is inconsistent with the strategic direction outlined in the adopted Traralgon Growth Areas Review and particular the Traralgon West Structure Plan which identifies the subject site as being within an area identified to intensify to conventional residential densities.
- The proposal is inconsistent with Clause 65.02 (Decision Guidelines).
- The proposal is inconsistent with Council's Traralgon West Interim Infrastructure Development Policy 11 POL-2.

RECOMMENDATION

That Council issues a Notice of Refusal to grant a planning permit, for the three lot subdivision at 370 Old Melbourne Road, Traralgon (or more particularly described as Lot A on PS547910H, on the following grounds:

1. The proposal is inconsistent with Clause 11.02-1 (Supply of Urban Land) and Clause 21.04-3 (Rural Living Overview) of the Scheme by facilitating an inappropriate low density residential subdivision on land that is designated as a long-term urban growth corridor. The proposal would compromise future development at higher densities and restrict the orderly planning of future growth for Traralgon.
2. The proposal is considered to be inconsistent with Clause 65.02 (Decision Guidelines).
3. The proposal is inconsistent with Council's Traralgon West Interim Infrastructure Development Policy 11 POL-2.
4. The proposal is inconsistent with the strategic direction outlined in the adopted Traralgon Growth Areas Review Project.

MOTION

That Council issues a Notice of Decision to Grant a Planning Permit a three lot subdivision at 370 Old Melbourne Road, Traralgon known as Lot A on Plan of subdivision 547910H with the following condition:

1. **The layout of the subdivision as shown on the endorsed plan must not be altered without the permission of the Responsible Authority.**

Health Conditions

2. **Section 173 – On site Waste Management System:
Before the plan of subdivision is Certified under the Subdivision Act 1988, the owner must enter into an agreement with the Responsible Authority made pursuant to section 173 of the Planning and Environment Act 1987 and must make application to the Registrar of Titles to have the agreement registered on the title to the land under section 181 of the Act, which provides the following:**
 - a) **That all future buildings and works must be contained within the building envelope endorsed under this permit.**
 - b) **That the number of habitable rooms for each of the future dwellings must not exceed the number recommended in the LCA endorsed under this permit.**
 - c) **That all effluent shall be discharged within the effluent disposal envelope endorsed under this permit.**

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- d) That the proposed effluent treatment and disposal system for each lot must be designed and constructed in accordance with the Land Capability Assessment endorsed under this permit, unless with the written consent of the Responsible Authority.
- e) That within two months of installation of the approved wastewater treatment plant and effluent distribution system, a commissioning report must be provided to the satisfaction of the Responsible Authority to ensure construction has been completed to the satisfaction of the Responsible Authority.
- f) Maintenance reports of each wastewater system must be prepared by a person or firm approved by the responsible authority and must be submitted to the Responsible Authority every twelve months or another period of time determined by the Responsible Authority. The maintenance report must be prepared after an inspection of the system and must document the condition and operation of the system and any repair works which are necessary. The carrying out of all maintenance and repair work documented in the latest maintenance report must occur within two months of the report to the satisfaction of the Responsible Authority.

The owner must pay the reasonable costs of preparation, review, execution and registration of the agreement.

Prior to Statement of Compliance issued the Applicant/Owner must provide Council with a copy of the dealing number issued by the Titles Office. Once titles are issued Council requires the Applicant or its legal representative to provide either:

- i) a current title search; or
- ii) a photocopy of the duplicate certificate of Title

as evidence of registration of the section 173 agreement on title.

- 3. Prior to the issue of a Statement of compliance the existing onsite treatment system located on proposed Lot 1 must be upgraded to treat wastewater to at least 20ppm bod and 30ppm suspended solids in accordance with the EPA Code of Practice, Onsite Wastewater Management, Publication No. 891.3 February 2013.

Engineering Conditions

- 4. Prior to certification of the plan of subdivision under the Subdivision Act 1988, the following easements must be created in favour of Latrobe City Council to the satisfaction of the Responsible Authority:
 - a) Where any drain must be constructed as part of this development on adjacent lands on separate titles, a drainage easement shall be created over the drain on the abutting land.
- 5. Before the plan of subdivision is certified under the Subdivision Act 1988, a detailed Stormwater Management Strategy to the

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satisfaction of the Responsible Authority must be submitted to and approved by the Responsible Authority. Once approved, the report will then form part of the permit. The strategy must be generally in accordance with the Preliminary Stormwater Management Plan prepared by Beveridge Williams & Co numbered 1001368 00 SMP 01 and dated 12 August 2014 but amended to address the following:

- a) how stormwater is to be conveyed to the legal point of discharge for all storm events up to and including the 1 in 100 year ARI storm event including providing over-land stormwater surcharge routes and cut-off drains for the safe and effective passage of stormwater flows arising from areas upstream of the subject land;
- b) how stormwater is to be conveyed from the legal point of discharge into a receiving designated waterway;
- c) mitigation of potential detriment to downstream landholders resulting from increased stormwater volumes or concentrated stormwater discharges;
- d) details (including on-site detention) to ensure all stormwater discharge from each of the lots on the land is limited to pre-development flows for all storm events up to and including the 1 in 100 year ARI storm event and to ensure there are no adverse affects on flooding either upstream or downstream of any development on the land;
- e) Where swales are proposed for use they may be grassed and trafficable by mowers to allow for ease of maintenance.
- f) details regarding treatment of stormwater discharge from the development to achieve the following objectives for environmental quality as set out in the Urban Stormwater Best Practice Environmental Guidelines (CSIRO) 1999 and designed in accordance with:
 - (i) 80% retention of the typical annual load of suspended solids;
 - (ii) 45% retention of the typical annual load of total phosphorous;
 - (iii) 45% retention of the typical annual load of nitrogen; and
 - (iv) 70% retention of the typical annual load of gross pollutants.
- g) Maintenance of the stormwater system by the Owners Corporation including a schedule and requirements of inspections to be undertaken, how and when remediation and routine maintenance works are to be undertaken, maintenance intervention levels and response times for maintenance works, and who it is proposed will undertake the maintenance works; and
- h) Monitoring and reporting requirements for the stormwater treatment

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and detention system. What documentation is required with regard to inspections and repairs, who shall be required to arrange the maintenance inspections and any maintenance works and who is required to retain the written records of the inspections and any repairs undertaken.

6. The plan of subdivision submitted for certification under the Subdivision Act 1988 must show appropriate easements set aside for drainage purposes to the satisfaction of the Responsible Authority.
7. 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.
8. Before a Statement of Compliance is issued for this subdivision under the Subdivision Act 1988, the owner must enter into an agreement with the Responsible Authority under Section 173 of the Planning and Environment Act 1987 and apply to the Registrar of Titles to register the agreement on the title to the land under section 181 of the Act. This agreement must provide that:
 - a) Before an Occupancy Permit is issued for any development of the land or by such later date as is approved by the Responsible Authority in writing, all stormwater drainage systems and works required to be undertaken and constructed in accordance with the Stormwater Management Strategy that has been approved and endorsed to form part of this permit, must be carried out and completed on the land to the satisfaction of the Responsible Authority.
 - b) The Owners Corporation established pursuant to the plan of subdivision and its Members shall be responsible for the maintenance of the approved Stormwater Management Strategy that has been approved and endorsed to form part of this permit.
 - c) Latrobe City Council will accept no responsibility or liability whatsoever for any failure of the Owners Corporation to meet its obligations pursuant to the approved Stormwater Management Strategy.
 - d) Except with the written consent of the responsible authority, the following activities must not occur within the Tree Retention Zone (TRZ) of the Eucalypt tree that exists on the boundary between Lots 1 and 3 as shown on the endorsed plans:
 - machine excavation including trenching
 - directional drilling that is less than 600 mm deep
 - storage

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- preparation of chemicals, including preparation of cement products
- parking of vehicles and plant
- refuelling
- dumping of waste
- placement of fill
- physical damage to the tree.

The TRZ is a specific area above and below the ground, with a radius 12 x the DBH of the tree.

By default, a tree will be considered lost and require an offset if one of the above activities occurs over more than 10% of the total area of the TRZ. However, if a qualified arborist confirms that the specific works will not significantly damage the trees, they will be considered retained and no offset will be required.

- e) Prior to the construction of a driveway within Lot 3, a report from a suitably qualified arborist must be supplied to the satisfaction of the responsible authority in relation to the single Eucalypt tree that exists on the boundary between Lots 1 and 3 as shown on the endorsed plans. The report must include the following:
- a) Species;
 - b) Height;
 - c) Diameter at Breast Height (DBH);
 - d) Tree Retention Zone (TRZ);
 - e) An assessment of the likely impacts within the TRZ associated with the construction of the driveway;
 - f) Recommendations on how damage to the tree may be avoided through appropriate design and construction.

The operator of this permit must pay the reasonable costs of the preparation, execution and registration of the Section 173 Agreement.

Prior to the issue of a Statement of Compliance for the subdivision, the operator of this permit must provide the Responsible Authority with a copy of the dealing number issued by the Title Office. Once titles are issued the Responsible Authority requires the Permit Operator or its legal representative to provide as evidence of registration of the Section 173 Agreement on title, either:

- i) A current title search; or
 - ii) A photocopy of the duplicate Certificate of Title.
9. Before a Statement of Compliance is issued under the Subdivision Act 1988, the operator of this permit must construct drainage and other civil works to the satisfaction of the Responsible Authority, in accordance with engineering plans and specifications approved by the Responsible Authority and must include:

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- a) **Underground piped drainage to each lot and provision of over-land surcharge routes and cut-off drains. The stormwater drainage system must be designed to take the 1 in 5 year ARI storm event and must be generally in accordance with the detailed Stormwater Management Strategy approved by the Responsible Authority. Drainage plans must include hydraulic computations for all new drainage works.**
- b) **Construction of grassed swales generally as proposed in the detailed Stormwater Management Strategy approved by the Responsible Authority.**
- c) **New vehicle crossings must be constructed to provide access to proposed lots 2 and 3 from Old Melbourne Road in locations pre-approved by the Responsible Authority. The vehicle crossing must be constructed at right angles to the road and must comply with the standards as set out in Latrobe City Council's Standard Drawings LCC 306 and LCC 212 including provision of an all-weather sealed surface from the edge of the existing road pavement for a distance of six (6) metres toward the property boundary.**
- d) **The existing vehicle crossing providing access to proposed lot 1 from Old Melbourne Road must be upgraded between the edge of the existing road pavement and the property boundary to comply with the vehicle crossing standards as set out in Latrobe City Council's Standard Drawing LCC 306 and LCC 212 including provision of an all-weather sealed surface from the edge of the existing road pavement for a distance of six (6) metres toward the property boundary.**

Public Open Space Contribution

10. **Prior to the issue of Statement of Compliance under the *Subdivision Act* 1988, the applicant or owner must pay to the Responsible Authority:**
 - a) **a sum equivalent to 5 per cent of the site value of all the land in the subdivision; and**
 - b) **any costs associated with valuation of the land including valuers fees.**

The permit holder must make a request to Council to commence the process involved with this condition.

West Gippsland Catchment Management Authority Condition

11. **The operator of this permit must meet the requirements of West Gippsland Catchment Management Authority (WGCMA) in that, prior to the issues of Certification/Statement of Compliance, they:**
 - a) **Prior to the issue of a Statement of Compliance, a Stormwater Management Plan that demonstrates stormwater treatment to**

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acceptable industry standards as outlined in the '*Urban Stormwater Best Practise Environmental Guidelines*' (CSIRO) must be submitted to the satisfaction of the West Gippsland Catchment Management Authority.

Ausnet Services Condition

12. The operator of this permit must meet the requirements of AusNet Electricity Pty Ltd in that, prior to the issues of Certification/Statement of Compliance, they:
- a) The plan of subdivision submitted for certification must be referred to AusNet Electricity Pty Ltd in accordance with Section 8 of the Subdivision Act 1988.
 - b) Enter into an agreement with AusNet Electricity Pty Ltd for the extension, upgrading or rearrangement of the electricity supply to lots on the plan of subdivision. A payment to cover the cost of such work will be required.
 - c) Provide electricity easements internal and external to the subdivision in favour of AusNet Electricity Pty Ltd to service the lots on the plan of subdivision and/or abutting lands as required by Ausnet Electricity Pty Ltd. The provision of reserves for electricity substations by also be required.

Gippsland Water Condition

13. The operator of this permit must meet the requirements of Gippsland Water in that, prior to the issues of Certification/Statement of Compliance, they:
- a) Pay New Customer Contributions to Gippsland Water for each service (water) provided to each lot created by this development.
 - b) These charges are based on Gippsland Water's rates at the time of payment and are associated with additional infrastructure that Gippsland Water will be required to operate and maintain to ensure ongoing servicing of this development.
 - c) Install water services to the satisfaction of Gippsland Water. As Constructed details showing the location of the installed services are required to be submitted to Gippsland Water.
 - d) Carry out works necessary to ensure all existing water services supplying the land are contained solely within the boundary of the individual lot(s), to the satisfaction of Gippsland Water. On completion of these works the owner must sign and return the Water Servicing Declaration provided by Gippsland Water.

Expiry Condition

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14. This permit will expire if:

- a) the plan of subdivision is not certified within 2 years of the date of this permit; or
- b) the registration of the subdivision is not completed within 5 years of certification.

The Responsible Authority may extend the time if a request is made in writing before the permit expires or within six months of expiry of permit.

Note: The commencement of the subdivision is regarded by Section 68(3A) of the *Planning and Environment Act 1987* as the certification of the plan, and completion is regarded as the registration of the plan.

Notes:

In accordance with section 17 of the Subdivision Act, works required to be undertaken as part of the subdivision hereby permitted, must not commence until the Plan of Subdivision has been certified and the engineering plans for the subdivision have been approved.

The location of the Legal Point of Discharge for any property and the connection point into Latrobe City Council's stormwater drainage system can be obtained by completing a Legal Point of Discharge form, found at www.latrobe.vic.gov.au/Our_Services/Other_Services/Infrastructure/Work_Permits_and_Property_Information

A Latrobe City Vehicle Crossing Permit must be obtained prior to the commencement of the construction of all new vehicle crossings and for the upgrading, alteration or removal of existing vehicle crossings. The relevant fees, charges and conditions of the Vehicle Crossing Permit will apply to all vehicle crossing works. It is a requirement that all vehicle crossing works be inspected by Latrobe City Council's Asset Protection Officer.

Vehicle crossings must be provided with minimum clearances to other infrastructure in accordance with Latrobe City Council's Vehicle Crossing Policy, including clearances to property boundaries, any adjacent side-entry pit, power or Telecommunications pole, manhole cover or marker, or street tree. Any relocation, alteration or replacement required shall be in accordance with the requirements of the relevant Authority and shall be at the applicant's expense.

Permit holders are advised that any works within 30 metres of a designated waterway may require a Works on Waterways licence from the West Gippsland Catchment Management Authority, issued under the Water Act 1989. This includes construction of any vehicle access over a designated waterway. A Works on Waterways licence application must be accompanied by a satisfactory Waterway Management Plan, and detailed construction drawings of the proposed works.

The owner/developer of the subject land is required to obtain a 'Property

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Connection's Quote Request' form and submit to Gippsland Water for a quote detailing costs & servicing requirements. All requirements of the Developer Works Deed of Agreement and/or conditions outlined in the Quote, must be fulfilled to the satisfaction of Gippsland Water prior to Gippsland Water consenting to the Issuing of a Statement of Compliance.

The following Gippsland Water forms are available and may be obtained from Gippsland Water's website, www.gippswater.com.au:

Property Servicing Information Request form – to assist in location of existing assets and services.

Application for Gippsland Water Deed of Agreement for Construction of Water and/or Wastewater Services for both subdivisional and nonsubdivisional developments (extension of water and/or sewer mains).

- Property Connections Quote Request form – Residential, Commercial/Industrial, Multi-Tenement (Units), Land Subdivisions – A Property Connections Quote Request form must be completed and forwarded to our Property Connections Team to arrange a quote for the development.
- Application for Gippsland Water to Consent to Compliance.

Cr Harriman, Mayor moved out of the chair to move an alternate motion. Cr Gibbons, Deputy Mayor assumed the Chair.

Moved: Cr Harriman
Seconded: Cr Rossiter

That the Motion be adopted.

For the Motion

Councillor/s Gibbons, Kam, Rossiter, Harriman, White, Middlemiss, O'Callaghan, Gibson

Against the Motion

Councillor/s Sindt

The Mayor confirmed that the Motion had been CARRIED.

Cr Harriman, Mayor resumed the chair at 8.59 pm.

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 surrounds 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

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 1: Job Creation and Economic Sustainability

Strategic Direction - Job Creation and Economic Sustainability

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

Theme 2: Appropriate, Affordable and Sustainable Facilities, Services and Recreation

Strategic Direction - Appropriate, Affordable and Sustainable Facilities, Services and Recreation

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

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

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

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Improve and link bicycle paths, footpaths and rail trail networks to encourage physical activity and promote liveability.

Continue to maintain and improve access to Latrobe City's parks, reserves and open space.

Theme 5: Planning for the future

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

BACKGROUND

Summary

Land:	370 Old Melbourne Road, Traralgon, known as Lot A on PS547910H.
Proponent:	Rick Sykes C/- SMEC Urban
Zoning:	Low Density Residential Zone (LDRZ)
Overlay:	N/A

A Planning Permit is required for subdivision of land in a Low Density Residential Zone in accordance with Clause 32.03-3 of the Scheme. Each lot must be at least 0.4 hectares (4,000 square metres) where reticulated sewerage is not available.

A site context plan is included as Attachment 1 of this report.

Proposal

It is proposed to subdivide the land into 3 lots. A copy of the proposed plan of subdivision is included as Attachment 2 of this report.

The lots can be described as the following:

- Proposed Lot 1 will contain the existing dwelling and attached carport, shed, landscaped garden, driveway and wastewater disposal areas. The allotment will be irregular in shape, with a frontage to Old Melbourne Road measuring approximately 81 metres and an area of approximately 7,680m². Vehicular access will be provided from Old

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Melbourne Road via the existing driveway crossover that is proposed to be upgraded to match the existing standard of the internal driveway.

- Proposed Lot 2 will comprise of vacant and cleared land in the south-eastern portion of the site. The allotment will be irregular in shape, with a frontage to Old Melbourne Road measuring approximately 13 metres and an area of approximately 4,000m². Vehicular access will be provided from Old Melbourne Road via a new 3 metre wide bitumen sealed driveway crossover, positioned near the eastern side boundary of the site
- Proposed Lot 3 will comprise vacant and predominantly cleared land in a 'hammerhead' configuration, with an area of approximately 7,360m² and an 8 metre wide frontage to Old Melbourne Road. Vehicular access will be provided from this road via a new 3 metre wide bitumen sealed driveway crossover.

As the subject land is located outside Gippsland Water's sewer reticulation district, the proposal seeks to treat and retain wastewater on site.

The provisions of the Low Density Residential Zone detail that in the absence of reticulated sewerage an application must be accompanied by a land capability assessment which demonstrates that each lot is capable of treating and retaining wastewater. A Land Capability Assessment has been submitted and considered as part of the assessment of the application.

A building and waste disposal envelope plan is contained in Attachment 3 of this report, showing indicative building and waste water disposal areas for each of the proposed lots.

Subject Land

The site is irregular in shape, has an area of 1.903 hectares and an abuttal to Old Melbourne Road along the full length of its southern boundary. The dimensions of the site are as follows:

- A frontage (southern boundary) measuring approximately 102.29 metres;
- An eastern side boundary measuring approximately 170.99 metres;
- A western side boundary in a dog-leg alignment measuring approximately 192.74 metres; and
- A rear (northern) boundary measuring approximately 133.43 metres.

The land is used for low density residential purposes and is developed with a single storey brick dwelling with a tiled roof and a large colorbond shed. The buildings onsite are positioned in the south-west corner of the site, surrounded by a landscaped garden comprising planted native and exotic trees, shrubs and lawn cover.

The dwelling is connected to reticulated electricity, water, gas and telecommunication services, all of which extend along Old Melbourne Road. Wastewater is treated and retained on-site via a septic tank and trench system located on the northern side of the dwelling. Grey water is

directed into the yard behind the dwelling. The remainder of the land is vacant, predominantly cleared and covered in pasture grass. The subject site appears to be regularly slashed

Access to the site is obtained from Old Melbourne Road via a gravel crossover. Within the site, a bitumen sealed driveway with concrete kerb and channel extends from this crossover to provide direct access to the shed and a double open carport under the dwelling roofline.

The land has a gently undulating topography, generally sloping from south-east to north-west, with a fall of approximately 9 metres across the site. Rural post and wire fencing is positioned along all of the property boundaries. The subject land is not recognised as being within an area of potential cultural heritage sensitivity.

Surrounding Land Use:

The site is located within an established low density residential precinct on the western periphery of Traralgon's urban area.

Surrounding the site are low density residential allotments generally ranging between approximately 0.4 hectare and 3.2 hectares in area.

The land abutting the subject site in all directions is within the Low Density Residential Zone – Schedule 3 and is primarily comprised of single storey detached dwellings with associated shedding.

It is noted that the subject site is located within the Traralgon West Structure Plan study area (part of the Traralgon Growth Areas Review project).

LATROBE PLANNING SCHEME

State Planning Policy Framework

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

The objective of Clause 11.02-1 is to ensure a sufficient supply of land is available for, among other things, residential uses.

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Strategies to achieve this include

- *Ensure that sufficient land is available to meet forecast demand.*
- *Plan to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur.*
- *Restrict low-density rural residential development that would compromise future development at higher densities.*

The objective of Clause 11.05-1 Regional settlement networks is “to promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework plan”.

The Moe, Morwell and Traralgon cluster has been identified in the Regional Victoria Settlement Framework plan as one of the regional areas where urban growth should be directed.

Networks of high-quality settlements should be delivered by:

- *Building on strengths and capabilities of each region across Victoria to respond sustainably to population growth and changing environments.*
- *Balancing strategic objectives to achieve improved land-use and development outcomes at a regional, catchment and local level.*
- *Preserving and protecting features of rural land and natural resources and features to enhance their contribution to settlements and landscapes.*
- *Providing for appropriately located supplies of residential, commercial, and industrial land across a region, sufficient to meet community needs.*

Clause 11.05-4 Regional planning strategies and principles states that Victoria’s regional areas should be developed with a strong identity, be prosperous and environmentally sustainable. The growth and development of distinctive and diverse regional settlements should be encouraged. This can be achieved by, among other things, ensuring that the potential of land that may be required for future urban expansion is not compromised.

Clause 19.03-2 refers to the provision of water supply, sewerage and drainage. The objective of this clause is ‘to plan for the provision of water supply, sewerage and drainage services that efficiently and effectively meet State and community needs and protect the environment’.

Clause 19.03-3 Stormwater aims to reduce the impact of stormwater on bays and catchments.

To achieve this, water-sensitive urban design techniques should be incorporated into developments to:

- *Protect and enhance natural water systems.*
- *Integrate stormwater treatment into the landscape.*
- *Protect quality of water.*
- *Reduce run-off and peak flows.*
- *Minimise drainage and infrastructure costs.*

Local Planning Policy Framework

The subject site is in a Low Density Residential Zone located to the west of the main urban area of Traralgon. The objective of Clause 21.04 Rural Living is to identify appropriate locations for rural residential living. A strategy associated with this objective is to *'discourage further rural living or low density residential development on the fringes of the major towns where land is designated as a long-term urban growth corridor'*.

Clause 21.07-4 refers to the protection of urban settlements from the impact of the coal industry. An objective of this clause is *'to ensure that adequate spatial separation is provided between existing and proposed urban and industrial uses and existing or proposed coal development so as to reduce the likely effects of earth subsidence, the emission of noise, dust, fire hazard and visual intrusion'*.

Traralgon West Interim Infrastructure Development Policy (TW Interim Policy) 11 POL-2

Pursuant to Section 60(1A)(g) of the Act, before deciding on an application, the responsible authority, if the circumstances appear to so require, may consider any other strategic plan, policy statement, code or guideline which has been adopted by a Minister, government department, public authority or municipal council.

In this case, the Traralgon West Interim Infrastructure Development Policy (TW Interim Policy) 11 POL-2 is applicable.

The TW Interim Policy applies to approximately 180 hectares of Low Density Residential zoned land to the west of Traralgon (or known as Traralgon West Low Density Residential Precinct). The subject site falls within this precinct.

This policy, adopted by Council on 7 February 2011, outlines the process by which Latrobe City Council will consider further subdivision of land within the Traralgon Low Density Residential Precinct, pending:

- Resolution and construction of agreed road and stormwater infrastructure services to be provided for the precinct;

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- Mitigation of potential detriment to downstream landholders resulting from increased stormwater volumes;
- Establishment of an appropriate framework to assure the equitable distribution and sequencing of landowner financial contributions to agreed road and stormwater infrastructure services;
- Resolution of opportunities for the immediate and long term provision of medium density residential development within the LDRZ precinct.

Before deciding on an application to subdivide land, the responsible authority must also consider:

- *The directions of this policy [TW Interim Policy];*
- *The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies;*
- *The Decision Guidelines provided by the Latrobe Planning Scheme at Clause 32.03-3 and Clause 65;*
- *The need to prevent the subdivision of land which may compromise future opportunities for future residential development within the precinct;*
- *Whether the proposal will result in increased stormwater volumes being generated and whether this is likely to have an adverse impact on other property’;*
- *Whether a stormwater management plan has been submitted and that the plan is to the satisfaction of the responsible authority;*
- *Whether each proposed lot has a legal point of vehicle access via a government road;*
- *Consideration of any management plan or infrastructure contribution scheme being prepared for the precinct; and*
- *The need to include a condition requiring specified works or services to be provided or paid for in accordance with an agreement under Section 173 of the Planning and Environment Act 1987. The 173 Agreement is to be prepared to ensure:*
 - (a) *present and future landowner awareness of the possible higher density residential development occurring within the Traralgon LDRZ precinct; and*
 - (b) *Financial contributions are provided for the provision of future stormwater and road infrastructure within the Traralgon LDRZ precinct.*

Traralgon Growth Area Review (TGAR) and Traralgon West Structure Plan

TGAR is intended to provide a growth strategy that identifies areas for future urban development around Traralgon, Traralgon-Morwell Corridor, Glengarry and Tyers up to the year 2051. The subject site is within the study area of TGAR.

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The Traralgon Framework Plan and the Traralgon West Structure Plan form part of the TGAR documents. TGAR is currently at the Planning Scheme Amendment stage (C87) and is expected to be heard at a Planning Panel in March 2015.

Traralgon Framework Plan

The Traralgon Framework Plan places the subject land in Area 5 where land is identified as suitable for being progressively rezoned and redeveloped in the future to provide further conventional residential land for Traralgon. The Framework Plan states that, as a priority, increased residential densities should be sought for the land in Area 5.

Traralgon West Structure Plan

The Traralgon West Structure Plan shows the site within Area 5. Information regarding Area 5 in the Plan is as follows:

“Existing Low Density Residential and Rural Living zoned land in the south of the precinct...should intensify through development at conventional residential densities. A Development Plan should be prepared for the identified areas in collaboration with the existing landowners to ensure that appropriate connections and infrastructure is established as densities increases.”

Australian Paper Mill Amenity Buffer

The Australian Paper Maryvale Mill requires an odour buffer up to 5km as set out in Clause 52.10 of the Latrobe Planning Scheme. However, this buffer distance has been adjusted per agreement by Council and Australian Paper. The adjusted buffer has been taken into consideration and has informed the TGAR reports as part of the Latrobe City Council's long term land-use planning of the area. It is important to note that the subject land is within the 5 km from the Australian Paper Mill however, it is located outside the adjusted amenity buffer as indicated in the TGAR reports.

Zoning

The subject site is located within the Low Density Residential Zone. The primary purpose of the zone is *‘to provide for low-density residential development on lots which, in the absence of reticulated sewerage, can treat and retain all wastewater’*. In accordance with the LDRZ provisions, a permit is required to subdivide land and each of the proposed lots must be at least 0.4 hectare. The proposed subdivision satisfies this requirement with all lots proposed to be 0.4 hectares or greater in size.

In accordance with Clause 32.03-3 of the Scheme, Council must consider the relevant decision guidelines of the LDRZ. A discussion of the decision guidelines is in the Issues section of this report.

Particular Provisions*Clause 52.01 Public Open Space Contribution and Subdivision:*

Council's Public Open Space Strategy requires a contribution from the developer of 10% of the value of the net developable area of the land to be provided in either cash or land or a combination of both for public open space. This strategy has been adopted by Council but is not incorporated into the Latrobe Planning Scheme.

Therefore, in this instance, a cash contribution of 5% would be required in accordance with the Section 18 of the *Subdivision Act* 1988.

Clause 52.10 Uses with adverse amenity potential:

The intent of this provision is 'to define those types of industries and warehouses which if not appropriately designed and located may cause offence or unacceptable risk to the neighbourhood'. In accordance with the Table to Clause 52.10 the minimum threshold distance identified is 5 km between 'paper or paper pulp production' and sensitive land uses.

Decision Guidelines (Clause 65):

Clause 65.02 provides decision guidelines to consider when assessing applications to subdivide land. These guidelines are discussed in the Issues section of this report.

ISSUES**Strategic direction of the State and Local Planning Policy Frameworks:**

The State and Local Planning Policy Frameworks acknowledge the need to protect land on the outskirts of established urban areas in the event that it may be required for future growth of a town. In particular, Clause 11.02-1 of the Scheme aims to restrict low density rural residential development that would compromise future development at higher densities. Clause 21.04-3 of the Scheme generally discourages further rural living or low density residential development on the fringes of the major towns where land is designated as a long-term urban growth corridor.

In addition, Council's adopted Traralgon Growth Area Review report and Traralgon West Structure Plan have identified that there are some significant constraints associated with future residential development of Traralgon. In particular, the floodplain associated with Latrobe River located to the north of the town, and the proposed Traralgon bypass to the south of the town restricts the ability for growth in these directions. Areas to the east and directly to the west of Traralgon (including the subject land) therefore represent opportunities for future growth for the town, and ad-hoc subdivisions should be avoided to provide maximum opportunity for future residential development.

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The subject land has been identified as being located within a 'proposed conventional residential' area, in accordance with Council's adopted Traralgon West Structure Plan.

Whilst the proposed 3 lot subdivision may assist with the short term provision of low density residential lots, it affects the future ability of the land to be further subdivided and restricts the potential for a higher density lot yield in the future. It does so at a general level, because, as is recognized in the strategic planning documents for Traralgon, the more fragmented land is, and the more land owners that are involved, the more difficult it is to achieve the coordinated redevelopment of an area to a higher residential density.

TW Interim Policy

The proposal has been assessed against the TW Interim Policy and found to not comply on the following grounds:

1. The proposal would result in the subdivision of land which would compromise future opportunities for residential development within the precinct.

On the above basis, it is considered that the proposal to create two additional lots will result in a long term detrimental impact on the potential future residential growth of Traralgon, given the existing development constraints around the town boundaries. The proposal would restrict the orderly planning of Traralgon and hinder the potential for well planned, sustainable growth of the town.

'Purpose' and 'Decision Guidelines' of the Low Density Residential Zone:

The subject land is contained within the Low Density Residential Zone of the Scheme. The primary purpose of the zone is '*to provide for low-density residential development on lots which, in the absence of reticulated sewerage, can treat and retain all wastewater*'. In accordance with the LDRZ provisions, a permit is required to subdivide land and each of the proposed lots must be at least 0.4 hectare. Given the site comprises 1.903 hectares in overall area, this allows Council to consider the subject application to subdivide the site into 3 lots.

However, it should be noted that Clause 65 of the Scheme states that because a planning permit can be granted does not imply that a permit should or will be granted. Council should decide whether the proposal will produce acceptable outcomes in terms of the relevant provisions of the Scheme.

Stormwater Management

Council's Traralgon West Interim Infrastructure Development Policy outlines the process by which Council will consider further subdivision of land within the Traralgon Low Density Residential Zone

**ORDINARY COUNCIL MEETING MINUTES
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In relation to an application to subdivide land, the policy requires an assessment against the criteria set out in the policy including “*whether the proposal will result in increased stormwater volumes being generated and whether this is likely to have an adverse impact on other property*” and “*whether a stormwater management plan has been submitted and that the plan is to the satisfaction of the responsible authority*”.

Increased drainage flows downstream of the site would not be permitted without the construction of supporting infrastructure to mitigate potential flooding and degraded water quality impacts. As there is currently no overall development plan for the area, each subdivision should make adequate individual provision for the treatment and discharge of all stormwater from the land and from areas upstream to ensure that water quality is maintained or improved and stormwater flow rates are restricted to pre-development flow rates.

The proposed stormwater management arrangement has been reviewed by Council’s Infrastructure Planning Team and is generally deemed satisfactory, subject to inclusion of appropriate permit conditions to ensure that stormwater flows from the subdivision site be restricted to predevelopment levels should one be issued.

On the above basis, it is reasonable to consider that subject to appropriate conditions, the proposed stormwater drainage system would be able to operate efficiently to limit stormwater discharge from the site to pre-developed levels. The proposal is unlikely to have any adverse amenity impact on adjoining properties or on the environmental qualities of waterways, from excessive stormwater runoff.

Wastewater Management

In terms of wastewater management, it should be noted that the purpose and decision guidelines of the LDRZ emphasise the need to ensure that waste water can be treated and retained on site in accordance with the State Environment Protection Policy (Waters of Victoria) under the *Environment Protection Act 1970*.

The Land Capability Assessment has been assessed by Latrobe City Councils Health Team who have identified a number of issues that could be addressed as part of any planning permit issued.

For the reasons outlined above, it is considered that the proposal is generally consistent with the purpose of LDRZ, as the current documentation has satisfactorily demonstrated that wastewater would be capable of effectively being treated and wholly contained within the boundary of the site generally in accordance with EPA guidelines and Code of Practice subject to suitable conditions on any issue of a permit.

Air quality amenity concerns and buffer zone encroachment

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The Australian Paper Maryvale mill (APM) is identified as an industry of state importance which is within 5km of the subject site. EPA Publication AQ2/86 *Buffer Distances for Industrial Residual Air Emissions* recommends that the APM has a buffer zone for up to 5 km, and these recommended buffer requirements are included in Clause 52.10 of the Latrobe Planning Scheme *Uses with Adverse Amenity Potential*.

The guidelines do allow for the recommended separation distances to be varied under a detailed study for site specific and location conditions. It should be noted that this 100m unit buffer around the APM partially impacts the subject site. The "Adjusted Amenity Buffer" that has been agreed upon between council officers and the APM does not affect the subject site.

The EPA's Recommended Buffer Distances for Industrial Residual Air Emissions AQ2/86 reinforces the concept of reverse buffers by specifying that buffer distances should be implemented taking into considerations the need for preventing sensitive uses encroaching on industry as well as industry encroaching on sensitive uses.

Whilst the EPA opposes the intensification of development within the buffer, the subject property as detailed previously is located approximately 4.1km from the Australian Paper Mill. Added to this the zoning of the land as such will only allow subdivisions to be considered where proposals address the minimum lot size of the schedule to the zone as well as addressing all other planning considerations and address effectively all environmental and physical constraints of individual sites.

It should also be noted that comments have been sought from APM in relation to the proposed subdivision and APM did not object. It is considered as a result that the proposed subdivision is appropriate when assessed against air quality amenity concerns and buffer zone encroachment of a state significant industry.

Clause 65 (Decision Guidelines):

Before deciding on an application to subdivide land, the responsible authority must also consider the decision guidelines of Clause 65. In response to the guidelines, the following comments are made:

- The land is located in a designated long-term urban growth corridor for Traralgon. Subdivision of the lots into further low density residential lots would restrict the potential for a higher density lot yield from this site in the future.

It the case of *Cuddy v Latrobe* [2011] VCAT 1169, the Tribunal in considering the application for a 5 lot subdivision at 55 Regan Road in Traralgon, and the general issue of the future residential development of this area, concluded that there was no longer a shortage of land supply. However, since that decision, a significant amount of further strategic work has been undertaken by Council and it has become evident from the relevant strategic work, such as Council's Traralgon Growth Area Review Project, that there is still a strong need for the area containing the subject land to be available for higher density residential development in the future.

In a more recent case, *Vogt v Latrobe* [2012] VCAT 3197, the Tribunal in considering the application for a 4 lot subdivision at Lot 3 Bradford Drive Traralgon, accepted that *'there is strong policy support against the proposal [low density subdivision] in the Planning Scheme and the associated strategic work of the Latrobe City Council for the expansion of Traralgon'*, and directed to refuse the 4 lot subdivision proposal in Traralgon West area based on grounds of compromising potential for increased urban densities.

On the above basis, it is reasonable to consider that the subject proposal to create two additional lots will result in a long term detrimental impact on potential future residential growth of Traralgon, given the existing development constraints around the town boundaries. The proposal will restrict the orderly planning of future growth for the town and may hinder the capabilities for well planned, sustainable growth of the town. The proposal is considered to be contrary to Council's strategic direction for the area.

Submission

As a result of the notification process, 1 submission in the form of an objection has been received from the EPA. The issues raised in the EPA submissions are as follows:

1. Management of wastewater

Comment:

Issues in relation to wastewater runoff have been discussed above. In relation to the wastewater issue, it is considered that the documentation submitted has satisfactorily demonstrated that wastewater would be capable of effectively being treated and contained within the boundary of the site generally in accordance with the relevant EPA guidelines and Code of Practice.

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As part of Council's Traralgon Growth Review Project, it has been identified that significant scope exists in the overall Traralgon West area to cater for future growth in terms of sewage treatment. This is because upon completion of the Gippsland Water Factory, it will be able to treat up to 35 million litres of domestic and industrial wastewater daily when fully operational. There is potential for the Traralgon west area to be serviced by reticulated sewerage in the future.

2. Implications of the Australian Paper Buffer

EPA highlighted in its submission to Council that the subject site is located within the 5 km Australia Paper Buffer area. EPA is of the view that the subject site is likely to be affected by amenity reducing impacts, in terms of odour emission from the Australian Paper Mill operation. To protect both residents and industry alike, EPA is generally against further intensification of residential areas within the Australian Paper buffer zone.

It is also recognised that as part of the Traralgon Growth Review project, Council Officers are in the process of working with Australian Paper, the EPA and the community to determine an appropriate buffer zone based on odour emissions and context of the area. A defined buffer zone has not been established at this stage. The "adjusted amenity buffer" has been agreed upon between council officers and the APM representatives.

INTERNAL / EXTERNAL CONSULTATION

Engagement Method Used:

Notification:

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 and an A3 notice was displayed on the site frontage for 14 days.

Details of Community Consultation following Notification:

Following the advertising and referral of the application, no submissions were received.

External:

In accordance with the referral requirements of Section 55 of the Act, the application was referred to SP AusNet Pty Ltd, Gippsland Water and APA Group for consideration.

The application was also referred to the WGCMA and the EPA in accordance with Section 52 of the Act.

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WGCMA does not object to the granting of a planning permit for a 3 lot subdivision subject to appropriate conditions being placed on any issue of a permit. The EPA have objected to the proposal as discussed in the issues section of this report.

Internal:

The application was referred internally to Council's Infrastructure Planning, Strategic Planning, Recreation and Health Services teams for consideration.

Council's internal teams had no objection to the granting of a permit subject to the inclusion of conditions.

OPTIONS

Council has the following options in regard to this application:

1. Issue a Notice of Decision to Grant a Planning Permit: or
2. Refuse to Grant a Planning Permit.

Council's decision must be based on planning grounds, having regard to the provisions of the Latrobe Planning Scheme.

RISK IMPLICATIONS

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

FINANCIAL 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).

CONCLUSION

Having evaluated the proposal against the relevant provisions of the Scheme, it is considered that the application is inconsistent with the relevant objectives and decision guidelines of the Scheme. It is therefore recommended that a refusal to grant a Planning Permit be issued for the reasons set out in this report. More specifically, it is considered that:

- The proposal is inconsistent with Clauses 11.02-1 (Supply of Urban Land) and 21.04-3 (Rural Living Overview) of the Scheme by facilitating an inappropriate low density residential subdivision on land that is designated as a long-term urban growth corridor. The proposal would compromise future development at higher densities and restrict the orderly planning of future growth for Traralgon.
- The proposal is inconsistent with the decision guidelines of Clause 32.03-6 (Low Density Residential Zone)
- The proposal is inconsistent with Clause 65.02 (Decision Guidelines).
- The proposal is inconsistent with the adopted Traralgon Growth Areas Review Project
- The proposal is inconsistent with Council's Traralgon West Interim Infrastructure Development Policy 11 POL-2.

Attachments

1. Site Context
2. Plan of subdivision
3. Building and Wastewater plan

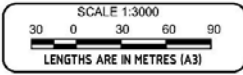
13.4

PLANNING PERMIT APPLICATION 2014/141- 3 LOT SUBDIVISION AT 370 OLD MELBOURNE ROAD, TRARALGON

1	Site Context.....	285
2	Plan of subdivision	287
3	Building and Wastewater plan.....	289

SITE CONTEXT PLAN
PARISH OF TRARALGON
CROWN ALLOTMENT 43 (PART)
PS547910 LOT A
370 OLD MELBOURNE ROAD,
TRARALGON

C/T VOL. 11106 FOL. 560
R.J. SYKES



-  SUBJECT SITE
-  EXISTING HOUSE

Photo Source: NEARMAP

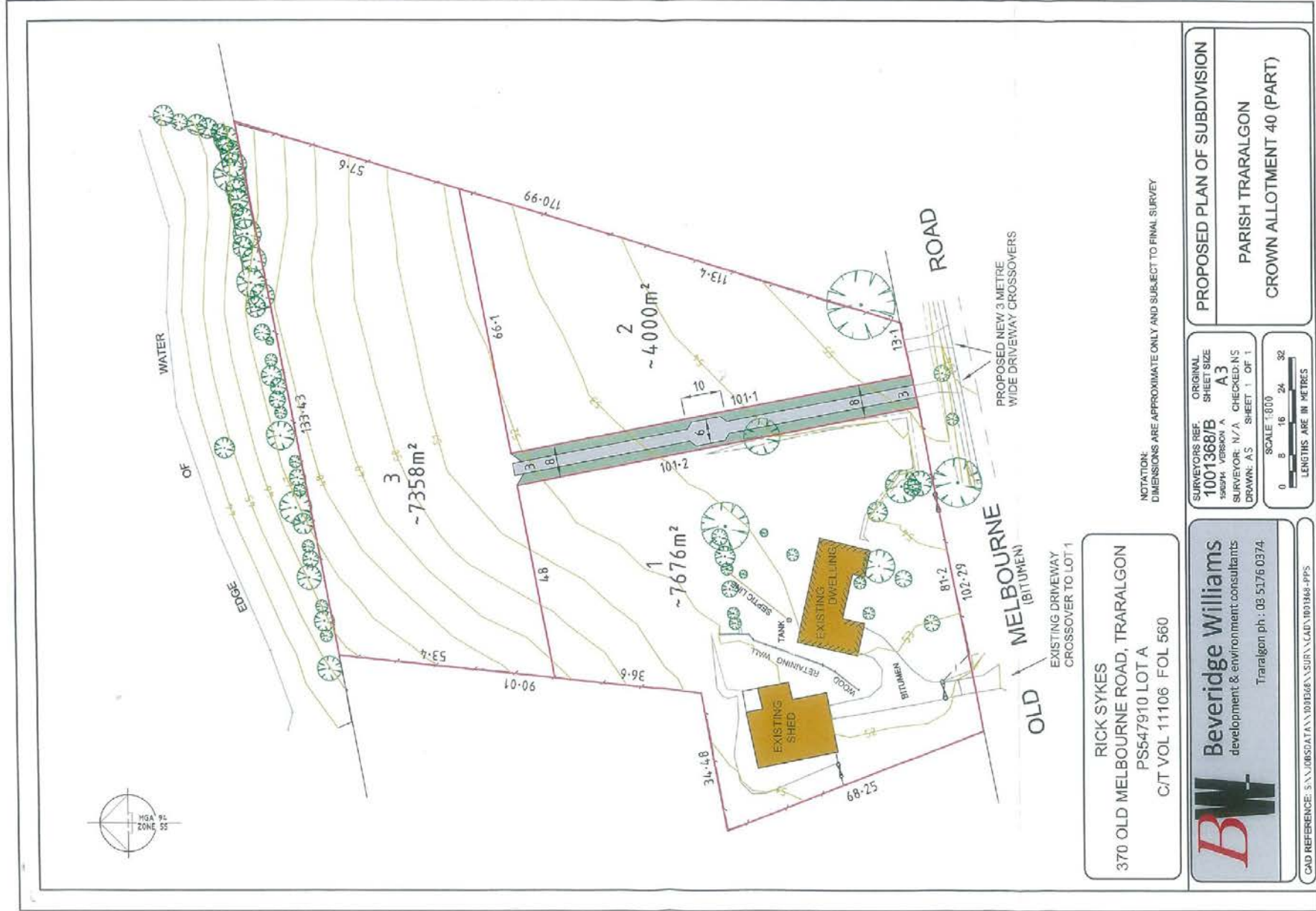


Beveridge Williams
development & environment consultants
Traralgon ph : 03 5176 0374
www.beveridgewilliams.com.au



04/03/2014 REF: 1001368





NOTATION:
DIMENSIONS ARE APPROXIMATE ONLY AND SUBJECT TO FINAL SURVEY

PROPOSED PLAN OF SUBDIVISION
PARISH TRARALGON
CROWN ALLOTMENT 40 (PART)

SURVEYORS REF. ORIGINAL SHEET SIZE
1007368/B A3
VERSION A
SURVEYOR: N/A CHECKED: NS
DRAWN: AS SHEET 1 OF 1

SCALE 1:600
0 8 16 24 32
LENGTHS ARE IN METRES

RICK SYKES
370 OLD MELBOURNE ROAD, TRARALGON
PS547910 LOT A
C/T VOL 11106 FOL 560

BW Beveridge Williams
development & environment consultants
Traralgon ph: 03 5176 0374

CAD REFERENCE: S:\JOBSDATA\1001846\SUB\1\CA\1001846-PPS

**13.5 NATIONAL STRONGER REGIONS FUND - LATROBE
PERFORMING ARTS & CONFERENCE CENTRE**

General Manager

Planning & Economic
Sustainability

For Decision

PURPOSE

The purpose of this report is to inform Council of the Commonwealth Government's National Stronger Regions Fund (NSRF) and discusses the implications for the Latrobe Performing Arts and Conference Centre (LPACC) project.

EXECUTIVE SUMMARY

The Australian Government recently announced its *National Stronger Regions Fund* (NSRF), "to promote economic development in Australia's regions". Council is eligible to apply for grants of up to \$10 million, providing it is matched on at least a dollar for dollar basis, and the funded part of the project must be completed on or before 31 December 2019.

The Fund provides an opportunity to secure funding to progress the Latrobe Performing Arts and Convention Centre project. However, due to the considerable time elapsed since the production of the business case for the project it is recommended that Council undertake a review of the Business Case in association with the fund application process.

RECOMMENDATION

That Council:

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

Moved: Cr Kam

Seconded: Cr Rossiter

That the Recommendation be adopted.

For the Motion

Councillor/s Gibbons, Kam, Rossiter, Harriman, O'Callaghan, Gibson

Against the Motion

Councillor/s Sindt, White, Middlemiss

The Mayor confirmed that the Motion had been CARRIED

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 complimentary to its surroundings and which provides for a connected and inclusive community.

Strategic Objectives – Culture

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

Strategic Objectives – Community

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

Latrobe City Council Plan 2013 - 2017

Theme and Objectives

Theme 1: Job creation and economic sustainability

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

Theme 2: Affordable and Sustainable facilities, Services and Recreation

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

To promote and support a healthy, active and connected community

Strategic Direction –

Job creation and Economic Sustainability

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

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

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

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

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

Strategic Direction –

Affordable and Sustainable facilities, Services and Recreation

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

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

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

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

BACKGROUND

In March 2008, Latrobe City Council considered a petition requesting that 'Council build a state of the art Performing Arts and Convention Centre'. This petition contained over 1,200 signatures and at this time Council resolved to undertake a feasibility study to assess this request (attachment 2).

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

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

1. *That the proposal to construct a Performing Arts and Convention Centre on the Kernot Hall site be adopted.*
2. *That work not commence until funding availability has been clarified and the project included in Council's budget process, including the impact on rates.*
3. *That existing facilities (including hall/theatre) on the Traralgon Civic Complex be retained and maintained appropriately.*
4. *That the Mayor writes to all who made a submission to thank them for their contribution and advise of Council's decision to adopt the Latrobe Performing Arts and Convention Centre Feasibility Study October 2009, Development Scenario 2 – Morwell.*

There has been strong support for a regional conference and arts facility in both the *Gippsland Regional Plan*¹ and the *Gippsland Business Events and Conference Market Study*² - December 2013, commissioned by Destination Gippsland.

Work has continued to promote the project and, particularly in line with point 2 of the Council resolution, secure external funding for the project.

Inclusion in Council Budget Process:

The Business Case indicates that a budget of \$16 million will be required to construct the LPACC. Council has allocated a \$5 million contribution for

¹ An overview of the Gippsland Regional Plan can be downloaded at the following link:
http://gippslandregionalplan.com.au/pgm-download_media.php?name=GRP_Overview.pdf

² The Gippsland Business Events and Conference Market Study can be downloaded at the following link:
http://www.rdv.vic.gov.au/__data/assets/pdf_file/0019/209701/Gippsland-Business-Events-Study-Summary-Document.pdf

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

the LPACC in the Ten Year Financial Plan - \$1M in 2018/2019 and \$2M both in 2019/2020 and 2020/2021 – with the view to seek 1/3 federal and 1/3 state government contributions for the balance of the project costs.

Actions to Date:

The following table lists activities undertaken to progress the project following this resolution.

June 2010	Correspondence between State Government / Arts Victoria and Latrobe City Council regarding funding (<i>attachment 1</i>). The State Government advised, via a letter from the Office of the Minister for Arts that..... <i>"The funding sought from State Government is substantial and without the business case, it is not possible for me to make any comment on the likelihood or otherwise of a State Government commitment to it."</i> Suggested that Council create a "formal working group" and citing Wangaratta performing arts facility as an exemplar
November 2010	Council resolved to establish formal working group
November 2010	State Government election held – Coalition formed government
January – February 2011	Correspondence between Arts Victoria and Council. Response from Arts Victoria jointly undertaking work on "development options" and "to make recommendations (to)... Council"
June 2011 – August 2011	Further correspondence from Council to Arts Victoria requesting to progress the project. Response expressed <i>"difficulty in the very formal structure (of the working group)"</i> , inferring a conflict between Arts Victoria's obligations to the minister and participating in working group.
November 2011	Council resolved to approve a consultants brief for business case
January 2012	Consultants appointed to undertake Business Case project.
September 2012	Business Case adopted at the Ordinary Council Meeting of 3 September 2012 (<i>attachment 3</i>).
November 2012	Remplan engaged to carry out an assessment of work to date and economic impact of the project (<i>attachment 4</i>).
November 2012	Hamer Architecture appointed to complete concept designs and elevations (<i>attachment 5 & 6</i>).

KEY POINTS/ISSUES

There is now an opportunity to apply for federal government funding towards the Latrobe Performing Arts and Conference Centre. As considerable time has elapsed since the production of the business case,

council should critically review the project feasibility and either review or reaffirm where LPACC is located and its underlying business case before applying for federal government funding.

Critical Review of project

In determining whether a review should be undertaken, the location, business model, site constraints, capital, operational and whole of life costs should be considered alongside anticipated community sentiment. Additionally the key role the Kernot Hall facility provides should be continued as part of this review

LPACC location

If a grant was successful from the federal government, the remaining funding required was to be secured through Arts Victoria, which has expressed significant interest in the project. However, in the correspondence since inception, the tone of communication differs slightly depending on the government of the day; but all correspondence expresses a reluctance to wholeheartedly commit to the project on behalf of state government. Also, it is understood that verbal discussions with Arts Victoria have raised queries as to the feasibility of the LPACC being located outside of a CBD location.

Thus, Council's resolution to locate the facility at Kernot Hall may present a risk to securing contributing state government funding.

Consequently, it would be prudent that Council decide to undertake a Business Case review to either reaffirm or review the location of the LPACC at the same time as it considers whether to apply for the NSRF.

It should also be noted that there will be further rounds of funding for NSRF for which Council could also prepare an application.

Business Model

The business case expressed that "Performing Arts and Convention Centres do not make a profit" and are "services subsidised by Council"

The business case presented an indicative program, staff structure and operational budget as reasonable assumptions for a new "one business" Arts Centre operating model – assuming the existing Traralgon venue would provide an 'Arts Incubator' feeding into the new LPACC.

The indicative program provided a recommended 'focus' for programming and outlined number of shows, ticket sales, conferences, staff hours required and projected income and costs to resource.

The staff structure outlined that different skill sets are required between performing arts programs and functions/conferences; emphasising the need to employ "*the right staff with the right skill set*". Therefore, the business case recommended a total staff of 13.6 EFT including a manager.

**ORDINARY COUNCIL MEETING MINUTES
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The following tables present comparisons between current and proposed structures and budgets

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Comparison between current staffing and proposed (from business case)

Current Staffing Positions	Band	EFT	Proposed Staffing Positions	Band	EFT
Permanent			Permanent		
Arts Director	7	1	Manager	SEO	1
Coordinator Latrobe Performing Arts & Venues	6	1	Programming Assistant	5	1
Latrobe Performing Art & Venues Arts Officer – Venue Services	5	1	Marketing Coordinator	7	1
Customer Service – Box Office	4	0.57	Box Office and Front of House Supervisor	5	1
LPA&V Assistant	3	1	Box Office Assistant	4	1
Theatre Technician	4	0.72	Functions Coordinator	7	1
Theatre Technician	4	0.58	Operations Manager	7	1
			Technician	5	1
			Technician	5	1
			Administration Assistant	4	1
			Finance Officer	6	0.5
Total Permanent		5.29	Total Permanent		10.5
Casuals			Casuals		
Usher	1	0.16	Technical Assistants	4A	1
Box Office	1	0.16	Technical Assistants Traralgon/Moe	4A	0.2
Theatre Technician	1	0.26	Duty Managers	4A	0.5
			Ushers	1D	1
			FOH Staff Traralgon/Moe	1D	0.2
			Box Office Assistants	1D	0.2
Total casual		0.58	Total casual		3.1
Total Staffing		6.45	Total Staffing		13.6

Comparison between current operational budget and proposed (from business case)

	Current Budget	Projected Budget
Operating Income		
Earned Income	234,900	558,935
Community Grants	39,500	0*
Arts Vic Grant	55,000	55,000**
Total Income	329,400	613,935
Operating Expenditure		
Salaries & on-costs	386,500	1,109,502
Programming, Materials & Services	345,900	607,780
Vehicle (internal charge)	15,600	15,600
	748,000	1,732,882
Operating Subsidy	418,600	1,118,947
***Asset Maintenance		1,500,000

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

NB: * Council's community grants, based on 2011/12 figures, have been included in 'Earned Income' in the Projected Budget.

** Arts Victoria Grant funding may increase with the new facility. For example; Wangaratta PAC received increased funding from \$50K to \$100K upon completion of their new facility.

*** The estimated \$1,500,000 asset maintenance cost is required over a ten year period to bring Traralgon Performing Arts Centre up to standard. Refer section 8.2

Site Constraints

The anticipated site constraints are also a consideration when reviewing the location and business case for the project.

The resolved location of the Kernot Hall and Kernot Lake surrounding park has a complex ownership model as shown in attachment 7. The Kernot Hall facility and the lake/gardens are owned by Latrobe City Council, whilst the remainder of the location is owned by GippsTafe/Federation Training. Moreover, there is some doubt whether the proposed design of the LPACC will fit on the current site for the existing hall. The footprint for the Kernot Hall site (excluding common property) is 3500 m² (see attachment 7) while the proposed building area as outlined in the business case is 3861 m² (see attachment 3). It is unclear whether this latter figure is a 'space budget' represented over multiple levels or whether it represents actual building footprint, but this aspect may represent a risk to project contingencies through unforeseen land acquisition costs.

These calculations compare with the Traralgon site in that the footprint and owned land within the site of the Traralgon Arts Centre is 6800 m² (see attachment 8). Compared with a similar required footprint of 3861 m², it appears that the Traralgon site has better capacity to house the LPACC than Morwell. These factors again highlight the need for business case and location for LPACC should be reviewed.

Total Cost of Ownership

It is crucial that the total cost of ownership be considered when reviewing the location and business case for the project. The following table estimates the total operating costs projected over 10 years:

Current Operating Costs

Venue	Current costs over 10 years	Venue Maintenance costs <small>NB: from average over past three financial years **</small>	Total over 10 years
Kernot Hall	\$511,540	\$284,880	\$796,420
Latrobe Performing Arts Centre*	\$420,460	\$433,170	\$853,630
Programming costs	\$4,306,000	N/A	\$4,306,000
Total	\$5,238,000	\$718,050	\$5,956,050

*note, does not include anticipated \$1.5m for asset renewal

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Redevelopment with current Council resolution

The following is a scenario of Council's resolution to locate the LPACC at Kernot Hall, and the Performing Arts Centre remaining as an 'Arts Incubator'.

Venue	Overheads & Maintenance
10 year estimate based on costs per annum	
Kernot Hall maintenance <small>using same assumption as table above</small>	\$284,880
Redevelopment LPACC (cost of capital - \$5m)	\$1,020,000
Performing Arts Centre maintenance <small>using same assumption as table above</small>	\$433,170
Asset maintenance Traralgon site (figure from Business Case)	\$1,500,000
New Operating budget <small>from Business Case</small>	\$11,189,470
Total (over 10 years)	\$ 14,427,520

Reviewing the location of the LPACC introduces the question: can the redeveloped LPACC service the whole of Latrobe City and the wider Gippsland Region as a regional venue? It may be determined that both venues remain, but these possibilities should be considered at a high level when determining the approach to take with this grant opportunity.

It is estimated that significant savings could be made over 10 years if a different business model was chosen and one of the sites was decommissioned.

Joint Venture and/or Naming Rights

Two other considerations are also important for Council when deciding whether a review should be undertaken; a potential joint venture and naming rights.

From a business service cost perspective there is a clear need for Council to minimise the total cost to the ratepayer for constructing and operating a new regional facility. Whilst seeking government support to contribute to the capital cost is worthwhile, it may also be appropriate to consider potential for a joint venture with private enterprise to further reduce the capital liability.

It may also be a worthwhile consideration of Council to seek expressions of interest in providing Naming Rights to the LPACC. A successful agreement with any one of a number of larger companies within the region (such as electricity generation companies, large manufacturers or benevolent societies) would attract an ongoing yearly operating contribution in exchange for marketing benefit.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Neither of these options appears to have been considered in the developing the feasibility study or business case of the LPACC and therefore provide another indication of the need to review the project as Council seeks capital funding contributions.

OPTIONS

Council has the following options:

1. Apply for the National Stronger Regions fund (NSRF) for the LPACC project, concurrently as it reviews the location and business case for the project. This is the recommended option.
2. Not apply for the National Stronger Regions fund (NSRF) for the LPACC, as it considers that it has higher priorities at this time.
3. Apply for the National Stronger Regions fund (NSRF) for the LPACC project, re-endorsing the location.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

Within current staffing and resources there is capacity to undertake this application and project review.

INTERNAL/EXTERNAL CONSULTATION

Details of Community Consultation / Results of Engagement:

Community Consultation was undertaken in 2009. No further engagement has taken place since.

CONCLUSION

The currently open National Stronger Regions Program (NSRF) provides an opportunity to secure federal funding for the Latrobe Performing Arts and Convention Centre project.

A critical review of the LPACC project should be undertaken by Council considering the location, business model, site constraints, capital, operational and whole of life costs as well as the risk of attracting state government funding prior to applying for the grant opportunity.

SUPPORTING DOCUMENTS

1. Latrobe Performing Arts and Convention Centre Business Case – September 2012

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**

Attachments

1. Correspondence between State Government / Arts Victoria and Latrobe City Council regarding funding
2. Feasibility Study
3. LPACC Business Case
4. LPACC Impact Assessment
5. LPACC Concept - East Assessment
6. LPACC Concept - North West Evaluation
7. Kernot Hall Plan
8. TPAC - Cnr Breed & Grey Sts

13.5

National Stronger Regions Fund - Latrobe Performing Arts & Conference Centre

1	Correspondence between State Government / Arts Victoria and Latrobe City Council regarding funding	303
2	Feasibility Study	329
3	LPACC Business Case.....	415
4	LPACC Impact Assessment.....	493
5	LPACC Concept - East Assessment	505
6	LPACC Concept - North West Evaluation.....	507
7	Kernot Hall Plan	509
8	TPAC - Cnr Breed & Grey Sts	511

Our Ref: 571024
AJ:DE

12 January 2011

Ms Penny Hutchinson
Director
Arts Victoria
Private Bag 1
SOUTH MELBOURNE VIC 3205

Dear Ms Hutchinson

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

I refer to the attached letter dated 5 October 2010 from the Office of the Minister for the Arts in reference to the progression of the Latrobe Performing Arts and Convention Centre Project.

At the Ordinary Council Meeting held on 8 November 2010 the letter was considered by Council and the following was resolved:

- 1. That Council note the correspondence received from the Office of the Minister for the Arts.*
- 2. That the Mayor write to the Office of the Minister for the Arts acknowledging receipt of the attached correspondence, requesting that a working party be established as soon as practicable.*

Latrobe City Council is keen to progress this project and believe this can be achieved by working cooperatively with Arts Victoria and the State Government on developing the project further.

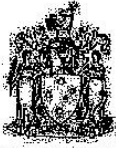
Latrobe City Council will be represented by the Mayor, Chief Executive Officer or his delegate, Manager Cultural Liveability and the Arts Director. Further discussion regarding the operations and/or terms of reference of the working party will need to be clarified prior to the first official meeting of the group.

If you require further information please contact David Elder, Manager Cultural Liveability on (03) 5128 5646 or via email david.elder@latrobe.vic.gov.au.

Yours sincerely

ALLISON JONES
Acting Chief Executive Officer

Encl



Department of Premier and Cabinet

Arts Victoria

Level 6/2 Kavanagh Street
Southbank Victoria 3006
Private Bag 1
South Melbourne Victoria 3205
Telephone: (03) 8663 9100
Facsimile: (03) 9686 6186
TTY: (03) 9682 4664
www.arts.vic.gov.au
CR 212559
ABN 36 081 905 761

13 FEB 2011

D1/23390

Cr Darrell White
Mayor
Latrobe City Council
PO Box 264
MORWELL VIC 3840

LATROBE CITY COUNCIL	
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Dear Cr White

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

Thank you for your letter of 12 January 2011 to Penny Hutchinson about the proposal to jointly undertake work on the development options for Latrobe's performing arts centre.

As indicated earlier, Arts Victoria is happy to assist with work and advice on this project. The contact person from Arts Victoria will be Ian Rogers, Manager of the Local Partnerships Program (938863 3143). I have asked that he liaise with your staff to develop suitable terms of reference that will be acceptable to each party and appropriate to the task.

I should emphasise that the task is not to make decisions about the scale, location of nature of any development, but rather to make recommendations that can be considered by you and your Council and, if State funding is to be sought, by the relevant Government Minister.

Yours sincerely

GREG ANDREWS
Deputy Director
Policy & Programs

Your details will be dealt with in accordance with the Public Records Act 1973 and the Information Privacy Act 2000. Should you have any queries or wish to gain access to your personal information held by this Department please contact our Privacy Officer by writing to 1 Treasury Place, East Melbourne 3002.



Our Ref: 571024
PB:DE

6 June 2011

Ms Penny Hutchinson
Director of Arts Victoria
Private Bag No. 1
SOUTH MELBOURNE VIC 3205

Dear Ms Hutchinson

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

I write to you to seek advice on the current State Government's stance on the Latrobe Performing Arts and Convention Centre Project.

As you are aware, a letter received on 5 October 2010 from the Office of the Minister for Arts (of the previous Labor Government), was considered by Council at its Ordinary Meeting of 8 November 2010 in relation to the formation of a joint working party to further progress the project. At this meeting, it was resolved that a *'working party be established as soon as practicable.'*

Understandably, there has been some delay in establishing the working party due to the change in government. Latrobe City Council would at this time appreciate an update on whether the working party is still a priority and something that Arts Victoria would still like representation on.

Council is keen to progress this project and believe this can be achieved by working cooperatively with Arts Victoria and the state government on developing the project further.

If you require further information please contact Mr David Elder, Manager Cultural Liveability on (03) 5128 5646 or via email david.elder@latrobe.vic.gov.au.

Yours sincerely

PAUL BUCKLEY
Chief Executive Officer



Arts Victoria
Department of Premier and Cabinet

19 AUG 2011

D11/153827

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Facsimile: (03) 9686 6186
www.arts.vic.gov.au
ABN 36 081 905 761
TTY: (03) 9682 4864
DX212559

Mr Paul Buckley
Chief Executive Officer
Latrobe City
PO Box 264
MORWELL VIC 3840

Dear Mr Buckley

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

I am responding to your letter of 6 June 2011 about your Council's proposals for a new performing arts and convention facility. I have noted Council's decision to appoint a working party to review the project and I support that initiative.

However, there is a difficulty in Arts Victoria involvement in the very formal structure that your Council has proposed. I am advised that the working party is to be a committee appointed under the Council's statutory powers with authority to make decisions about the project and will include a number of Councillors. As you will appreciate, Arts Victoria is likely to have the ultimate responsibility in providing independent advice to the Minister for the Arts on any future funding request relating to the project. Accordingly I could not agree to being bound by any resolution or report by a Council committee on which an Arts Victoria representative has served.


Nevertheless, Arts Victoria has a body of knowledge and expertise in the development of such facilities in regional Victoria and is prepared to make those resources available to Council to assist in development of the project.



In projects undertaken by other regional Cities, this has been delivered through a less formal working relationship with Council appointed panels or directly with the Council's project staff and any external consultants. The assistance has taken the form of general support and advice as required including reviews of project briefs, advice on consultancy tenders and specifications, participation in tender evaluation and recommendations about suitable processes in project development.

For the purposes of your project, the Arts Victoria contact person is Ian Rogers, Manager of the Local Partnerships Program (☎ 8683 3143 or email ian.rogers@dpc.vic.gov.au). I will ensure that he is available for regular contact with your staff as the project develops.

Yours sincerely



P F E Hutchinson
Director
Arts Victoria

Our Ref: 571024
GS

18 September 2012

Mr Ian Rogers
Manager Local Partnerships
Arts Victoria
Private Bag 1
SOUTH MELBOURNE VIC 3205

Dear Mr Rogers

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

I am writing to advise of recent significant developments relating to the development of a new Latrobe Performing Arts and Convention Centre in Morwell.

This project has been subject to significant planning over recent years, including the development of a feasibility study and business case.

I am pleased to advise that this project is now in a position where Council has formally adopted the business case to allow us to proceed with pursuing funding. Importantly, Council has also committed significant money to bring this project to fruition.

The vision of the adopted business case is that the new Latrobe Performing Arts and Convention Centre will be housed at the Kernot Hall site in Morwell and will provide professional quality, state of the art facilities for a high quality performing arts program and events service.

In addition, the Traralgon Performing Arts Centre will be maintained and act as an 'arts incubator' with a community focus. Latrobe City Council's detailed planning has identified that the estimated cost of developing such a centre would be approximately \$16 million. Council has allocated \$5 million to this project in its *Ten Year Financial Plan*. Significant contributions will be required from both the State and Federal governments for this project to proceed.

Attached for your information is a very brief summary of the project. Also included are the feasibility studies and business case.

Over the coming months, Latrobe City Council will be engaging with government ministers and officials from all levels to provide further information in respect to this project.

If however you would like to be provided with further information or a briefing on these projects immediately, I encourage you to contact me on 0351 285 662.

Latrobe City Council is looking forward to working closely with you to bring these projects to fruition.

Yours sincerely

GRANTLEY SWITZER
Recreation, Culture & Community Infrastructure

Encl

Our Ref: 571024
EV:GS

18 September 2012

The Hon Ted Baillieu, MP
Minister for the Arts
Level 1, 1 Treasury Place
EAST MELBOURNE VIC 3002

Dear Premier

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

I am writing to advise of recent significant developments relating to the development of a new Latrobe Performing Arts and Convention Centre in Morwell.

This project has been subject to significant planning over recent years, including the development of a feasibility study and business case.

I am pleased to advise that this project is now in a position where Council has formally adopted the designs and business case to allow us to proceed with pursuing funding. Importantly, Council has also committed significant money to bring this project to fruition.

The vision of the adopted business case is that the new Latrobe Performing Arts and Convention Centre will be housed at the Kernot Hall site in Morwell and provide professional quality, state of the art facilities for a high quality performing arts program and events service.

In addition, the Traralgon Performing Arts Centre will be maintained and act as an 'arts incubator' with a community focus. Latrobe City Council's detailed planning has identified that the estimated cost of developing such a centre would be approximately \$16 million. Council has allocated \$5 million to this project in its *Ten Year Financial Plan*. Significant contributions will be required from both the State and Federal governments for this project to proceed.

Attached for your information is a very brief summary outlining the project. Further information, including the full feasibility study and business case can be provided on request or is available from Latrobe City Council's website.

Over the coming months, Latrobe City Council will be engaging with government ministers and officials from all levels to provide further information in respect to this project.

If however you would like to be provided with further information or a briefing on this project immediately, I encourage you to contact Grantley Switzer, General Manager Recreation, Culture & Community Infrastructure on 0351 285 662 or email Grantley.Switzer@latrobe.vic.gov.au.

Latrobe City Council is looking forward to working closely with you to bring this project to fruition.

Yours sincerely

CR ED VERMEULEN
Mayor

Encl

Our Ref: 571024
GS

18 September 2012

Ms Penny Hutchinson
Director of Arts Victoria
Private Bag No. 1
SOUTH MELBOURNE VIC 3205

Dear Ms Hutchinson

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

I am writing to advise of recent significant developments relating to the development of a new Latrobe Performing Arts and Convention Centre in Morwell.

This project has been subject to significant planning over recent years, including the development of a feasibility study and business case.

I am pleased to advise that this project is now in a position where Council has formally adopted the business case to allow us to proceed with pursuing funding. Importantly, Council has also committed significant money to bring this project to fruition.

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In addition, the Traralgon Performing Arts Centre will be maintained and act as an 'arts incubator' with a community focus. Latrobe City Council's detailed planning has identified that the estimated cost of developing such a centre would be approximately \$16 million. Council has allocated \$5 million to this project in its *Ten Year Financial Plan*. Significant contributions will be required from both the State and Federal governments for this project to proceed.

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Latrobe City Council is looking forward to working closely with you to bring these projects to fruition.

Yours sincerely

GRANTLEY SWITZER
Recreation, Culture & Community Infrastructure

Encl



THE HON SIMON CREAM MP

**Minister for Regional Australia, Regional Development and Local Government
Minister for the Arts**

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Councillor Ed Vermeulen
Mayor
Latrobe City
PO Box 264
MORWELL VIC 3840

19 NOV 2012

Dear Mayor *Ed*

Thank you for your letter of 18 September 2012 concerning the Latrobe City Council's commitment to the development of the Latrobe Performing Arts and Convention Centre in Morwell.

I appreciate your commitment to bring the arts to the Latrobe Valley. I have noted the potential economic benefits from performances and events that would result from this facility.

The performing arts are important to Australia, and every Australian should have the opportunity to participate and enjoy the cultural life of the nation.

The National Cultural Policy, which is due for release in the coming months, will reflect the diversity of a 21st Century Australia – people, place and practice – and ensure that every Australian, no matter where they live, has access to Australia's artistic and cultural resources, either as part of an audience or through participating directly or online.

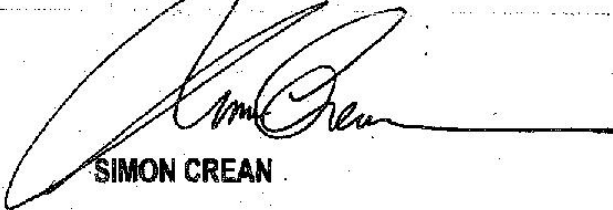
My Department administers the Regional Development Australia Fund (RDAF), which funds capital infrastructure projects that are identified as priorities by regional communities. Rounds One and Two of RDAF has provided more than \$104 million for arts and cultural projects. The Four Winds, Building Nature's Concert Hall in Barragga Bay, New South Wales, and the Toowoomba Regional Arts and Community Centre in Queensland are examples of projects that have demonstrated clear long-term benefits, including creating regional jobs and boosting economic development.

I am delighted to announce that Rounds Three and Four of RDAF have recently opened, and a copy of the Guidelines for each round is located on my Department's website at www.regional.gov.au. I encourage you to liaise with Regional Development Australia (RDA) Gippsland about your proposed project and how it meets the priorities in the committee's Regional Plan. The Executive Officer, Ms Jane Oakley, can be contacted on (03) 6771 2790.

Other potential sources of funding may be found on the MyRegion website at www.myregion.gov.au which provides details of grants provided by the Australian Government. Options for funding from the Victorian Government are available from www.business.vic.gov.au/grants-and-assistance.

Thank you for raising this matter with me.

Yours sincerely



SIMON CREAN



Office of the Minister for the Arts

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Facsimile: +61 3 9658 4631
DX 210404

D10/106826

Mr Paul Buckley
Chief Executive Officer
Latrobe City Council
P.O. Box 264
MORWELL VIC 3840

Dear Mr Buckley

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

Thank you for your letter of 30 June 2010 about the Council's proposals for the development of a performing arts facility in Latrobe City.

The funding sought from State Government is substantial and without the business case, it is not possible for me to make any comment on the likelihood or otherwise of a State Government commitment to it. I am also mindful of other Government initiatives in the region such as the Transit Cities projects at Moe, Morwell and Traralgon that need to be factored in to any response we might make to the request.

As a means of developing the project further, I propose that a more formal working group representing the Council and State Government through Arts Victoria be established. The group can review the work undertaken to date, consider possible linkages with other initiatives and develop a proposal that might best achieve the right outcomes for the regional community and the arts in general.


As you know, Arts Victoria and the Council have a Memorandum of Understanding that includes the provision for co-operation on arts infrastructure developments and this would appear to be an excellent opportunity for such co-operation. I might mention that this approach was followed by Wangaratta Rural City Council in the lead up to the development of its very successful performing arts facility that the Premier opened last year.



Your details will be dealt with in accordance with the Public Records Act 1973 and the Information Privacy Act 2000. Should you have any queries or wish to gain access to your personal information held by this Department please contact our Privacy Officer at the above address.

In the event that your Council agrees to this concept, I will arrange for Arts Victoria officers to commence the discussions as soon as possible. If you have any enquiries about the proposal, the person to contact in Arts Victoria is Ian Rogers (☎8683 3143) who will be the person having lead responsibility for the project.

Yours sincerely



SUSANNE LEGENA
Chief of Staff

1/10/2010

Our Ref: 532241
PB:LC

30 June 2010

Ms Jacinta Allen MP
Minister for Regional and Rural Development
Level 36, 121 Exhibition Street
MELBOURNE VIC 3000

Dear Minister

PERFORMING ARTS AND CONVENTION CENTRE

I am writing to advise of recent developments in respect to the provision of a new Performing Arts and Convention Centre in Latrobe City.

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

The study was completed late in 2009 and clearly articulated that for a regional centre, Latrobe City is severely lacking in respect to the provision and quality of performing arts infrastructure. Following the release of the feasibility study and an extensive community consultation process, on 21 June 2010 Council adopted the Kernot Hall site in Morwell as the preferred site for the development of a new Performing Arts and Convention Centre.

The work undertaken to this date has identified that a capital outlay of \$15 million would be required for the project to proceed. The feasibility study has identified a funding model that would result in Council, State Government and Federal Government each contributing \$5 million.

Council officers will now be undertaking further work in respect to developing the business case and subsequent to that, funding submissions in respect to this project. Officers have been in regular contact with staff from Arts Victoria in recent months and will continue to work with key personnel to ensure any submission that is presented to Government addresses key funding guidelines and associated criteria.

If you have any questions at this time in respect to the above I encourage you to contact myself on 5128 5413 or Latrobe City General Manager Recreational and Cultural Liveability, Grantley Switzer, on 5128 5662.

Yours sincerely

PAUL BUCKLEY
Chief Executive Officer

cc: Mr Justin Hanney
Chief Executive Officer
Regional Development Victoria
PO Box 1509
TRARALGON VIC 3844

Our Ref: 532241
PB:LC

30 June 2010

Mr Peter Batchelor MP
Minister for the Arts
Level 20, 1 Spring Street
MELBOURNE VIC 3000

Dear Minister

PERFORMING ARTS AND CONVENTION CENTRE

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

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Yours sincerely

PAUL BUCKLEY
Chief Executive Officer

cc: Ms Penny Hutchinson
Director of Arts
Arts Victoria
Penny.Hutchinson@dpcd.vic.gov.au

cc: Mr Ian Rogers
Manager Local Partnerships
Arts Victoria
Ian.Rogers@dpcd.vic.gov.au

Our Ref: 532241
PB:LC

30 June 2010

The Hon Anthony Albanese MP
Minister for Infrastructure, Transport, Regional Development and Local
Government
PO Box 6022
Suite MG43
Parliament House
CANBERRA ACT 2600

Dear Minister

PERFORMING ARTS AND CONVENTION CENTRE

I am writing to advise of recent developments in respect to the provision of a new Performing Arts and Convention Centre in Latrobe City.

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If you have any questions at this time in respect to the above I encourage you
to contact myself on 5128 5413 or Latrobe City General Manager
Recreational and Cultural Liveability, Grantley Switzer, on 5128 5862.

Yours sincerely

PAUL BUCKLEY
Chief Executive Officer

9.1 **CORRESPONDENCE FROM THE OFFICE OF THE MINISTER
FOR THE ARTS - LATROBE PERFORMING ARTS CENTRE**
AUTHOR: General Manager Recreational and Cultural Liveability
(ATTACHMENT - YES)

1. INTRODUCTION

At the Ordinary Council Meeting held on 7 June 2010,
Council resolved the following:

1. *That the proposal to construct a Performing Arts and Convention Centre on the Kermot Hall site be adopted.*
2. *That work not commence until funding availability has been clarified and the project included in Council's budget process, including the impact on rates.*
3. *That existing facilities (including hall/theatre) on the Traralgon Civic Complex be retained and maintained appropriately.*
4. *That the Mayor writes to all who made a submission to thank them for their contribution and advise of Council's decision to adopt the Latrobe Performing Arts and Convention Centre Feasibility Study October 2009, Development Scenario 2 – Morwell.*

Following this resolution, the following activities have been undertaken;

- All those individuals and organisations who made a submission in response to the feasibility study received a letter from the Mayor thanking them for their submission and advising of Council's decision to adopt the Latrobe Performing Arts and Convention Centre Feasibility Study October 2009, Development Scenario 2 – Morwell.
- Formal letters were sent to the State Minister for the Arts (Hon. Peter Batchelor MP), the State Minister for Regional and Rural Development (Hon. Jacinta Allen MP) and the Federal Minister for Infrastructure, Transport, Regional Development and Local Government (Hon. Anthony Albanese MP).

These letters advised of Council's decision and alerted the Ministers that further work would now be undertaken in respect to developing the business case. The letters also outlined that the feasibility study identified a funding model that would require Council, State Government and Federal Government to each contribute \$5 million.

*Council Report
Nov 2010*

A consultant's brief has been developed and quotes called for in respect to undertaking a condition assessment on the current Latrobe Performing Arts Centre in Traralgon.

As per the resolution of 7 June 2010, it is Council's desire to retain and maintain the current PAC in Traralgon. As such, information relating to the current condition of this facility and future maintenance and capital costs will form a component of the business case.

The next phase of the project investigation is the development of the detailed business case, intended to assist Council with assessing the long term viability of the project (including the impact on rates). It is also hoped that this further piece of work will ensure Council is well positioned to make informed and compelling funding submissions to both the State and Federal Governments.

With that in mind, advice was sought from Arts Victoria in respect to any support and guidance that could be provided in the next phase of the project. Arts Victoria have considered the resolution of Council and the request for funding advice. The Chief of Staff for the Office of the Minister for the Arts, Susanne Legena, has provided the attached response.

2. DECLARATION OF INTERESTS

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

3. OFFICER COMMENTS

As per the resolution of Council, a detailed business case is required to be undertaken prior to this project proceeding to the next phase. As per the funding model outlined in the feasibility study, significant State Government funding (a minimum of \$5 million) will be required for this project to come to fruition.

The correspondence acknowledges that the State Government is unable to consider funding until such time that the business case has been prepared.

In the correspondence, Ms Legena has referred to the Memorandum of Understanding (MoU) that has been signed between themselves and Latrobe City. This MoU results in funding of \$160,000 per annum for arts related

projects and programs and does make reference to cooperation on arts infrastructure developments.

The correspondence proposes the development of a formal working group representing Latrobe City Council and the State Government (through Arts Victoria) be established. In order to obtain the required State Government funding, Council's participation in such a working group would be recommended. Clarification however would need to be sought on the operations of the working group, with particular attention paid to the terms of reference of the group and membership.

4. RECOMMENDATION

1. That Council note the correspondence received from the Office of the Minister for the Arts.
2. That the Mayor write to the Office of the Minister for the Arts acknowledging receipt of the attached correspondence, indicating that the concept of a working party be explored further.

Moved: Cr Lougheed

Seconded: Cr White

1. That Council note the correspondence received from the Office of the Minister for the Arts.
2. That the Mayor write to the Office of the Minister for the Arts acknowledging receipt of the attached correspondence, requesting that a working party be established as soon as practicable.

For the Motion

Councillor Price, White, Vermeulen, Gibson and Lougheed.

Against the Motion

Councillors Fitzgerald, Kam and O'Callaghan.

The Mayor confirmed that the Motion had been CARRIED.

Our Ref: 571024
PB:DE

26 November 2010

Ms Susanne Legena
Chief of Staff
Office of the Minister for the Arts
GPO Box 4440
MELBOURNE VIC 3001

Dear Ms Legena

LATROBE PERFORMING ARTS AND CONVENTION CENTRE

Thank you for your letter received 5 October 2010 in reference to the progression of the Latrobe Performing Arts and Convention Centre project.

The letter was considered by Council at its Ordinary Meeting of 8 November 2010 and it was resolved that a *working party be established as soon as practicable*. Latrobe City Council is keen to progress this project and believe this can be achieved by working cooperatively with Arts Victoria and the State Government on developing the project further.

Latrobe City Council will be represented by the Mayor, CEO or his delegate, Manager Cultural Liveability and the Arts Director. Further discussion regarding the operations and/or terms of reference of the working party will need to be clarified prior to the first official meeting of the group.

If you require further information please contact David Elder, Manager Cultural Liveability on (03) 5128 5646 or via email david.elder@latrobe.vic.gov.au.

Yours sincerely

PAUL BUCKLEY
Chief Executive Officer



Latrobe Performing Arts and Convention Centre

Feasibility Study

Options Analysis; Financial and Economic Impact
Assessment

October 2009

Prepared by CPG Australia for the Latrobe City Council

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1 Executive Summary

The feasibility study for the Latrobe Performing Arts and Convention Centre (LPACC) has established the need, scope and scale of the LPACC. Two options which are equally attractive, yet different in terms of the experience they would offer, have been identified for the location of the LPACC:

1. An option to locate the facility at the corner of Kay and Church Streets in Traralgon would offer a strong connection between the CBD and the facility
2. An option to locate the facility adjacent to the Kernot Hall in Morwell would offer the opportunity of developing a destination experience.

The Latrobe Arts Centre precinct re-development will involve capital investment worth an estimated \$12 million, resulting in estimated direct employment during the construction phase of the project of approximately 75 persons, and a further 120 jobs created indirectly in the wider economy as a result of multiplier effects.

On-site commercial activity is expected to be similar whether the LPACC is sited at Traralgon or Morwell and is estimated to be in the order of \$1.4 million per annum, providing ongoing employment on-site of 15 persons, with further indirect employment created elsewhere in the economy. The development will also improve the range of social and cultural facilities available for the local and regional population, with potential for additional visitation to Latrobe and associated expenditures.

While employment generation in Latrobe is a positive outcome, the most attractive aspect of the Latrobe Arts Centre proposal is its value for money outcome in terms of visitation to this cultural precinct. The analysis presented in this report projects total attendance at the LPACC in the first year of full operations to be approximately 50,000 people. Thus, the funding request for \$4 million from each of Federal and State Governments, matched with \$4 million by Local Government, translates to total funding per attendee of \$32 for each visitor over the first five (5) years of operation. This can also be expressed as an \$11 contribution per attendee by each funding partner in the first five (5) years of operation.



2 Introduction

This report has been commissioned by the Latrobe City Council, and provides an analysis of the proposed development options and a broad assessment of the economic benefits relating to the two options for a proposed Performing Arts and Convention Centre development within Latrobe.

The report considers the merits of the proposed project for Latrobe through the following:

- Assesses the need for a performing arts and convention centre facility
- Considers the form a performing arts and convention centre facility should take
- Assesses the capital investment required for the development of a facility
- Estimates the operational costs of a completed facility
- Estimates the economics benefits of an operational facility.

The report is intended to provide recommendations on which of the two proposed development scenarios will be the most feasible.

The methodology used in undertaking this analysis is described in the following section. A variety of assumptions are required in order to calculate the benefits of the project, and these are explained throughout the report.

It is important to note that this report is intended as a broad assessment of benefits, and has been undertaken with respect to the development scenarios based on the information contained within Sections 7-11 of this report.

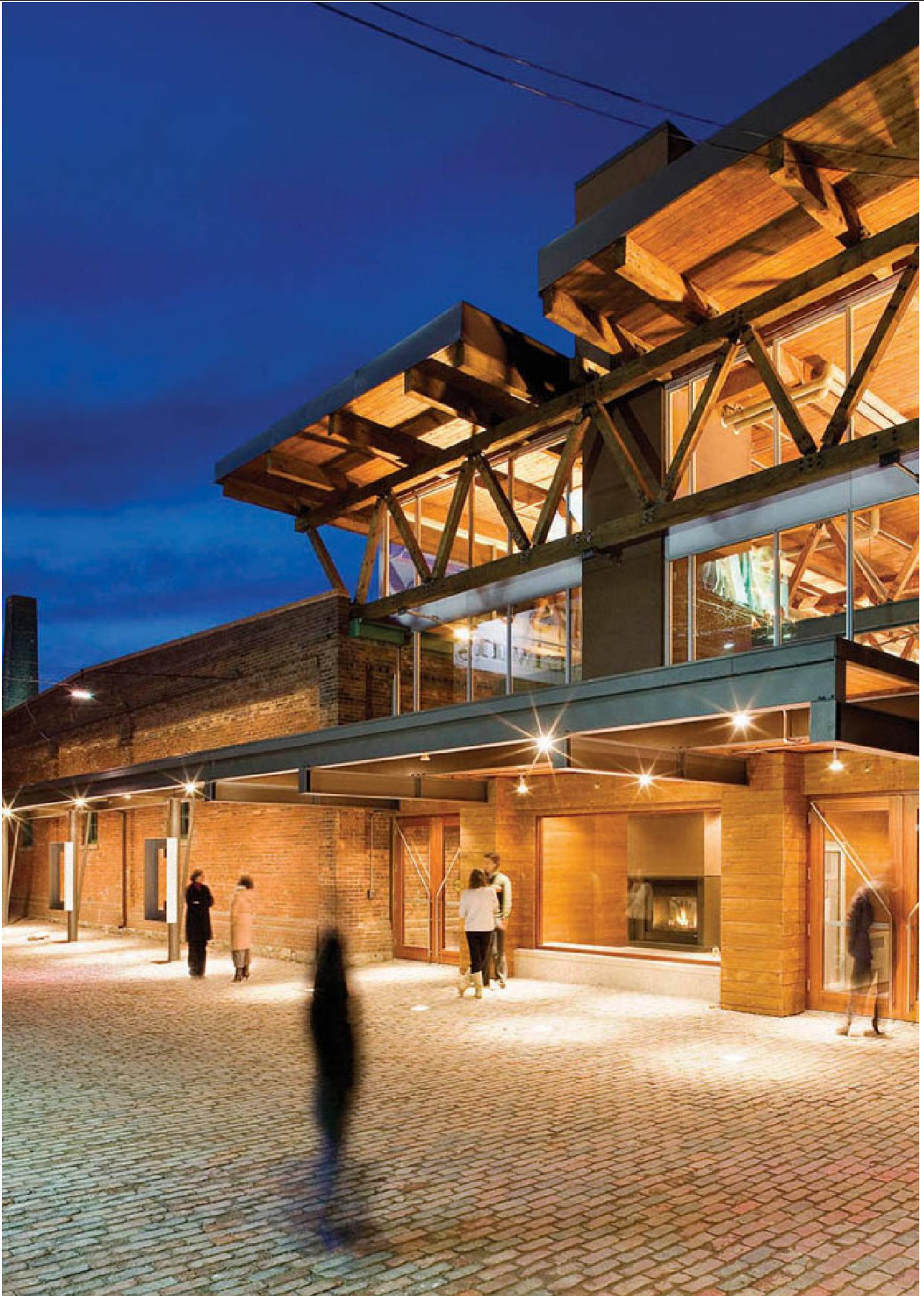
For the purposes of this report, the analysis has been deliberately applied in a manner which represents a relatively conservative and highly achievable estimate of outcomes arising from the project.



3 Methodology

The methodology used to undertake the economic impact and feasibility analysis is detailed below:

- Identify and assess demand and proposed uses for the centre based on consultation, existing usage and availability as well as examples of similar centres.
- Establish a number of development scenarios for the project, based on the proposed uses identified and assessed.
- Determine the size and scale of end uses, in terms of (for example) theatre seat capacity, function centre space, meeting room floor space, etc.
- Prepare estimates of annual turnover for each end use, calculated on a \$ per square metre basis, or in relation to the number of performance events and expected visitation (details of the assumptions are shown in the text of the report).
- Prepare estimates of on-going employment creation including direct and indirect (or flow on) employment.
- Prepare estimates of direct and indirect employment creation during construction based on the identified capital investment.
- Identify other economic benefits expected to be generated by the development
- Compare the overall economic benefits for each of the two development scenarios and provide a recommendation on which would be best to proceed with.



4 Existing Situation

Latrobe City currently has a number of Council owned and operated venues used for conference/convention functions and performing arts events. These venues are generally considered to be inadequate and difficult to use for certain types of events.

Performing Arts

The existing Latrobe Performing Arts Centre in Traralgon is aged and increasingly requires significant maintenance. There are occupational health and safety issues associated with the operation of the existing theatre and the small, concrete theatre stages are inadequate to accommodate the performance demands. As a result, the number of performance experiences (in terms of seats sold) in Latrobe is significantly less than the demand for performance experiences (refer Section 8). In order to address this deficit, a facility which meets performance needs is required in Latrobe.

Conferences/Conventions/Functions

Council venues currently used regularly for events and functions include the following:

- Kernot Hall, Morwell – large flat floor venue with stage, foyer and kitchen
- Latrobe Performing Arts Centre, Traralgon– Town Hall Theatre, Little Theatre
- Moe and Churchill Town Halls

Private/education venues also used include:

- Lowanna College Auditorium & Sports Hall, Newborough – Rake seating about flat stage (500 people)
- Monash University Auditorium, Churchill – multipurpose flat floor auditorium
- Larger Accommodation Facilities
- Licensed Venues
- Sporting and Social Clubs
- Wineries in the surrounding area.

The city also has a number of small scale hotel-run function centres, which are predominantly located near Traralgon. In the last year an established function centre within Traralgon's CBD closed its operations, which has led to an obvious gap in facilities.

The existing provision of facilities for the performing arts and conventions/functions is therefore considered lacking and alternatives are needed to cater for existing and potential demand. This has led to the investigation and development of the Latrobe Performing Arts and Convention Centre feasibility centre and concept design.



5 Background Analysis

CPG have undertaken extensive consultation with interested parties and stakeholders.

5.1 Consultation Analysis

A consultation strategy was used to ensure consultation with a wide variety of stakeholders and community members through a number of drop-in sessions and one-on-one interviews. The rationale for this roll-out has been based on maximising exposure to community and user groups. These groups often feel that the political contacts are made first and that the decision has been made by the time the community has an opportunity to contribute.

Responses to the concept of the development of a new Performing Arts and Convention Centre have been varied but the broad themes are as follows:

Issues with current facilities

- Do not serve community and group needs
- Poorly designed and limited venues
- Prohibitive venue costs

Desires and specifications for the facilities

- Function/conference centre is needed
- Well designed flexible theatre spaces with necessary mechanics
- Good size foyer space
- Multi-purpose rooms
- Storage areas and cooking facilities are needed
- Large flat floor venue
- Acoustics to be considered
- Capacity of at least 500 seats
- Maximisation of use and capacity
- Consideration of different use/management models

Location and viability considerations

- Morwell is an acceptable and central location – create a precinct at Kernot Hall
- Traralgon is possible and has the right feel and the demand for venues – however it may be too close to Sale
- Moe is too close to Warragul to be viable
- Logistics (parking, access) and land constraints to be considered
- Co-location of uses and location of ancillary activities (including food venues) is important
- Should be on a major road and a "visible" site
- Need for a "central" location
- Need for a conference facility to attract people to Latrobe
- Consider networked city and equity considerations
- Groups usually have an off-site space

Management Considerations

- Value for money and affordability for the community
- Function manager is needed
- Investigate further subscription options
- Need to deal with the existing facilities
- Local involvement and use is key
- Operated or unmanned venue concerns
- Cross subsidy is important
- Investigate recurrent costs of centre.

Throughout the consultation process and the project development, a number of potential options have been identified and considered to varying degrees. Options have been considered both in terms of the structure of the facility(ies) and the location of facility(ies). These are discussed in Section 6.

5.2 Existing Uses and Programming

Currently performing arts and convention/function events are undertaken in a range of locations depending on the need and type of event.

Performances are recorded according to their type, as either Latrobe Performing Arts Shows (run by Council); Community Performing Arts (community based performance groups); or Commercial Performances (professional groups). Facilities regularly used for these performances included the Town Hall Theatre and Little Theatre in Traralgon, Tyers Hall; Moe Town Hall; and Kernot Hall in Morwell.

Last year (2008), a total of 56 shows/performances were presented at a venue within the City of Latrobe, comprising a range of small and large acts, amateurs and professionals and multiple show or single show runs. Of the total acts run last year, 52% were Community Performing Arts Shows, including the Latrobe Theatre Company's best of, Remembrance Day Concert, the Latrobe Valley Eisteddfod and other theatre or music performances. These Community Performing Arts Shows were predominantly conducted in the Little Theatre. Latrobe Performing Arts shows accounted for 43% of last year's program and included orchestral performances, the café concert series, morning musicals and movies; approximately half of these were held in the Little Theatre with the other half held in the larger capacity venues. Only five percent of events were strictly commercial operations, these three events were mainly comedians, however they accounted for more than nine percent of all ticket sales.

5.3 Current Market Penetration of Venues

The existing market penetration of the Latrobe PAC-Traralgon and other performance facilities is relatively low, with only 15% of the Latrobe population attending performances. Full details are provided in Section 8 of this report.

5.4 Existing Facilities

The consultation (detailed in 5.1) generally indicated the following regarding existing facilities within Latrobe:

- A lack of space in theatres
- Particular acts/performances cannot be attracted due to infrastructure inadequacies
- The ability to show both large and small events in appropriately sized theatres is appreciated
- There is a lack of convention/function facilities.

Table 5.1 provides details on the existing facilities to understand the current provision for performance or function/convention use within Latrobe. The facilities assessed are the main spaces used within Latrobe and are as follows:

- Traralgon Town Hall Theatre
- Traralgon Little Theatre
- Kernot Hall Foyer, Morwell
- Kernot Hall Main Room, Morwell
- Moe Town Hall
- Lowanna College, Newborough
- Monash University Auditorium, Churchill.

Table 5.1 identifies that none of the existing facilities have an orchestra pit or full fly, and neither do they have adequate wing spaces. (A 'fly' or 'fly tower' is a high space above the stage where pieces of the set are often raised up or flown out of sight when not in use.) Five out of the seven venues have raised stages, with Lowanna College offering a flat floor stage with seating above. The capacities of the existing facilities range from 100 people to 864 people, with an average of 470 seats and Kernot Hall being the largest capacity venue.

The existing Latrobe PAC-Traralgon, while having the best locational characteristics, does not have any kitchen facilities, reducing its ability to cater for certain events and those venues with commercial or domestic kitchens have other challenges for use (such as the aged external appearance of Kernot Hall). Table 5.1 also highlights that the majority of venues do not have flexible spaces with only Kernot Hall Main Room and the Monash auditorium able to be divided to suit specific needs.

Table 5.1 > Existing facility characteristics

	Traralgon Town Hall Theatre	Traralgon Little Theatre	Kernot Hall Foyer*	Kernot Hall Main Room	Moe Town Hall	Lowanna College	Monash Churchill	Churchill Hall	Morwell Drama School (new)
Seats	401	277	100	864	402	500	750	100	300
Elevated Stage	✓	✓	X	✓	✓	X	✓	✓	X
Flat Floor Stage	X	X	X	X	X	✓	X	X	✓
Orchestra Pit	X	X	X	X	X	X	X	X	X
Fly* - part	X	✓	X	X	X	X	X	X	X
Fly* Full	X	X	X	X	X	X	X	X	X
Flexible space	X	X	X	✓	X	X	✓	✓	✓
Wings	Inadequate	Inadequate	X	Inadequate	Inadequate	Inadequate	X	X	Inadequate
Location	Good	Good	Moderate	Moderate	Moderate	Poor	Poor	Good	Good
Domestic Kitchen	✓	X	X	X	X	X	✓	✓	✓
Commercial Kitchen	X	X	✓	✓	✓	✓	X	X	X

✓ Presence X Absence

* A high space above the stage where pieces of the set are often raised up or flown out of sight when not in use.

5.5 Examples of Centres in Victoria

An initial review of other performing arts centres within regional Victoria was made to determine the average auditorium capacity. Centres reviewed are assessed in Victoria based on their size and Victorian Association of Performing Arts Centres (VAPAC) Rating.

VAPAC details benchmarks for centres based on ratings of AA, A and B Theatres. A-rated theatres are suitable for touring major productions with audiences over 500 seats, with AA-rated theatres considered to be best practice facility and A-rated theatre comprising either full or limited fly capacity. B-rated theatres are suitable for touring small to medium productions with audiences over 300 seats with full or limited fly capacity.

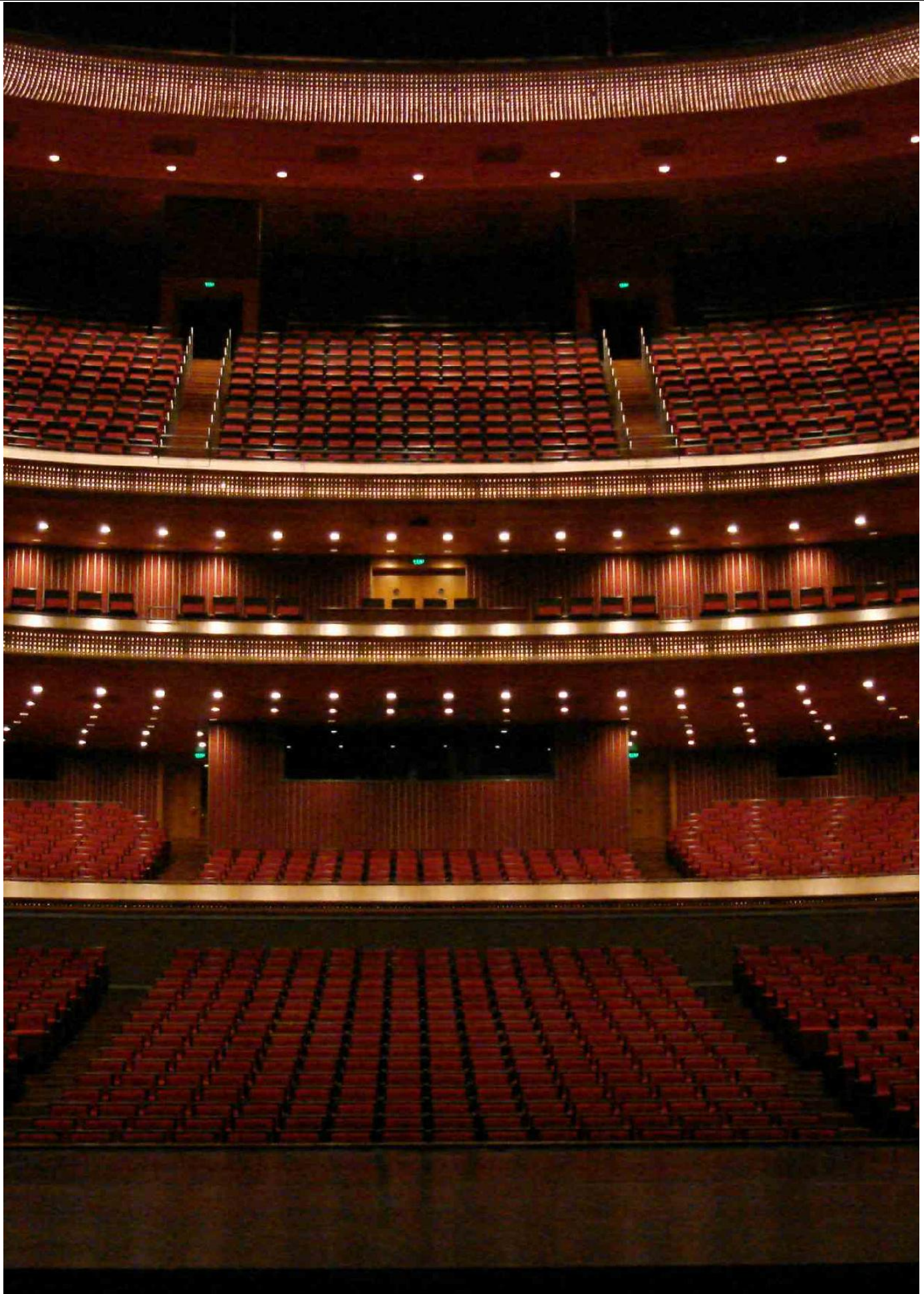
The capacities of theatres within Victoria (ordered largest to smallest) are outlined in Table 5.3.

Table 5.3 > Capacity of Victorian Theatres

Centre	Seats
Warrnambool Entertainment Centre	583
Ararat PAC	550
Dandenong - Drum Theatre	521
Moonee Ponds - Clocktower Centre Theatre	503
Hamilton PAC	500
Plenty Ranges - Yan Yean Theatre	499
Warragul - West Gippsland Arts Centre	492
Bendigo - Capital Theatre	485
Wyndham Cultural Centre	477
Devenport Entertainment and Convention Centre	470
Ringwood-Karralyka Centre	430
Shepparton - Westside PAC	416
Nunawading-Whitehorse Centre	408
Latrobe PAC Town Hall Theatre	401
Kyneton Town Hall	400
Mildura Arts Centre Theatre	396
Sale - Esso BHP	396
Darebin Arts and Entertainments	395
Echuca - Paramount Theatre	393
Colac Otway PAC	344

The two most proximate theatres to Latrobe are the Warragul–West Gippsland Arts Centre with 492 seats to the west and the Sale – Esso BHP Centre with 396 seats to the east.

In 2009, a 501 fixed seat performing arts centre has been developed and opened in Wangaratta as part of a combined convention and performance centre facility. The Wangaratta centre appears to have been successful with lots of interest shown regarding the centre and its facilities, including its popular café.



6 Investigations into a possible Centre

This report examines a number of the issues that have arisen from a potential PACC development in Latrobe, including the ideal structure of the centre and its location. These concerns were raised through consultation with stakeholders, and through analysis and research into existing centres throughout Victoria into the demand for venues and their operation. The following sections detail the important aspects of the structure and analyses nine (9) possible locations for the centre.

6.1 Structure

The issue of including a Convention Centre in the proposed development was raised in many of the consultation sessions in various guises.

Whilst it was almost unanimously agreed that Latrobe needed a large Convention Centre both to cater for local people as well as attract business to town (one person was concerned that Latrobe City's provision of a Convention centre may conflict with developers plans), there was some concern (again, by one group) that the Convention Centre may dominate the project to the detriment of the PAC.

Other issues relating to the structure of the facility(ies) were the need for community spaces that could be hired at nominal costs, and possibly the provision of storage areas for community groups. In particular, dance groups who require uncoated floorboards. This may be challenging to integrate into a Performing Arts/Convention centre but would be likely to bring to the centre/facility additional activity and a heightened sense of ownership by the community over the facility.

At the conclusion of the consultation to date it appears that the overwhelming requirement is for a co-located Performing Arts and Convention Centre which houses some rooms and storage space for community use. The rationale for this conclusion is as follows:

- Provides economies of scale, particularly with regard to staff and opening up/closing multiple facilities
- Synergy from shared use of foyer, bathrooms, break-out rooms/change rooms/rehearsal rooms, AV Equipment etc.
- Stand alone convention centre is likely to attract criticism since it will need to operate as a commercial venue competing with private operators.

Underpinning this rationale were the themes from the consultation which included the perceived high cost of the existing facilities for the current provision (in terms of quality). In part, these costs are so 'high' because of the need to provide staff to open and close facilities, provide technical support across facilities and the need to transport support infrastructure such as lights etc between facilities. The respondents were generally happy to pay existing fees if the quality of what they received was improved.

6.2 Location

Since much of the consultation has been undertaken with groups who are likely to be the key users of the Performing Arts areas of the facility, they were generally less concerned with where the facility should be located and more concerned with getting a new facility.

This issue of location has been considered through the consultation and looking at available land and the nine (9) possibilities considered are outlined (in no particular order) below with a brief rationale for each:

6.2.1 Traralgon – Existing Site and land adjacent to existing site

This location will comprise land fronting Grey Street between Breed and Church Streets. This site is located within the existing Traralgon Civic precinct.

Pros

- The Traralgon community will not feel that they are losing anything
- The community recognises this site as the location for performing arts
- Access to public transport
- Council owned land
- Oriented of the facility toward the Church Street/Kay Street Corner would provide a visual link to the CBD and encourage activation toward the CBD. This would be likely to have positive economic development benefits
- Proximity to accommodation
- The addition of leisure options in the entertainment precinct will introduce a more diverse clientele to the area. This broader visitation base and increased vitality would be likely to contribute positively to feelings of safety in the streets.
- Re-use of this site removes the challenges associated with making arrangements for this land in the event that the proposed facility were located on another site given that it's in the designated 'Civic Precinct'.

Cons

- The Moe community in particular are likely to continue to feel that the facility is too remote to be of significant value to them
- In order to accommodate the development on the Church Street/Kay Street corner, the meeting and training rooms of the existing Civic building will need to be demolished.

6.2.2 Traralgon – Redevelop whole of the Civic block

This option was nominated by a couple of participants with the central idea that the proposed facility work around existing structures. The main rationale centres on the benefits of a purpose built facility:

Pros

- Will provide even greater economies of scale through co-location
- Gives the centre the opportunity of an improved street address
- Will fill out the civic precinct and encourage a real hub of activity by providing a whole site response to facilities provision
- Will promote better connection with the nearby café/restaurant trade.

Cons

- Will be challenging to integrate existing structures to an overall precinct plan that is visually appealing, functional and delivers a strong street address for the facility
- May require demolition/removal of existing buildings/facilities adding to costs
- Would be seen to be removing a good, functional and well regarded facility (existing library).

6.2.3 Traralgon Telstra Exchange

Consideration of this site was undertaken briefly since the site is ideally located within the café/restaurant activity precinct of the CBD, could take advantage of the Court House to provide an historic entrance and abuts a significant parking lot. Despite its attractions, preliminary investigations indicate that the Exchange houses Infrared communications equipment and hence, will not be available for redevelopment in the foreseeable future.

6.2.4 Traralgon Station Re-development

Part of the available space at the Traralgon Station has been ear-marked for use as an Arts/Community function. The idea of locating the Performing Arts and Convention Centre at the Station has been mooted however the location of the station on the south side of the tracks presents a barrier to building visitation activity and hence at this stage, this location is not considered to be suitable.

6.2.5 Morwell – Kernot Hall

Kernot Hall was a very popular option with many consultation participants, especially those from Moe who felt that Morwell was a much more preferable option for a community facility than Traralgon. The ease of access to Kernot Hall given its position on the Highway was also seen as extremely advantageous and was acknowledged by many Traralgon respondents as highly accessible.

Much of the discussion around siting the proposed facility at Kernot Hall involved redeveloping the existing building into a Convention Centre with flexible spaces and co-locating a purpose built Performing Arts Centre.

The potential for the re-development of Kernot Hall 'grew' through the consultation process, as stakeholders and user groups supported the idea of a geographically central and accessible location, which would also satisfy Moe residents and organisations who would consider a Traralgon facility to be too remote.

Pros

- Central to the municipality
- Ease of access to the highway
- Available Council owned land
- Aesthetically attractive outlook with potential to maximise benefit from natural surrounding
- Builds on existing facility
- Has the potential to augment the offer further to include an Immigration museum thus creating a destination which will bring a vibrancy that is currently lacking
- Potential to establish an iconic building on this high profile site.

Cons

- The major negative associated with Kernot Hall is that it is an old building requiring significant refurbishment
- Locating the performing Arts Centre at Morwell will be perceived by those in Traralgon as a 'loss' for them
- Limited public transport and pedestrian access.

6.2.6 Morwell – Power Works

Consideration of this site was raised by Power Works to integrate their power industry interactive museum with a convention/performing arts centre. Power Works indicated they are currently undertaking significant strategic work to determine the most appropriate business model for the future. The Power Works site on the outskirts of Morwell was deemed unsuitable due to a lack of surrounding infrastructure and Power Works acknowledge that the opportunity to locate a performing arts and convention centre at the Ridge is probably no longer relevant.

6.2.7 Moe

Most of the community consultation in which Moe was discussed made reference to the inadequacies of the Moe Town Hall but had regard for the fact that Moe's proximity to Warragul meant that Moe was not a preferred location for the performing arts centre. Community representatives from Moe indicated that Morwell would be a preferred location for the proposed Performing Arts and Convention Centre since travel time will be much quicker for them than having to travel into Traralgon.

6.2.8 Churchill

The new Monash facility at Churchill has attracted much attention and many booking requests to Monash suggest that users are prepared to travel to Churchill to obtain quality performance and convention/function centre facilities.

While the facilities at Monash are indeed aesthetically pleasing and have enormous versatility in terms of the structure the room/s can take with flexible partitioning, the facility was not designed for the range of functions/performance potential users are seeking and, since the management of the facility is ancillary to Monash's *raison d'être*, they do not wish to make the modifications that would be required to modify the facility for these purposes. Among the 'deficiencies' from a Performing Arts and Convention Centre perspective (which the facility was never intended to accommodate) are:

- Difficult for public to access
- Limited foyer (not designed to accommodate many people mingling)
- Simple domestic kitchen attached, hence limiting catering provision
- Temporary stage with a lot of bounce making it less than ideal for dance performances
- No wings, no greenroom, no fly or orchestra pit, no dance floor (unless a temporary one is brought in).

6.2.9 Newborough

The Auditorium at Lowanna College, which was partly funded by a Council contribution, is gaining in popularity as a performance venue by community theatre groups, dance groups and schools as they become increasingly aware of what this facility has to offer.

The auditorium seats approximately 550 in fixed tiered seating and the very generous stage is at floor level which adds to the audiences' ability to see all performers at all times. The location of the stage at floor level also aids in the multi-use of the stage as a rehearsal and dance studio. The music classrooms behind the stage double as rehearsal and additional dressing rooms (there is one large dedicated dressing room) and the toilet facilities are those of the music school.

The auditorium was really a 'bonus' that Lowanna College achieved through clever planning and fortuitous circumstances and it has limitations with regard to the infrastructure it offers for performing arts including the lack of an orchestra pit, fly and adequate wings.

Whilst upgrading the Lowanna College auditorium could be considered as an option to deliver a PAC, it would be highly problematic for a number of reasons including:

- Difficult for public to access due to the school's location in a residential district, the proximity of the auditorium within the college (auditorium does not have street address) and the fact that the auditorium is heavily booked both as a classroom and for use by Primary Schools.
- Limited catering provision (through the hospitality centre)
- The redevelopment would need to include the provision of wings, a greenroom, fly and orchestra pit; the most challenging of these to backward-integrate into the facility would be the orchestra pit.



7 Options Requiring Further Consideration

The assessment of alternatives is presented in Section 6. Based on this assessment, it has been determined there is a greater likelihood for benefit to arise from locating the facility in either Morwell or Traralgon given their existing levels of infrastructure and resident base as well as their locational advantages.

As such, the Traralgon Civic Centre site and the Morwell Kernot Hall site options are worthy of further consideration for development.

The two proposed options considered in this assessment are as follows:

Option 1 – Traralgon

Redevelopment of the eastern part of the civic site for the PACC, this would require reconfiguration of the library. The new Performing Arts and Convention Centre will include a café, function/conference facilities and A2-rated theatre.

Option 2 – Morwell

Redevelopment of the site to develop a PACC in front of the lake, in conjunction with the renovation of Kernot Hall. The new Performing Arts and Convention Centre will include a café, function/conference facilities (using Kernot Hall) and A2-rated theatre.

The two proposed options have been developed using similar floor space and capacity features and are based on the recent development of the Wangaratta Performing Arts Centre to provide consistency and reference to known development costs. By using similar space provisions, a more comparable financial and economic impact assessment can be undertaken with fewer variables impacting the results. Both options will comprise a 500 seat A2-rated theatre, management offices, backstage areas, green room, conference room, café and large function room. While the uses are similar for both options the layout, location and function room will be different due to the particular characteristics of each site.

Consultation with community members and stakeholders indicated that the current "Little Theatre" was a valued performance space due to its intimacy and smaller capacity. While the two options do not propose to include both a large and a small theatre, the auditorium has been designed with multiple levels of seating, balcony and stalls. The multiple seating levels enable the balcony area to be closed off and darkened, creating the appearance and feel of a smaller theatre with approximately 300 seats and catering to the needs of the smaller and more intimate productions.

In order to both reduce fit out costs and maintain connections with the existing valued facility, it is proposed that any new facility incorporate the seating from the little theatre and lighting/sound equipment from the existing PAC. This re-use is likely to be beneficial both financially and in terms of community ownership of the proposed centre by re-using equipment from a valued facility.

In order to facilitate the success of the LPACC whichever site is selected, development of the option will need to be viewed within the overall provision of hall and performance facilities within the municipality, with a view to ensuring Council will not be in the position of managing and funding both the new and current PAC facilities.

An evaluation of the Traralgon and Morwell options for the LPACC is detailed in the following chapters.

7.1 Option 1 – Traralgon

The Traralgon option will comprise the redevelopment of the eastern half of the Civic Centre precinct site with the removal of the meeting and training rooms from the existing Library and Service Centre building and the development of a two-storey Performing Arts and Convention Centre.

The Performing Arts and Convention Centre will incorporate the following spaces:

- A2-rated theatre (500 seat capacity)
- Function Room (approximately 350 seats¹)
- Foyer area (accommodate 100 people²)
- Conference Room (60 person capacity)
- Green Room (30 person capacity)
- Re-heat Kitchen for function centre
- Café with outdoor eating area (40 person capacity)
- Amenities
- Dressing and back stage areas, including storage and loading spaces
- Management offices

The proposed PACC will be orientated towards the corner of Kay and Church streets to capitalise on connections (physical and visual) with the central activities area and the surrounding civic facilities. The proposed development will be double-storey in line with the surrounding buildings in the street.

The development of the LPACC at the Traralgon site would involve the demolition and reconfiguration of part of the existing civic centre offices (including retention of the existing amenities), retention of the existing PAC during construction and retention of the existing Maternal and Child Health Centre. The changes to the service centre/library building are required to facilitate the advantageous siting of the PACC and a more intensive built form presence to the precincts key Kay/Church street corner. Once construction of the new centre was complete, the current PAC site would be used for car parking.

The PACC would be accessed along the Church Street frontage via a foyer area. The foyer in turn

would provide access into the theatre and function areas, with the large function room located to the rear of the building fronting Church Street.

The north western corner of the building, to the rear of the theatre would comprise the function centre re-heat kitchen, all back stage areas and the multi-purpose green room which could be used as a small meeting space. A loading bay area would also be located in this north western corner with access via a driveway and small parking area from Grey Street.

The Kay Street frontage of the proposed building would comprise a café (with kitchen and outdoor area), large meeting/conference room and management offices. The mix of uses proposed will help to activate the Kay Street frontage and encourage greater connection between the library and the PACC than is currently achieved at the Civic precinct. The café would be expected to have significant use by the local community as well as visitors to the centre and precinct, due to its location on the edge of the Traralgon CBD and positive outlook.

The proposed plan currently provides for a re-heat kitchen for the function centre only, however we consider that the commercial viability of the Traralgon Centre will require a full commercial kitchen. As such the additional fit out costs to provide a commercial kitchen will need to be considered.

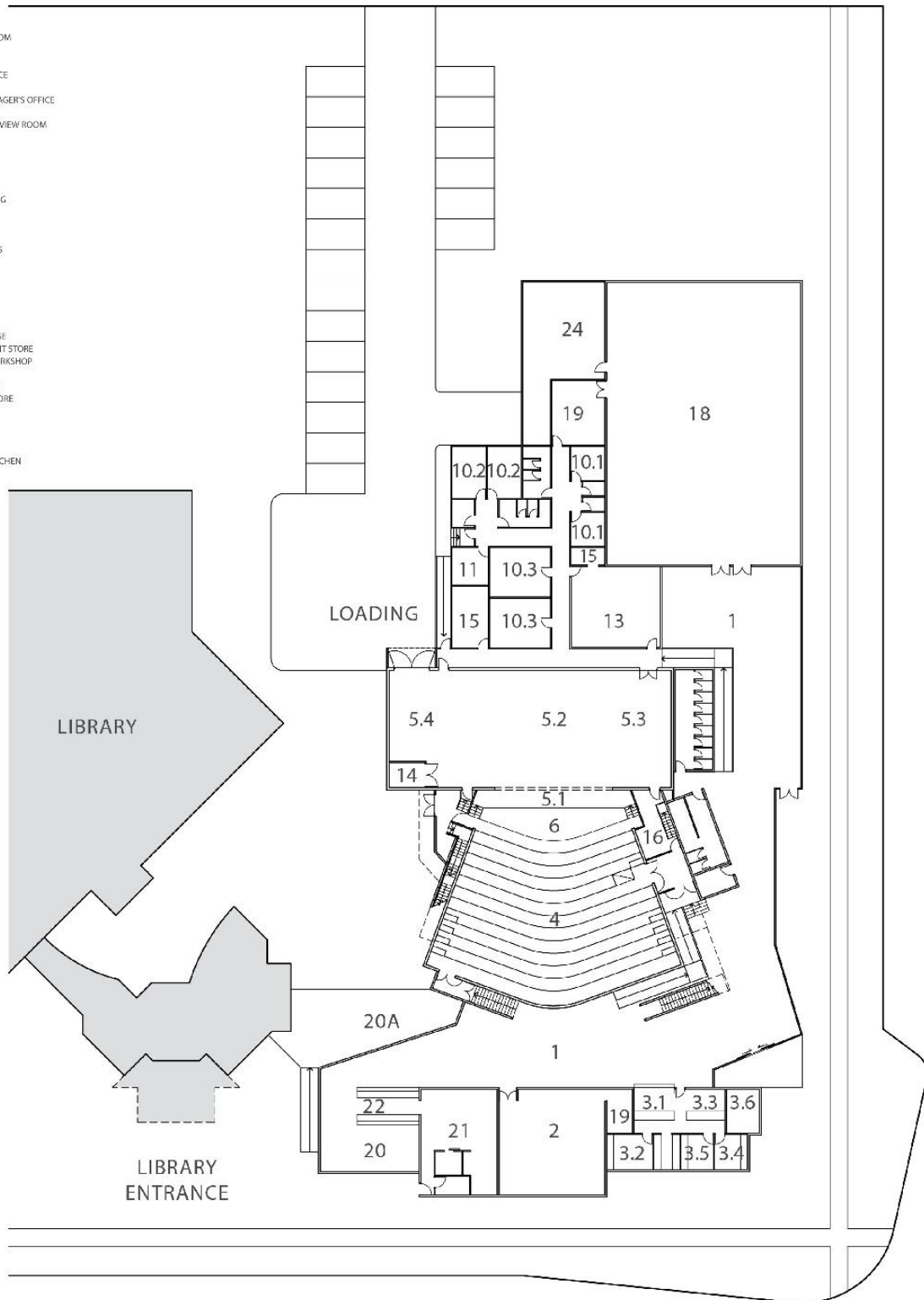
Full details are provided in the plans for the centre (overleaf).

¹ Capacity estimates are to accommodate 300 people seated at round tables banquet style or 408 at rectangular tables conference style

² The estimate of 100 people in the Foyer refers to the use of the foyer for a stand-alone function. Foyer to accommodate 400 theatre visitors.



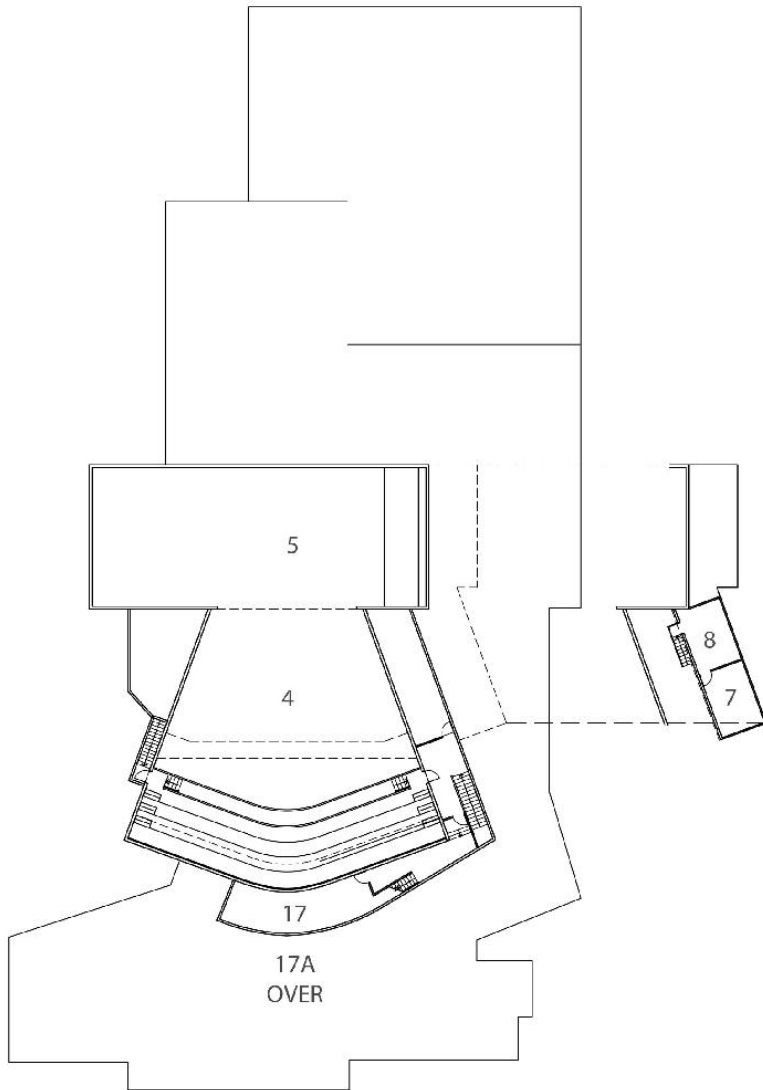
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- 3.3 ADMIN OFFICE
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- 3.5 STAFF ROOM
- 3.6 SPONSOR / INTERVIEW ROOM
- 4 AUDITORIUM
- 5 STAGE
- 5.1 PROSCENIUM
- 5.2 ACTING AREA
- 5.3 PROMPT WING
- 5.4 OFF PROMPT WING
- 6 ORCHESTRA PIT
- 7 TOURING OFFICE
- 8 CREW ROOM
- 10 DRESSING ROOMS
- 10.1 2 PERSON
- 10.2 4 PERSON
- 10.3 CHORUS
- 11 WARDROBE
- 13 GREEN ROOM
- 14 PIANO STORE
- 15 GENERAL STORAGE
- 16 PROPS EQUIPMENT STORE
- 17 TECHNICIANS WORKSHOP
- 17A CONTROL ROOM
- 18 FUNCTION ROOM
- 19 CHAIR / TABLE STORE
- 20 CAFE
- 20A CAFE TERRACE
- 21 CAFE KITCHEN
- 22 BAR
- 23 COMMERCIAL KITCHEN
- 24 RE-HEAT KITCHEN



FLOOR PLAN
TRARALGON



- 1 FOYER
- 2 CONFERENCE ROOM
- 3 OFFICES
- 3.1 BOX OFFICE
- 3.2 MANAGER'S OFFICE
- 3.3 ADMIN OFFICE
- 3.4 TECHNICAL MANAGER'S OFFICE
- 3.5 STAFF ROOM
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UPPER FLOOR PLAN
TRARALGON



7.2 Option 2 – Morwell

The Morwell option would include the redevelopment of the Kernot Hall site with a reconfigured Kernot Hall as it forms part of the construction of a new performing arts and convention centre building in front the ornamental lake.

The Performing Arts and Convention Centre would incorporate the following spaces:

- A2-rated theatre (500 seat capacity)
- Function Room in the reconfigured Kernot Hall (approximately 600 seats)
- Large foyer area (can accommodate 225 people)
- Conference Room (60 person capacity)
- Green Room (30 person capacity)
- Commercial Kitchen for function centre
- Café with outdoor eating area (40 person capacity)
- Amenities
- Dressing and back stage areas, including storage and loading spaces
- Management offices.

The development of the LPACC at the at the Morwell site would involve the construction of the PACC adjoining the northern façade of Kernot Hall, allowing the retention of the existing hall spaces and providing a combined function and theatre facility. The proposed centre would be oriented to capitalise on the high amenity aspect and location by providing frontage to the ornamental lake area.

The proposed design would combine both new and existing built form elements and retain a similar scale to that of the surrounding buildings through the construction of a double-storey building attached to Kernot Hall. A large shared use foyer would connect the existing hall with the proposed theatre spaces, providing flexibility to the facility.

This option would retain the existing Kernot Hall and alter it to create a more functional convention facility, with appropriate connections with the rest of the facility. The capital costs of this redevelopment (outlined in Section 10) allows only for minimal refurbishment of the existing facility: this will include new commercial kitchen and foyer area.

Similarly to Option 1, development of the PACC at Morwell would include a green room and conference room, which would be available for use as break out rooms in connection with both the theatre and convention functions of the centre. The proposed café would be located in the north western corner of the building providing it with a positive outlook on to the ornamental lake and parkland areas and helping to activate the space. The café is anticipated to mostly cater for theatre goers with less general visitation, at least in the early years, due to its out of centre location.

Option 2 locates all backstage, dressing, amenity and loading areas to the rear of the stage in the north eastern corner, reducing their impact on the functionality of the shared spaces and the amenity of the parkland area. Car parking for the facility will be retained in its current location to the east of the hall. Full details are provided in the plans overleaf.



- front of house
- foyer
- auditorium
- backstage
- functions

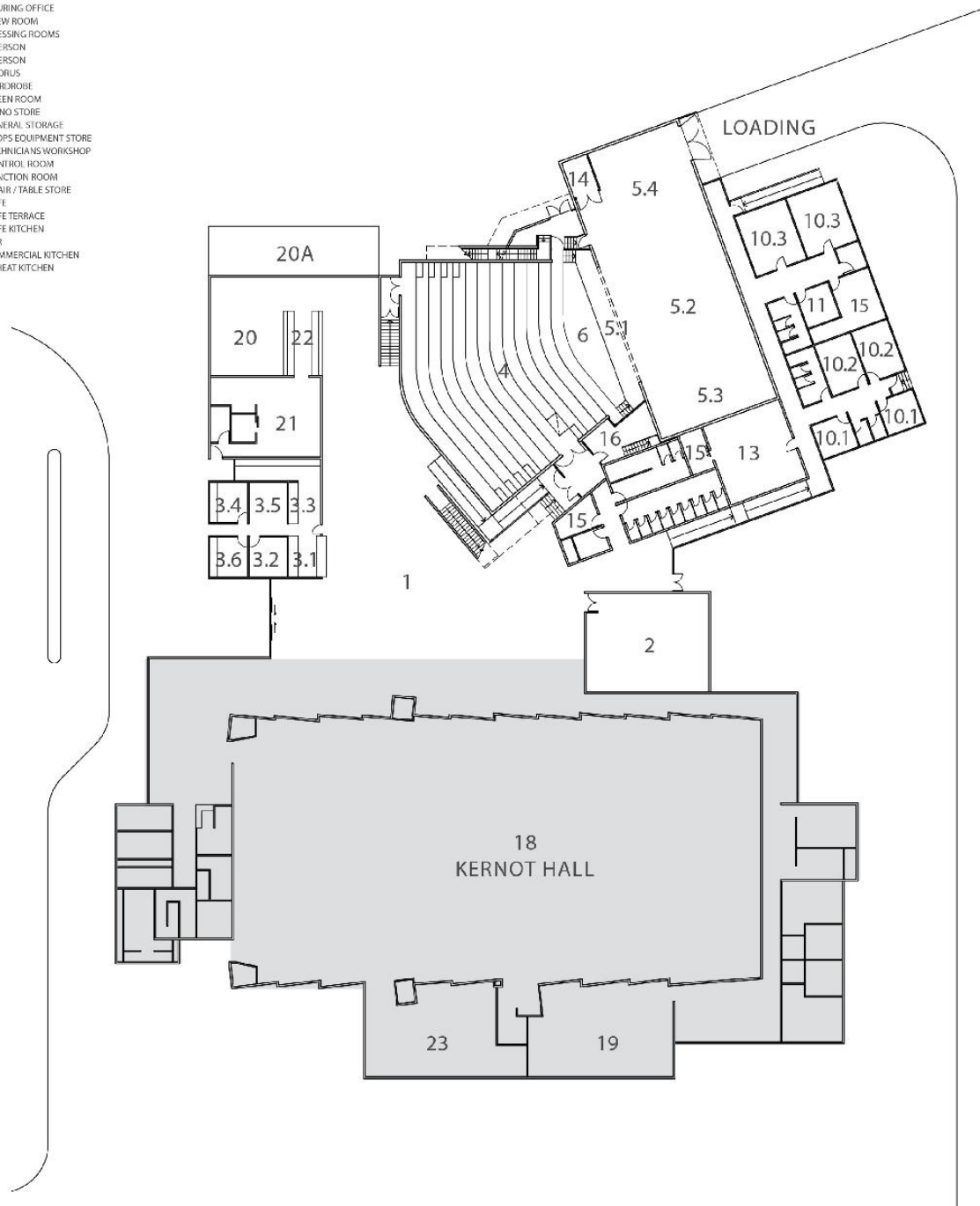
- pedestrian access
- loading bay



SITE PLAN
MORWELL

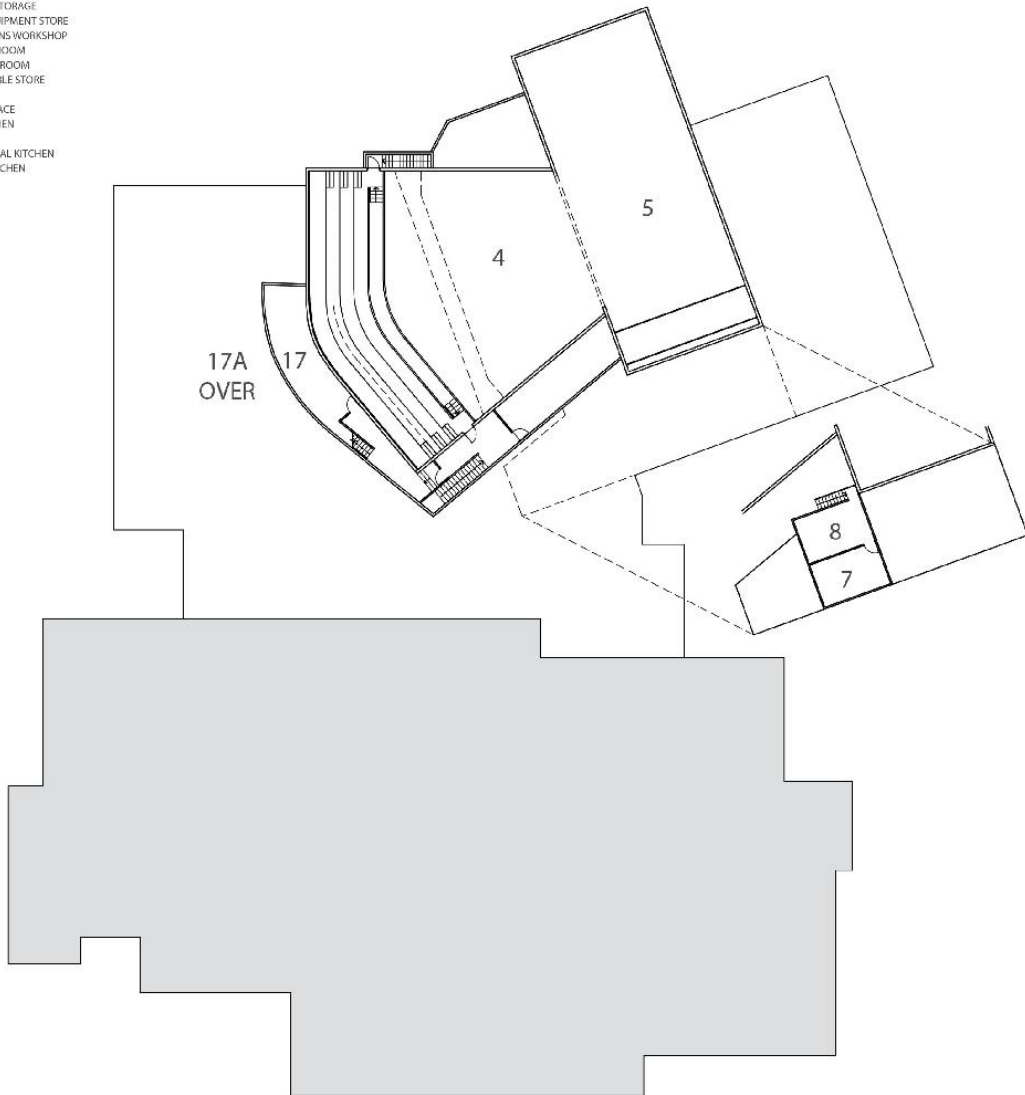
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- 1 FOYER
- 2 CONFERENCE ROOM
- 3 OFFICES
- 3.1 BOX OFFICE
- 3.2 MANAGER'S OFFICE
- 3.3 ADMIN OFFICE
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FLOOR PLAN
MORWELL
harmer
architecture

- 1 Foyer
- 2 CONFERENCE ROOM
- 3 OFFICES
- 3.1 BOX OFFICE
- 3.2 MANAGER'S OFFICE
- 3.3 ADMIN OFFICE
- 3.4 TECHNICAL MANAGER'S OFFICE
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UPPER FLOOR PLAN
MORWELL
harmen
architecture



8 Development Scenarios

As detailed in the previous section, two options for the Latrobe Performing Arts and Convention Centre have been identified and these will be assessed in relation to their financial and economic impact and feasibility in the following chapters.

The two options are as follows:

Option 1 – Traralgon

Option 2 – Morwell

The common assumptions and data sets that relate to each of the assessments are detailed below.

8.1 Origin of Theatre Attendees Assumptions

The residential location of people who attend performing arts events/shows at LPAC are currently recorded to understand where people come from to see particular shows (see Table 8.1). This data indicates that, on average, 81% of people who attend shows within Latrobe also reside in the city. The figures also indicated that there are higher numbers of performing arts attendees from Traralgon (49%) than from either Morwell (16%) or Moe (16%). This is most likely due to the location of the existing theatres within Traralgon; and Traralgon's larger population than other centres.

Table 8.1 below details the characteristics of theatre users by their location and the types of shows they visit.

Table 8.1 > Geographical Distribution of Theatre attendees by show type

	Traralgon	Morwell	Moe	Sub-total	
Latrobe Performing Arts Shows	47%	19%	21%	86%	
Community Performing Arts	56%	14%	9%	79%	
Commercial Performances	45%	16%	17%	79%	
Average	49%	16%	16%	81%	
Ticket Sales	Traralgon	Morwell	Moe	Sub-total	Latrobe City
Ticket Sales by Postcode	5,556	1,844	1,687	9,087	
Population (of postcode)	25,455	16,567	20,286	62,308	69,329
Pop as % of Total Latrobe City	37%	24%	29%	90%	
Penetration	22%	11%	8%	15%	
Shows	No.	Tickets	Average		
Latrobe Performing Arts Shows	24	5,224	218		
Community Performing Arts	29	4,810	166		
Commercial Performances	3	1,030	343		
Total	56	11,064	198		

Source: LPAC Ticket Sales, Australian Bureau of Statistics (ABS) 2006 Census

8.2 Attendance Demand Assumptions

A variety of assumptions have been adopted in order to assess turnover for the theatre component of each option. These assumptions are described in the following section.

Theatre attendance and Demand

Assumptions relating to Theatre demand are shown in Table 8.2 and 8.3. Attendance demand has been estimated on the basis of Australian Bureau of Statistics (ABS) average propensity to consume performing arts experiences for Regional Victoria. Table 8.2 shows that of those living in Regional Victoria, 7.4% have attended a classical music concert in the year prior to being surveyed. Of these people, 40.3% had attended just one classical music concert, 19.5% two classical music concerts etc with an overall average frequency of 2.278 classical music concerts for each of the 7.4% of people in Regional Victoria who had attended a classical music performance.

Table 8.2 > Attendance Rates and Frequency at Cultural Performance Events

Attendance Rate Victoria						
Performance Type	Regional Victoria	Once	Twice	3 times	4 times or more	Average frequency
Classical music concerts	7.4%	40.3%	19.5%	12.3%	27.9%	2.278
Popular music concerts	24.2%	35.5%	21.9%	13.7%	28.8%	2.356
Theatre performances	15.5%	46.0%	26.1%	10.5%	17.4%	1.993
Dance performances	10%	54.2%	25.4%	4.8%	15.7%	1.822
Musicals and operas	12.9%	55.9%	23.2%	10.6%	10.4%	1.757
Other performing arts	15.6%	64.9%	21.9%	5.2%	8.0%	1.563
Average for Latrobe	14.3%					1.962

Source: ABS Cat 4114.0 Attendance at Selected Cultural Venues and Events 2005-06 (Victoria)

The average propensity to attend performing arts for regional Victoria has been applied to the Estimated Resident Population (ERP) of Latrobe (2007) to estimate the total demand for performing arts 'seats' in Latrobe.

Applying the propensity to consume performing arts experiences only (not taking into account average frequency which would increase the assessed demand), the population of Latrobe 'should' require approximately 60,000 performing arts seats annually to be in line with regional Victorians generally. If half of these performing arts experiences were consumed at the LPACC, then the LPACC would need to be delivering around 30,000 performing arts seats annually (refer Table 8.3).

Table 8.3 > Expected Demand for Performing Arts 'Seats' applying Regional Victorian averages

Latrobe City	Estimated Resident Population 2007	Classical music concerts	Popular music concerts	Theatre performances	Dance performances	Musicals and operas	Other performing arts	Total Performing Arts Attendances	Est No. of Performing Arts Attend. at LPACC
Moe	18,868	1,396	4,566	2,925	1,887	2,434	2,943	16,151	8,076
Morwell	22,550	1,669	5,457	3,495	2,255	2,909	3,518	19,303	9,651
Traralgon	28,833	2,134	6,978	4,469	2,883	3,719	4,498	24,681	12,341
Balance	2,654	196	642	411	265	342	414	2,272	1,136
Total	70,251	5,199	17,001	10,889	7,025	9,062	10,959	60,135	30,067

Source: ABS Cat No. 3235.0 Population by Age and Sex, Regions of Australia; CPG Australia

Given the LPAC is currently only delivering around 11,000 'performing arts seats' annually (refer Table 8.1) and the need to build a culture of attending performing arts in Latrobe, theatre attendance demand in Latrobe has been estimated in Table 8.4 starting from a relatively low base of 15%¹ of the population of Latrobe attending performing arts experiences at the LPACC in the first year of operation (2011). The propensity to attend performing arts experiences can be applied to Latrobe population forecast 2010/2011 (as the year of estimated completion of the facility). Using this assessment, almost 11,000 people would be expected to attend the LPAC in 2011 and with an estimated frequency of 1.962, the estimated number of audience seats would be 21,500 in 2011 and 22,800 audience seats in 2026 (Table 8.4).

Table 8.4 > Assumptions Relating to Theatre Attendance Demand

Latrobe Population	% of Pop'n	Approx. Pop'n	Population attending	Avg. Frequency	Total
73,192 @ 2011	15%	73,192	10,979	1.962	21,540
73,485 @ 2012	20%	73,485	14,697	1.962	28,835
73,779 @ 2013	25%	73,779	18,445	1.962	36,188
74,074 @ 2014	30%	74,074	22,222	1.962	43,600
74,370 @ 2015	35%	74,370	26,030	1.962	51,070
74,668 @ 2016	40%	74,668	29,867	1.962	58,599
74,966 @ 2017	45%	74,966	33,735	1.962	66,188
75,266 @ 2018	50%	75,266	37,633	1.962	73,836
75,567 @ 2019	55%	75,567	41,562	1.962	81,545
75,869 @ 2020	60%	75,869	45,522	1.962	89,314
76,173 @ 2021	65%	76,173	49,512	1.962	97,143

Source: Future Population Estimates from DPCD Victoria In Future 2008

¹The percentage of the Latrobe population attending a performing arts experiences at the LPAC in 2008 was 15% (this does not take into account repeat visitation)

Further analysis identifies the number of shows required over time (Table 8.5), based on the assumption that show demand will be split between shows using the full theatre capacity (500 seat) and shows only expecting to require the stalls/auditorium (345 seats). This would see the LPACC deliver 87 shows in the first year of operation (1.7 per week) which is 55% more than the shows at LPAC venues in 2008.

Table 8.5 > Expected seats and shows

		Expected Ticket Sales	Expected shows *	Number of Shows
Year 1	500 seat theatre	7,994	9,405	19
2011	345 seat section	13,546	20,525	68
Year 2	500 seat theatre	10,701	12,590	25
2012	345 seat section	18,134	27,476	92
Year 3	500 seat theatre	13,430	15,800	32
2013	345 seat section	22,758	34,482	115
Year 4	500 seat theatre	16,180	19,036	38
2014	345 seat section	27,419	41,544	138
Year 5	500 seat theatre	18,953	22,297	45
2015	345 seat section	32,117	48,662	162
Year 6	500 seat theatre	21,747	25,585	51
2016	345 seat section	36,852	55,837	186
Year 7	500 seat theatre	24,563	28,898	58
2017	345 seat section	41,625	63,068	210
Year 8	500 seat theatre	27,402	32,237	64
2018	345 seat section	46,435	70,355	235
Year 9	500 seat theatre	30,262	35,603	71
2019	345 seat section	51,282	77,700	259
Year 10	500 seat theatre	33,145	38,995	78
2020	345 seat section	56,168	85,103	284

Source: CPG Australia

*Note: 85% occupancy at full theatre and
57% at Stalls only to deliver ticket sales

To determine the number of shows at full capacity, and at stalls capacity, the following assumptions were used:

- The number of shows in the 2008/09 program requiring a capacity in excess of 345 seats represented 37% of total seats sold
- 37% of overall seats was used to determine the demand for seats in the full capacity theatre, with the number of stall theatre seats equating to the balance of overall demand
- The expected ticket sales for each theatre were than determined to be at 85% capacity and 57% capacity for the full theatre and stalls respectively, based on 2008 attendance capacity rates.

From the assumptions on theatre attendance made above, the following analysis regarding attendance at the new facility can be made:

- The majority of attendees will reside within the municipality
- Most attendees currently reside in Traralgon
- The location of the venue may impact on attendance rates
- Audience demand will be 21,000 seats in 2011 and 22,800 in 2026 at current attendance rate of 15%
- Average attendance to cultural performance events in Latrobe is expected to be 14.3% with an average frequency per attendee of 1.962
- Regional Victorian attendance rates indicated popular music, performing arts and theatre performances are the most attended cultural performance events;
- An assumption has been made that theatre attendance as a percentage of the Latrobe population will increase by 5 percentage points per annum, equating to a rise in attendance from 15% in 2011 to 65% in 2021 and therefore an increase in seat demand from 21,500 seats to 97,000 seats
- During Year 1 (2011) a total of 19 full capacity shows (500 seats) will be required and a total of 68 stall based shows (300 seats), this equates to 1.7 shows a week;
- By Year 5 (2015) the total number of shows will increase to 45 full capacity shows and 162 stall capacity shows, this equates to 4 shows per week
- By Year 10 (2020) it is estimated that 7 shows per week will be required which would see the facility operating at full-capacity.

Note: The theatre will have capacity to deliver more than one show per day.



9 Development Scenario 1 – Traralgon

The development of the LPACC at the Traralgon site would see the facility located in the eastern half of the Traralgon Civic Centre Precinct. The Traralgon option will comprise the redevelopment of the eastern half of the Civic Centre precinct site with an altered service centre/library building and the development of a double-storey Performing Arts and Convention Centre.

Table 9.1 provides details regarding the development scenario adopted as the basis for the benefits assessment.

Table 9.1 > Schedule of proposed uses

Proposed Use	Capacity/ Description
Function Area:	Total 440 people*
Function Room	Capacity of 350 people (Ability to divide into separate rooms)
Green Room	30 around tables
Conference room/lounge	60 around tables
Performing Arts Area	500 people
Auditorium seating	Capacity 500 people with raked seating over two levels
Entry Area	100 people
Combined foyer	Venue space to be shared with a capacity of 100 Can be used as a gallery space
Total	1,040 people

Source: Harmer Architecture

Note: There will be the potential to use a marquee extension to the function room if the LPACC is built in Traralgon however this capacity has not been included since the marquee has not been factored into the cost equation.

The development scenario is based on the proposed end uses identified in the previous sections. Table 9.1 identifies that there will be a total capacity within the building of approximately 1,000 people.

9.1 Commercial Activity and Visitation

This section provides an assessment of the commercial activity generated by commercial uses on the Traralgon site.

The assessment of the value of commercial activity is based on estimates of total business turnover achieved through the commercial activities on the site. Some aspects of the development are not included in the assessment, such as the non-commercial activities including the proposed back stage areas, and administration facilities. This approach provides a simple estimate of total business turnover, as an indication of the economic value of commercial activities undertaken on the site.

9.1.1 Assumptions

A variety of assumptions specific to each option have been adopted in order to assess turnover for each use accommodated by the project. These assumptions are described in the following sections.

Estimates of business turnover are calculated on the basis of estimated revenue generated from theatre productions visiting conferences and functions and retail activity, including catering.

As there are a variety of common assumptions that relate to the Theatre component of each assessment, these have been detailed in Section 8.

Show Demand

Show demand for both of the proposed facilities was detailed in the previous section. Show demand has been determined by applying the regional Victorian attendance demand by types of show, to the estimated attendance at performing arts events for Latrobe in the future. This assessment indicates the total number of seats required on an annual basis, and therefore the total number of shows required to meet the assessed seat demand.

The following demand was identified:

- During Year 1 (2011) a total of 19 full capacity shows (500 seats) will be required and a total of 68 stall based shows (300 seats), this equates to 1.7 shows a week
- By Year 5 (2015) the total number of shows will increase to 45 full capacity shows and 162 stall capacity shows, this equates to 4 shows per week.

The following assessment has been based on the practical assumption of meeting demand through the use of full and reduced capacity shows. This assumption is determined to be most appropriate for Latrobe given its current show demand and programming which includes both small and large spaces for a range of performances.

Centre Revenue

Centre revenues for the Traralgon option have been estimated based on the anticipated revenues of the performing arts, function, and café components.

Performing arts component revenues have been estimated based on the number of performances, performance capacities and an average ticket price for commercial performances. Community performance revenue has been determined based on an average hire cost (determined from looking at similar sized venues in the region and existing hire rates for theatres) and the number of performances. It has been assumed that two thirds of the total larger shows (19) and of the smaller shows (68) demanded will be commercial touring performances and one third will be community use.

Function centre revenues have been estimated based on the number of events anticipated for each room and the average hire cost per day. Hire costs have been determined based on the size of room and existing costs in the area.

In the case of the Traralgon option the following demand is anticipated for each room:

- Function Room: one dance event per week and five large functions per annum; two thirds of these will be commercial events. Hire costs are based on existing rates in the region.
- Green Room: two commercial and three community events per week; hire cost for community use will be approximately 50% of the commercial price.
- Conference Room: one commercial and two community events per week; hire cost for community will be approximately 50% of the commercial price.
- Foyer/Lounge: three events per month; two thirds of these will be community events; hire costs for community use will be approximately 60% of the commercial price.

Table 9.2 details the expected use of the Theatre and Function Centre spaces that will be available for hire.

Table 9.2 > Estimated Centre Revenues

Space	Per month	Annualised
Main Theatre - 500 seats (full capacity)		
Touring Performances	1.0	12.54
Attendance @ 85%* with 500 seat capacity	444	5,329
Average ticket price	\$21.00	\$111,904
Community Use	0.5	6.27
Attendance @ 85%* with 500 seat capacity	222	2664
Average hire cost	\$575	\$3,605
Revenue	\$9,900	\$115,509
Stalls Only - 300 seats (60% capacity)		
Touring Performances	3.8	45.61
Attendance @ 66%* with 300 seat capacity	753	9,030
Average ticket price	\$18.00	\$162,541
Community Use	1.9	22.80
Attendance @ 66%* with 200 seat capacity	376	4515
Average hire cost	\$235	\$5,359
Revenue	\$13,780	\$167,900
Function Room - 350 seats		
Commercial - Number of times hired	3.1	37.62
Average hire cost \$680	\$2,132	\$25,582
Community - Number of times hired	1.6	18.81
Average hire cost \$145	\$227	\$2,727
Revenue	\$2,359	\$28,309
Green room - 30 people		
Commercial - Number of times hired	8.7	104
Average hire cost \$200	\$1,733	\$20,800
Community - Number of times hired	13.0	156
Average hire cost \$100	\$1,300	\$15,600
Revenue	\$3,033	\$36,400
Conference room - 60 people		
Commercial - Number of times hired	8.7	104
Average hire cost \$320	\$2,773	\$33,280
Community - Number of times hired	13.0	156
Average hire cost \$160	\$2,080	\$24,960
Revenue	\$4,853	\$58,240
Foyer/Lounge - 100 people approximately		
Commercial - Number of times hired	1.0	12
Average hire cost \$245	\$245	\$2,940
Community - Number of times hired	2.0	24
Average hire cost \$145	\$290	\$3,480
Revenue	\$535	\$6,420
Total Theatre Attendance	1795	21538
Total Theatre Revenue	\$23,680.44	\$283,409
Total Function Revenue	\$10,781	\$129,369
Total Centre Revenue	\$34,461	\$412,778

Source: CPG Australia

Annual attendance figures at the LPACC are summarised in Table 9.3 indicating that attendance is expected to increase from some 47,600 in 2011 (or first year of operation) to more than 90,000 by Year 5. While these numbers may appear ambitious in light of the Latrobe City population of 73,000, there will be repeat visitation by some residents.

Table 9.3 > Attendance Summary

Attendance	Year 1	Year 2	Year 3	Year 4	Year 5
Theatre	21,540	28,835	36,188	43,600	51,070
Function	26,072	28,969	32,188	35,764	39,738
Total	47,612	57,804	68,376	79,364	90,808

Source: CPG Australia

It is not expected that the LPACC will receive significant attendance from domestic and international tourists, therefore the attendance summary relates only to resident attendance.

'Other Commercial' Spaces

'Other commercial' activity and economic contribution 'Other commercial' spaces include the retail sales in the café as well as a significant amount of catering anticipated for the various functions.

The assumptions for café and catering spending are outlined below. Total revenue will be \$1,041,400. Table 9.4 details the anticipated revenue from catering.

Bar

The front of house bar is seen as an opportunity to provide theatre and function attendees with light refreshments. The figures below are based on 50% of visitors to the theatre spending an average of \$4 per head which is anticipated to be coffee or a glass of wine; a small amount of snack food is also likely to be sold. On the basis of these assumptions, it is expected that the bar will service almost 11,000 visitors per year (an average of 30 per day) resulting in revenue for the bar from visitation to the centre of \$43,000.

Café

The café is expected to be cost neutral and is seen as an opportunity to bring additional residents to the centre and to assist in achieving repeat visitation. The figures below are based on the assumption that given its close proximity to the main commercial area of Traralgon, the café is likely to see more use than one at a standalone centre, such as that in the Morwell option. As such, the following assumptions have been used to determine potential revenue:

- 10% of visitors to the theatre will spend an average of \$15 per head which is expected to be a light meal and a drink
- 30% of visitors to the theatre will spend an average of \$8 per head which is expected to be a drink and a snack
- 17% of library visitors (estimated to be 84,240 library visits as recorded to the Traralgon library) spending \$8 each annually.

Only the theatre attendees and visitors to the library have been considered in assessing café sales, as it is assumed function centre attendees will be catered for separately. Additional revenue generation opportunities may be available through catering for theatre related visitation. On the basis of these assumptions, it is expected that the café will serve almost 20,000 visitors per year (an average of 53 per day) resulting in revenue for the café from visitation to the centre of approximately \$200,000.

Function Catering

It is envisaged that the function centre component will include catering for events. These services will be provided via the restaurant for non-theatre related visitation. A variety of functions will be able to take place and a number of assumptions have been made to determine the overall revenue of the catering component, these are detailed below.

- The number of catered events in the green room is based on two thirds of total events at the LPACC using this room, making a total of 170 events per annum. An average cost of \$20 per head was assumed as these are likely to be smaller lunch or snack events.
- Foyer events are assumed to be mainly cocktail events, priced at \$40 per head, two thirds of events in the foyer would be catered for: 24 events in total.
- The number of catered events in the conference room is based on two thirds of total events in this room being catered for per month: a total of 170 events per annum. An average cost of \$20 per head was assumed as these are likely to be similar to events in the green room and smaller lunch or snack events.
- It is assumed that all of the 37 commercial events in the function room would be catered for, with one third of these being conferences and the rest being weddings/dances. The dance events are assumed to accommodate fewer people, but would be catered for at a higher price of \$90 per person. The conferences would be catered for at \$30 per person.
- It is assumed that the nearly 19 community run events in the function room would not require catering or will choose a lower cost alternative.

Based on the above assumptions it is envisaged function catering revenue will be \$798,000.

Table 9.4 > Catering and Retail Sales spaces revenue

Annual	Resident Visitors	Function Visitors	Total
Bar			
50% of visitors spend average of \$4pp	\$43,081		\$43,081
Functions			
170 events in green room of 30 attendees @ \$20pp		\$1 02,000	\$1 02,000
170 events in conference room of 60 attendees @ \$20pp		\$204,000	\$204,000
24 events in foyer of 100 attendees @ \$40pp		\$96,000	\$96,000
12 events in function room of 350 attendees @ \$30pp		\$1 26,000	\$1 26,000
25 events in function room of 120 attendees @ \$90pp		\$270,000	\$270,000
Café			
10% of theatre visitors spending average of \$15pp	\$32,310		\$32,310
30% of theatre visitors spending average of \$8pp	\$51,700		\$51,700
17% of library visitors spending average of \$8pp each annually	\$116,318		116,318
Total Café/Retail Sales*	243,400	798,000	\$1,041,400

Source: CPG Australia

* Rounded

9.2 Summary of Economic Value of On-site Activity

The estimated value of economic activity occurring on-site is summarised in Table 9.5 and is based on the preceding analysis developed in Sections 7 and 8 of this report. Assessment has been made to provide cost and value details for the first five years of the centre's operation.

The results presented in Table 9.5 show that based on the uses proposed for the site, there would be a direct economic contribution of approximately \$1,511,000 in Year 1 to the Latrobe economy arising from the operation of the Traralgon option of the Latrobe Performing Arts and Convention Centre (based on current 2009 dollars) when it commences full operation in 2011.

Table 9.5 > Latrobe Performing Arts and Convention Centre (Traralgon) – Economic Value of On-site Commercial Activities

Traralgon	Annual Financial Contribution 2009 Dollars				
	Year 1	Year 2	Year 3	Year 4	Year 5
Main Theatre	\$283	\$298	\$312	\$328	\$344
Function Room	\$28	\$34	\$41	\$49	\$59
Green Room	\$36	\$38	\$40	\$42	\$44
Conference Room	\$58	\$61	\$64	\$67	\$71
Foyer/lounge	\$6	\$7	\$7	\$7	\$8
Catering	\$1,041	\$1,093	\$1,148	\$1,206	\$1,266
Current Arts	\$57	\$57	\$57	\$57	\$57
Vic Subsidy					
Total	\$1,511	\$1,588	\$1,670	\$1,757	\$1,849

Source: CPG Australia

Table 9.5 above has been developed using the following assumptions:

- The current Arts Victoria subsidy for the venue will remain at \$57,000 per annum
- The function centre revenue and associated costs will increase over time as demand for functions increases
- The function centre revenue over time is based on the assumption that at Year 5 optimal revenue is reached. Therefore revenue for Years 1 to 4 has been worked out at an assumption of 90% of the previous year's revenue.

Based on these assumptions it can be determined that the total economic activity at the centre at Year 1 (2011) will be \$1,511,000.

9.3 Operational Position

The total income from the proposed LPACC has been assessed by taking into account the hire income from the various uses (refer Table 9.5) and adding the lease income from the catering facilities. In the Traralgon option, the lease has been assessed on the average commercial retail floor space in the CBD of \$200/m². The operational costs have been estimated by benchmarking the operational costs of a same sized facility within Victoria. This assessment produces a net cost to Council for the operation of the centre at \$488,000 in the first year reducing to \$357,000 by Year 5 (refer Table 9.6).

Table 9.6 > Latrobe Performing Arts and Convention Centre (Traralgon) – Operating Impact of On-site Commercial Activities

Annual Financial Contribution ('\$000) 2009 dollars					
Income	Year 1	Year 2	Year 3	Year 4	Year 5
Main Theatre	\$283	\$298	\$312	\$328	\$344
Function Room	\$28	\$34	\$41	\$49	\$59
Green Room	\$36	\$38	\$40	\$42	\$44
Conference Room	\$58	\$61	\$64	\$67	\$71
Foyer/lounge	\$6	\$7	\$7	\$7	\$8
Function/Café lease	\$82	\$86	\$90	\$95	\$100
Current Arts	\$57	\$57	\$57	\$57	\$57
Vic Subsidy					
Total Income	\$552	\$581	\$612	\$646	\$683
Operational Costs	\$1,040	\$1,040	\$1,040	\$1,040	\$1,040
Net Cost to Council	\$488	\$459	\$428	\$394	\$357

Source: CPG Australia

9.4 Capital Costs

A quantity survey of the proposed development has been undertaken to identify the likely capital costs required to construct the facility. The full quantity survey is attached to this report. It is estimated that the capital works cost for the Traralgon option will be \$11,883,735.

An estimate of the employment contribution of the capital works in terms of direct and indirect construction employment generated by the project. These employment estimates are based on an industry standard of one (1) job per year created per \$160,000 of capital investment. This equates to an approximate total of 74 jobs during the construction period. Through the employment multiplier the project would also generate an additional 118 jobs in indirect employment for the wider economy during the construction period (based on a multiplier of 2.6 jobs). These jobs include those located in the local area, throughout Victoria, and even further afield, as the economic effects of the capital investment flow through the economy.

9.4.1 Estimates of Ongoing Employment

CPG have provided an estimate of 15 ongoing full-time equivalent (FTE) positions at the Latrobe Arts Centre Precinct.

This estimate has been determined based on the assumption that each job is worth an average of \$50,000 plus 40% for on-costs which equates to \$70,000 for each full-time equivalent position. As the value of on-site commercial activity is expected to be \$1.4 million, a total of 21 FTE positions can be funded based on an average of \$70,000. This figure was then subjected to a reality analysis which indicates that the centre is more likely to provide 15 ongoing full-time equivalent (FTE) positions.

Using the ABS Employment Multiplier (5209.0) of 2.125 for the Libraries, Museums and the Arts industry category; the re-developed Latrobe Performing Arts and Convention Centre in Traralgon would provide an additional 17 FTE places in the balance of the economy. Thus a total of approximately 32 FTE positions will be created through the ongoing operation of the LPACC in Traralgon.

9.4.2 Intangible Benefits

The development of LPAAC in Traralgon would be expected to contribute to the nurturing of small businesses and the Arts in the Latrobe Region. The precinct would also serve to increase the profile of Latrobe and Traralgon both State wide and nationally.



10 Development Scenario 2 – Morwell

The development of the LPACC at the Kernot Hall site in Morwell would comprise the development of the area in front of the hall and incorporate a renovated Kernot Hall into the development of a double-storey Performing Arts and Convention Centre.

Table 10.1 provides details regarding the development scenario adopted as the basis for benefits assessment. Plans of the centre are provided as attachments.

Table 10.1 > Schedule of proposed uses

Proposed Use	Capacity/ Description
Function Area	690 people
Function Room	Capacity of 600 people
(Ability to divide into separate rooms)	
Green Room	30 people
Conference room/lounge	60 people
Performing Arts Area	500 people
Auditorium seating	Capacity of 500 people with raked seating over two levels
Entry Area	225 people
Combined foyer	Venue space to be shared with a capacity of 225 people
Can be used as a gallery space	
Total	1,415

Source: Harmer Architecture

The development scenario is based on the proposed end uses identified in the previous sections. A variety of uses at the site are not assessed for their contribution to economic activity, since they are not assumed to be operated as commercial enterprises eg: offices.

10.1 Economic Activity and Visitation

This section provides an assessment of the economic activity generated by commercial uses on the Morwell site.

The assessment of the value of economic activity is based on estimates of total business turnover achieved through the commercial activities on the site. Some aspects of the development are not included in the assessment, such as the non-commercial activities comprising the proposed back stage areas, and administration facilities. This approach provides a simple estimate of total business turnover, as an indication of the value of economic activities undertaken on the site.

10.1.1 Assumptions

A variety of assumptions specific to each option have been adopted in order to assess turnover for each use accommodated by the project. These assumptions are described in the following sections.

Estimates of business turnover are calculated on the basis of estimated revenue generated from theatre productions visiting conferences and functions and retail activity, including catering.

As there are a variety of common assumptions that relate to the Theatre component of each assessment these have been detailed in Section 8.

Show Demand

Show demand for both of the proposed facilities was detailed in the previous section. Show demand has been determined by applying the regional Victorian attendance demand for types of shows to the estimated attendance at performing arts events for Latrobe in the future. This assessment indicates the total number of seats required on an annual basis and therefore the total number of required shows to meet the assessed seat demand.

The following demand was identified:

- During Year 1 (2011) a total of 19 full capacity shows (500 seats) will be required and a total of 68 stall based shows (300 seats), this equates to 1.7 shows a week; and
- By Year 5 (2015) the total number of shows will increase to 45 full capacity shows and 162 stall capacity shows, this equates to 4 shows per week.

The following assessment has been based on the more practical assumption of meeting demand through the use of full and reduced capacity show. This assumption is determined to be more realistic for Latrobe given its current show demand and programming which uses both small and large spaces appropriate to the size of the audience.

Centre Revenue

Centre revenues for the Morwell option has been estimated based on the anticipated revenues of the performing arts, function, and café components.

Performing arts component revenues have been estimated based on the number of performances, performance capacities and an average ticket price for commercial performances. Community performance revenue has been determined based on an average hire cost (determined from looking at similar sized venues in the region and existing hire rates for theatres) and the number of performances. It has been assumed that two thirds of the total larger shows (19) and of the smaller shows (68) demanded will be commercial touring performances and one third will be community use.

Function centre revenues have been estimated based on the number of events anticipated for each room and the average hire cost per day. Hire costs have been determined based on the size of room and existing costs in the area.

In the case of the Morwell option, the following demand is anticipated for each room:

- Function Room: one dance event per week and five large functions per annum; two thirds of these will be commercial events. Hire costs are based on existing rates in the region.
- Green Room: two commercial and three community events per week; hire cost for community use will be approximately 50% of the commercial price.
- Conference Room: one commercial and two community events per week; hire cost for community will be approximately 50% of the commercial price.
- Foyer/Lounge: three events per month; two thirds of these will be community events; hire costs for community use will be approximately 60% of the commercial price.

Table 10.2 details the expected use of the Theatre and Function Centre spaces that would be available for hire.

Table 10.2 > Estimated Centre Revenues

Space	Per month	Annualised
Main Theatre - 500 seats		
Touring Performances	1.0	12.54
Attendance @ 85%* with 500 seat capacity	444	5,329
Average ticket price	\$21.00	\$111,915
Community Use	0.5	6.27
Attendance @ 85%* with 500 seat capacity	222	2664
Average hire cost	\$575	\$3,605
Revenue	\$9,901	\$115,520
Stalls - 300 seats (60% capacity)		
Touring Performances	3.8	45.61
Attendance @ 66%* with 300 seat capacity	753	9,031
Average ticket price	\$18.00	\$162,557
Community Use	1.9	22.80
Attendance @ 66%* with 300 seat capacity	376	4515
Average hire cost	\$235	\$5,359
Revenue	\$13,781	\$167,916
Function Room - 600 seats		
Commercial - Number of times hired	3.1	37.62
Average hire cost \$780	\$2,445	\$29,344
Community - Number of times hired	1.6	18.81
Average hire cost \$145	\$227	\$2,727
Revenue	\$2,673	\$32,071
Green room - 30 people		
Commercial - Number of times hired	8.7	104
Average hire cost \$200	\$1,733	\$20,800
Community - Number of times hired	13.0	156
Average hire cost \$100	\$1,300	\$15,600
Revenue	\$3,033	\$36,400
Conference room - 60 people		
Commercial - Number of times hired	8.7	104
Average hire cost \$320	\$2,773	\$33,280
Community - Number of times hired	13.0	156
Average hire cost \$160	\$2,080	\$24,960
Revenue	\$4,853	\$58,240
Foyer/Lounge - 225 people approximately		
Commercial - Number of times hired	1.0	12
Average hire cost \$245	\$245	\$2,940
Community - Number of times hired	2.0	24
Average hire cost \$145	\$290	\$3,480
Revenue	\$535	\$6,420
Total Theatre Attendance	1795	21540
Total Theatre Revenue	\$23,682.71	\$283,436
Total Function Revenue	\$11,094	\$133,131
Total Centre Revenue	\$34,777	\$416,567

Source: CPG Australia

Annual attendance figures at the LPACC are summarised in Table 10.3 indicating that attendance is expected to increase from some 56,000 in 2011 (or first year of operation) to more than 100,000 by Year 5. While these numbers may appear ambitious in light of the Latrobe City population of 73,000, there will be repeat visitation and visitation by visitors to the City.

Table 10.3 > Attendance Summary

Attendance	Year 1	Year 2	Year 3	Year 4	Year 5
Theatre	21,540	28,835	36,188	43,600	51,070
Function	36,449	40,499	44,999	49,999	55,554
Total	57,990	69,335	81,187	93,599	106,624

Source: CPG Australia

It is not expected that the LPACC will receive significant attendance from domestic and international tourists, therefore the attendance summary relates principally to resident attendance although it is acknowledged that the Morwell facility in particular should attract a substantial number of conferences/conventions from Melbourne given the size and amenity of the facility and precinct.

'Other Commercial' Spaces

'Other commercial' activity and economic contribution

'Other commercial' spaces include the retail sales in the combined foyer and the café as well as a significant amount of catering anticipated for the various functions.

The assumptions for retail, café and catering spending are outlined below. Total revenue will be \$1,076,000. Table 10.4 details the catering and café revenues.

Bar

The front of house bar is expected to be cost neutral and is seen as an opportunity to provide theatre and function attendees with light refreshments. The figures below are based on 50% of visitors to the theatre spending an average of \$4 per head which is anticipated to be coffee or a glass of wine; a small amount of snack food is also likely to be sold. On the basis of these assumptions, it is expected that the bar will service 11,000 visitors per year (an average of 35 per day) resulting in revenue for the bar from visitation to the centre of \$43,000.

Café

The café is expected to be cost neutral and is seen as an opportunity to bring additional residents to the centre and to assist in achieving repeat visitation. The figures below are based on the assumption that it will predominantly be theatre attendees accessing the café, with only minor use from other visitors to the precinct (park and Tafe users). Given the site's location away from the main commercial areas of Morwell it is less likely to receive flow on visitation from the commercial centre however it also has fewer competitors. As such, in determining the potential revenue, it is assumed 30% of visitors to the theatre will spend an average of \$15 per head which is anticipated to be a light meal and a drink.

Only the number of theatre attendees has been used as the basis for café sales although there may be incidental visitation from lake visitors. It is assumed function centre attendees will be catered for separately. On the basis of these assumptions, it is expected that the cafe will serve 6,460 visitors per year (an average of 18 per day) resulting in revenue for the café from visitation to the centre of approximately \$97,000.

Function Catering

It is envisaged the function centre component will include catering for events if desired, these services will be provided via the commercial kitchen or via the café for non-theatre related visitation. A variety of functions will be able to take place and a number of assumptions have been made to determine the overall revenue of the catering component, these are detailed below.

- The number of catered events in the green room is based on two thirds of total events at the LPACC using this room and being catered: a total of 170 events per annum. An average cost of \$20 per head was assumed as these are likely to be smaller lunch or snack events.
- Foyer events are assumed to be mainly cocktail events, which is priced at \$40 per head, two thirds of events in the foyer would be catered for, 24 events in total.
- The number of catered events in the conference room is based on two thirds of total events in this room being catered: a total of 170 events per annum. An average cost of \$20 per head was assumed as these are likely to be similar to events in the green room and smaller lunch or snack events.
- It is assumed that all of the 37 commercial events in the function room would be catered for, with one third of these being conferences and the rest being weddings/dances. The dance events are assumed to accommodate fewer people, but would be catered for at a higher price of \$90 per person. The conferences will be catered for at \$30 per person.
- It is assumed that the nearly 19 community run events in the function room will not be catered or will choose lower cost alternatives.

Based on the above assumptions it is envisaged that the revenue from function catering will be in the order of \$1.076 million.

Table 10.4 > Catering and Retail Sales spaces revenue

Annual	Resident Visitors	Function Visitors	Total
Bar			
50% of visitors spend average of \$4pp	\$43,081		\$43,081
Functions			
170 events in green room of 30 attendees @ \$20pp		\$1 02,000	\$1 02,000
170 events in conference room of 60 attendees @ \$20pp		\$204,000	\$204,000
24 events in foyer of 225 attendees @ \$40pp		\$216,000	\$216,000
12 events in function room of 400 attendees @ \$30pp		\$1 44,000	\$1 44,000
25 events in function room of 120 attendees @ \$90pp		\$270,000	\$270,000
Café			
30% of visitors spend an average of \$15pp	\$96,932		\$96,932
Total Café/Retail Sales*	\$140,000	\$936,000	\$1,076,000

Source: CPG Australia

* Rounded

10.2 Summary of Economic Value of On-site Activity

The estimated value of economic activity occurring on-site is summarised in Table 10.5 and is based on the preceding analysis developed in Sections 7-8 of this report.

The results presented in Table 10.5 show that based on the uses proposed for the site, there would be a direct economic contribution of approximately \$1,550,000 to the Latrobe economy arising from the operation of the Morwell option of the LPACC (based on current 2009 dollars) when it commences full operation in 2011.

Table 10.5 > Latrobe Performing Arts and Convention Centre (Morwell) – Economic Value of On-site Commercial Activities

Traralgon	Annual Financial Contribution 2009 dollars				
	Year 1	Year 2	Year 3	Year 4	Year 5
Main Theatre	\$283	\$298	\$312	\$328	\$345
Function Room	\$32	\$38	\$46	\$55	\$67
Green Room	\$36	\$44	\$52	\$63	\$75
Conference Room	\$58	\$61	\$64	\$67	\$71
Foyer/lounge	\$6	\$7	\$7	\$7	\$8
Catering	\$1,076	\$1,130	\$1,186	\$1,246	\$1,308
Current Arts	\$57	\$57	\$57	\$57	\$57
Vic Subsidy					
Total	\$1,550	\$1,634	\$1,726	\$1,824	\$1,930

Source: CPG Australia

Table 10.5 above has been developed using the following assumptions:

- The current Arts Victoria subsidy for the venue will remain at \$57,000 per annum
- The lease of the café and function centre will begin at a figure of \$50,000 per annum (based on approximately \$170 per square metre) and this lease figure will increase by 5 per cent per annum
- The function centre revenue and associated costs will increase over time as demand for functions increases
- Annual increases in revenue for the centre components have been assumed with the foyer, conference and theatre revenues increasing by 5% annually and the function and green room revenues increasing by 20% annually.

Based on these assumptions it can be determined that the total economic activity at the centre at Year 1 (2011) will be \$1,550,000.

10.3 Operational Position

The total income from the proposed LPACC has been assessed by taking into account the hire income from the various uses (refer Table 10.5) and adding the lease income from the catering facilities. In the Morwell option, the lease has been assessed on the average commercial retail floor space in the CBD of \$170/m². The operational costs have been estimated by benchmarking the operational costs of a same sized facility within Victoria. This assessment produces a net cost to Council for the operation of the centre at \$516,000 in the first year reducing to \$357,000 by Year 5.

Table 10.6 > Latrobe Performing Arts and Convention Centre (Morwell) – Operating Impact of On-site Commercial Activities

Annual Financial Contribution ('\$000) 2009 dollars					
Income	Year 1	Year 2	Year 3	Year 4	Year 5
Main Theatre	\$283	\$298	\$312	\$328	\$345
Function Room	\$32	\$38	\$46	\$55	\$67
Green Room	\$36	\$44	\$52	\$63	\$75
Conference Room	\$58	\$61	\$64	\$67	\$71
Foyer/lounge	\$6	\$7	\$7	\$7	\$8
Function/Café lease	\$50	\$53	\$55	\$58	\$61
Current Arts Vic Subsidy	\$57	\$57	\$57	\$57	\$57
Total Income	\$524	\$557	\$594	\$636	\$683
Operational Costs	\$1,040	\$1,040	\$1,040	\$1,040	\$1,040
Net Cost to Council	\$516	\$483	\$445	\$404	\$357

Source: CPG Australia

10.4 Capital Costs

A quantity survey of the proposed development has been undertaken to identify the likely capital costs required to construct the facility. The full quantity survey is attached to this report. It is estimated that the capital works cost for the Traralgon option will be \$12,166,918.

An estimate of the employment contribution of the capital works in terms of direct and indirect construction employment generated by the project. These employment estimates are based on an industry standard of one (1) job per year created per \$160,000 of capital investment. This equates to an approximate total of 76 jobs during the construction period. Through the employment multiplier the project would also generate an additional 122 jobs in indirect employment for the wider economy during the construction period based on a multiplier of 2.6 jobs. These jobs include those located in the local area, throughout Victoria, and even further wider a field, as the economic effects of the capital investment flow through the economy.

10.4.1 Estimates of ongoing employment

CPG have provided an estimate of 15 ongoing full-time equivalent (FTE) positions at the Latrobe Arts Centre Precinct.

This estimate has been determined based on the assumption that each job is worth an average of \$50,000 plus 40% for on-costs which equates to \$70,000 for each full-time equivalent position. As the value of on-site commercial activity is expected to be \$1.55 million a total of 22 FTE positions can be funded based on an average of \$70,000. This figure was then subjected to a reality analysis which indicates that the centre is more likely to provide 15 ongoing full-time equivalent (FTE) positions.

CPG have provided an estimate of 15 ongoing full-time equivalent (FTE) positions at the Latrobe Arts Centre Precinct. Using the ABS Employment Multiplier (5209.0) of 2.125 for the Libraries, Museums and the Arts industry category, the re-developed Latrobe Performing Arts and Convention Centre in Morwell would provide an additional 17 FTE places in the balance of the economy. Thus a total of approximately 32 FTE positions will be created through the ongoing operation of a LPACC in Morwell.

10.4.2 Intangible Benefits

The development of a LPACC in Morwell would be expected to contribute to the nurturing of small businesses and the Arts in the Latrobe Region. The precinct would also serve to increase the profile of Latrobe and Morwell both State wide and nationally.



11 Summary

This section provides a summary of the economic benefits of the two proposed options under consideration, Option 1 – Traralgon and Option 2 – Morwell.

11.1 Comparison of Options

Table 11.1 below provides a summary of the two options at Year 1, in terms of attendance, total income, operational costs, net cost to Council and overall building costs.

On this basis, the net cost to Council in Year 1 would be 6% less for the Traralgon option than Morwell and the Traralgon option would cost 2.5% less to build. Morwell would be expected to have accommodated more visitors (22% more) on the basis of its capacity to host larger events in the main function room². The operating costs are the same for both Morwell and Traralgon options because they are based a similar sized performing arts centre with function centre. Since operational costs do not include the variable costs of catering (these are born by the caterer), this estimate of operational costs is appropriate.

Table 11.1 > Options summary @ Year 1

At Year 1	Attendance	Total Income	Operational Costs	Net Cost to Council	Building Costs
Option 1 - Traralgon	47,612	\$552	\$1,040	\$488	\$11.9
Option 2 - Morwell	57,990	\$524	\$1,040	\$516	\$12.2

Source: Newton, Kerr and Partners – Quantity Surveyors; CPG Australia

Applying constant dollars (2009), the net operating position by Year 5 would be the same for both the Traralgon and Morwell options with a net cost to Council of \$357,000 (refer Table 11.2) which is a 50% lift above the current operational costs to Council for the performing arts and cultural facilities.

Table 11.2 > Options summary @ Year 5

At Year 1	Attendance	Total Income	Operational Costs	Net Cost to Council	Building Costs
Option 1 - Traralgon	90,808	\$683	\$1,040	\$357	\$11.9
Option 2 - Morwell	106,624	\$683	\$1,040	\$357	\$12.2

Source: Newton, Kerr and Partners – Quantity Surveyors; CPG Australia

²There would be the potential to use a marquee extension to the function room if the LPACC were built in Traralgon however this visitation has not been included since the costs associated with the marquee have not been factored into the cost equation.

Table 11.3 shows the visitation and capital cost per visitor over the total first five years of operation. The cost per visitor would be lower for visitors to the Morwell option (14% less) since Morwell is expected to attract a greater number of visitors due to the larger capacity of the function centre.

Table 11.3 > Options Summary First Five (5) Years

	Total Visitors	Capital Contribution per Visitors	Contribution per attendee per funding partner
Option 1 - Traralgon	343,965	\$34.60	\$11.53
Option 2 - Morwell	408,735	\$29.85	\$9.95

Source: Newton, Kerr and Partners – Quantity Surveyors; CPG Australia

Overall, the two proposed options have similar benefits with only minor differences shown.

11.2 Net Present Value Analysis of the Proposed Development

A net present value analysis of the two options using a present value of 12% shows that over the 5 year time horizon considered, the Morwell option is \$330,000 more expensive than the Traralgon option (refer Table 11.4).

Table 11.4 > Options summary First Five (5) Years

Traralgon	Capital Cost	Costs	Income	Net Cost to Council	Total Cost
	\$m	'\$000	'\$000	'\$000	'\$000
2011	\$11.9	\$1,040	\$552	\$488	\$12,388
2012		\$1,040	\$581	\$459	\$459
2013		\$1,040	\$612	\$428	\$428
2014		\$1,040	\$646	\$394	\$394
2015		\$1,040	\$683	\$357	\$357
Total					\$14,026
NPV	12%				\$12,184
Morwell	Capital Cost	Costs	Income	Net Cost to Council	Total Cost
	\$m	'\$000	'\$000	'\$000	'\$000
2011	\$12.2	\$1,040	\$524	\$516	\$12,716
2012		\$1,040	\$557	\$483	\$483
2013		\$1,040	\$594	\$445	\$445
2014		\$1,040	\$636	\$404	\$404
2015		\$1,040	\$683	\$357	\$357
Total					\$14,405
NPV	12%				\$12,514

Source: CPG Australia

11.3 Economic Benefits Associated with the Proposed Development

In summary, the analysis presented in this report identifies the following benefits associated with the proposed development of the Latrobe Arts and Culture precinct.

Capital Works and Construction

- Capital investment worth an estimated \$12 million for either option.
- Direct employment during the construction phase of the project estimated at approximately 75 job years, and a further 105 job years created indirectly in the wider economy as a result of the employment multiplier (2.4 for the construction industry).

Value of Commercial Activity

- On-site commercial activity worth an estimated \$1.9 per annum by year 5.

Employment Generation

- Ongoing employment on-site of an estimated 15 persons, and with a further 17 jobs indirectly created elsewhere in the economy as a result of the employment multiplier (2.125 for the construction industry).

11.4 Funding Options for Performing Arts Centre

The project will seek \$4million funding from each of State and Federal Governments; this will need to be matched by a \$4Million contribution from Latrobe City Council. The impact on rates and borrowings is outlined below.

Rates

Expenditure of \$4 million equates to approximately 30% of the rates dollars allocated to Capital Works in the Long Term Financial Plan in 2010/11.

To raise an additional \$4m in rates would require an 8 per cent increase in rates (1% = \$500,000).

Borrowings

The following figures are based on borrowing \$4m on standard Latrobe City loan terms of 10 years and an assumed interest rate of 8.5 per cent (2008/09 borrowings were 7.36%) with the loan to be taken up in June 2011 and no further borrowings (for other projects) required:

1. Annual Loan repayments of \$600,000. (No existing loans will be settled in 2010/11 or 2011/12 therefore these funds will need to be found from rates (1.2% increase) or other savings/efficiencies).
2. Total interest payments over the life of the loan of \$2M.
3. The 2009/10 Adopted Budget projected the balance of borrowings at the end of the 2010/11 financial year to be \$17.610M decreasing to \$11.822M at the end of 2012/13. The amended figures would be \$21.707M in 2010/11 and \$15.456M at the end of 2012/13.
4. There would be no material impact on Council's debt ratios which would remain well under the prudential guidelines (see below).

Governance guidelines for borrowings

Prudential borrowing guidelines recommended by state Treasury for assessing financial viability are as follows:

1. Debt servicing (Interest)/Total revenue to be less than 5%
2. Debt/Rate Revenue to be less than 80%.

If Council borrowed \$4 million for a new Performing Arts Centre in 2010/11, then the projected ratio results will be as per Table 11.5, noting that in each subsequent year the percentages continue to decrease.

The projected results show that Council is comfortably within the recommended prudential guidelines recommended by state Treasury.

Table 11.5 > Options summary @ Year 5

Year	Debt Servicing/Total revenue to be <5%	Debt/Rate Revenue to be <80%
2008/09	1.02	38.8
2009/10	1.26	40.3
2010/11	1.49	40.4
2011/12	1.62	32.9
2012/13	1.33	25.7

11.5 Summary of Attendance Forecasts for the Proposed Development

In summary, the analysis presented in this report projects total attendance at the Performing Arts and Convention Centre within Latrobe in the first year of full operations to be 47,600 people and 58,000 people in the Traralgon and Morwell options respectively.

In light of the funding requests for \$4 million from each of Federal and State Governments, matched by \$4 million by Local Government, this translates to a contribution per attendee of approximately \$32 for each visitor over the first 5 years of operation. This can also be expressed as an \$11 contribution per attendee by each funding partner in the first five full years of operation.

11.6 Comments Regarding the Estimates Presented in this Report

The following comments relate to the analysis and information presented in this report:

- The analysis presented in this report represents a broad assessment of the economic benefits associated with the proposed options for the development of the Latrobe Performing Arts and Convention Centre Project.
- The analysis has been undertaken on the basis of a development scenario established by CPG through consultation with the Latrobe City Council and the Latrobe community over the last six months.
- The figures contained in the report are considered a conservative yet realistic estimate of the economic value of the project.
- The results of the analysis, in terms of capital works, economic activity, employment and net benefits cannot be added together to form a "total benefits associated with the development". Each of these aspects of the analysis are separate measures of the economic value of the project.
- There are a number of other non-measurable benefits which are not assessed in this report. These relate to induced promotion of the Arts Industry in Regional Victoria, benefits associated with the development of community capacity building which will be important to establishing a solid base for future development and the potential benefit of retaining spending that may otherwise have been lost through Latrobe residents travelling outside of Latrobe to arts and cultural events if the re-development had not occurred. These potential benefits are in excess of the factors identified in the report.



Appendix I

Table A > Average Paid Attendance Rates by Performance Type

Type of Performance	Paid Performances	Paid Attendance	Average Attendance
Popular music performance	15,917	4,048,000	254
Symphony and choral performance	3,851	1,577,000	410
Drama Production	12,536	2,554,000	204
Dance Production	1,501	747,000	498
Musical theatre production	4,813	3,182,000	661
Opera Production	1,013	471,000	465
Other Production	13,601	1,651,000	121
Total	53,232	14,230,000	267

Source: Music and Theatre Production Organisations, Performances and Attendances 2002-03 ABS, Performing Arts, Australia, 2002-03 9cat. No. 8697.0 as cited in ABS Arts and Culture in Australia: A Statistical Overview 4172.0 -2004 (Reissue)



Appendix 2 – Strategic Review

Documents Reviewed

Healthy Urban Design Good Practice Guideline (HUD)
Latrobe Structure Plan – Traralgon 2007 (LSPT, 2007)
Latrobe 2021
Latrobe MSS

Key Themes

The following Key Themes were identified from the document review in relation to the development of the Latrobe Performing Arts and Convention Centre:

- 1 Built form considerations
- 2 Accessibility and Transport
- 3 Community Participation
- 4 Tourism and Events
- 5 Community Uses
- 6 Partnerships
- 7 Growth – Traralgon

Built form considerations

- The Latrobe Networked Cities concept promotes higher order services and facilities to be provided in only one location, and for it to benefit the whole community and not just the town in which it is located (MSS Cl 21.03)
- Cultural and Arts infrastructure is recognised as regionally significant. (Latrobe 2021)
- The number of arts and cultural facilities should be increased. (Latrobe 2021)
- Building design should maximise natural surveillance and active street frontages (HUD)

Accessibility and Transport

- The municipality is well served by road infrastructure due to its location on the Princes Highway, which provides access to Melbourne to the west, and East Gippsland and the south coast of New South Wales to the east. (MSS Cl. 21.01)
- A long term strategy is in place for the above mentioned freeway to bypass Traralgon. (MSS Cl. 21.01)
- There is considerable reliance on public transport, but the system does not provide for regular community between towns and offers minimal evening and weekend services. (MSS Cl. 21.01)
- Therefore, many residents are physically and socially isolated and are unable to access facilities and services. (MSS Cl.21.10)
- Walkable neighbourhoods should be encouraged, including safe and attractive pedestrian and cycle routes to all key local destinations such as the PAC (HUD)
- New infrastructure development should ensure integration of roads, bike paths, footpaths and public transport options. (Latrobe 2021)
- Cultural facilities and events are to be accessible by all people in the community. (Latrobe 2021)
- New growth along the fringe areas of Traralgon will require significant extension of current pedestrian and cycling networks (LSPT, 2007)

Community Participation

- New and existing Latrobe residents should be a part of the planning and design stages of their community spaces to foster the Latrobe community spirit and take pride in their local community. (HUD)
- Council's Place Management is about people working together, capitalising on the 'spirit of place' to improve an area that they recognise as having unique features. (Latrobe 2021)
- Cultural diversity should be celebrated by developing innovative and inclusive projects in co-operation with local cultural and heritage groups. (Latrobe 2021)

Tourism and Events

- The municipality is well placed to capture the expenditure of travellers to the natural and historic attractions of the wider region, as well as hosting supporting attractions such as the Gippsland Heritage Park, PowerWorks and Lake Narracan. (MSS CI 21.01-11)
- The municipality would benefit from greater diversity in the type of facility as well as by promoting and developing tourist activities, including event-based activity. (MSS CI. 21.01-11)
- The municipality's burgeoning arts and craft community has a strong potential to attract tourists and visitors (MSS CI 21.01-11)
- Basic infrastructure and promotion initiatives should be put in place to realise the above opportunities. (MSS CI 21.01-11)
- The link between tourism and economic development should be strengthened, promoting and supporting the development of tourism and the events industry. (Latrobe 2021)
- Economic development and marketing action plans are to be implemented in the Services, Tourism and Events sectors. (Latrobe 2021)
- Diverse exhibitions and performances should be delivered reflecting traditional cultural themes, contemporary expression and local relevance. (Latrobe 2021)
- Cultural events should be actively marketed and promoted to facilitate growth and success. (Latrobe 2021)
- The number of major and community events should be increased relative to other regional cities. (Latrobe 2021)

Community Uses

- Latrobe is the 'capital' of the region in terms of shopping, health, education, culture, public administration, business, sport and a wide range of other employment and social and cultural activities. (MSS CI. 21.03-2)
- Community spaces or buildings should incorporate a variety of uses (HUD)
- High quality community art should be encouraged in public spaces to help foster community spirit, as well as provide attractive, quality neighbourhood designs. (HUD)
- The number of arts and cultural activities should be increased relative to other regional Victorian cities (Latrobe 2021)
- Two precincts of Community Use land currently exists in Traralgon CAD – 1. Grey Street, 2. Bread Street (between Seymour and Kay Street)

Partnerships

- Place Management encourages government and private organisations to work together to effect improvements in social, cultural and economic conditions. (Latrobe 2021)

Growth – Traralgon

- Short-term residential land supply could be addressed by expanding the northern and eastern boundaries (LSPT, 2007)
- Long-term residential land supply is likely to require either an extension of the town boundary or growth into the Traralgon-Morwell Corridor. (LSPT, 2007)



NEWTON KERR & PARTNERS – QUANTITY SURVEYORS

Latrobe Performing Arts Traralgon

Preliminary Cost Plan

1 Milton Parade,
Malvern VIC 3144
Tel: (03) 9822 1977
Fax: (03) 9822 4711
A.B.N. 31 837 935 121

Job No.	09-167
Date:	8th October 2009

Trade Summary

Project: LaTrobe Performing Arts Building: Traralgon Performing Arts		Details: LATROBE PERFORMING ARTS CNR KAY & CHURCH ST TRARALGON			
Code	Description	Quantity	Unit	Rate	Total
	AREA ANALYSIS				
01	PERFORMING ARTS CENTRE	2,674	m2		8,688,213
02	EXTERNAL SERVICES				420,000
03	EXTERNAL WORKS				473,030
	SUB TOTAL BUILDING WORKS	2,674	m2		9,581,243
04	CONSTRUCTION CONTINGENCY				479,062
	TOTAL BUILDING WORKS (EXCL GST)				10,060,305
05	CONSULTANTS FEES				1,207,237
06	AUTHORITY FEES				50,302
07	ESCALATION				565,892
	TOTAL PROJECT COST (EXCL GST)				11,883,735
	<u>GENERAL NOTES</u>				
	This is a Stage A Cost Plan for the proposed Performing Arts Centre at Taralgon				
	This Cost Plan has been prepared for the use of Harmer Architects Architects only. Newton Kerr and Partners take no responsibility for the use of this document by other parties.				
	This Cost Plan assumes the project will competitively tendered, and use a lump sum standard form construction contract.				
	This Cost Plan has been based on preliminary information requiring many assumptions to be made. These will require confirmation once the next stage of the design has commenced.				
	These costings are indicative only of the possible cost in current dollars to construct the building and associated work as documented on the Harmer Architects drawings received 25th September 2009				
	<u>Drawings</u>				
	The following drawings were used in the preparation of this Cost Plan:				
	Harmer Architects drawings, Drawing A Dated Sep 2009				
	<u>Exclusions</u>				
	This Cost Plan EXCLUDES the following:				

Trade Summary

Project: LaTrobe Performing Arts Building: Traralgon Performing Arts	Details: LATROBE PERFORMING ARTS CNR KAY & CHURCH ST TRARALGON
---------------------------------------------------------------------------------------	-----------------------------------------------------------------------------

Code	Description	Quantity	Unit	Rate	Total
	> Hazardous materials audit and removal > Unfavourable ground conditions > Bored piers or piling > Tenant fitout to cafe or kitchen > Design contingency > Land purchase, holding, finance and legal costs > Cost escalation for a tender received after Dec 2010 > All rates exclude GST unless noted otherwise				

Preliminary Cost Plan

Project: LaTrobe Performing Arts Building: Traralgon Performing Arts	Details: LATROBE PERFORMING ARTS CNR KAY & CHURCH ST TRARALGON
---------------------------------------------------------------------------------------	-----------------------------------------------------------------------------

Code	Description	Quantity	Unit	Rate	Total
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PERFORMING ARTS CENTRE

	<u>PERFORMING ARTS BUILDING</u>				
	Performing Arts Centre Building	2,674	m2	2,520	6,738,213
	<u>Equipment</u>				
	Audio Visual Equipment	1	Item	400,000	400,000
	Orchestra Lift Pit	1	Item	300,000.00	300,000
	Stage Equipment	1	Item	580,000	580,000
	Kitchen Equipment	1	Item	170,000	170,000
	Furniture & Equipment	1	Item	500,000	500,000

Preliminary Cost Plan

Project: LaTrobe Performing Arts Building: Traralgon Performing Arts	Details: LATROBE PERFORMING ARTS CNR KAY & CHURCH ST TRARALGON
---------------------------------------------------------------------------------------	-----------------------------------------------------------------------------

Code	Description	Quantity	Unit	Rate	Total
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EXTERNAL SERVICES

EXTERNAL SERVICES					
	Allow Electrical Services	1	Item	180,000	180,000
	Allow Hydraulic & Fire Services	1	Item	80,000	80,000
	Allow Sewer Services	1	Item	50,000	50,000
	Allow Stormwater Drainage	1	Item	80,000	80,000
	Water collection	1	Item	30,000	30,000

Preliminary Cost Plan

Project: LaTrobe Performing Arts Building: Traralgon Performing Arts		Details: LATROBE PERFORMING ARTS CNR KAY & CHURCH ST TRARALGON			
Code	Description	Quantity	Unit	Rate	Total
EXTERNAL WORKS					
	<u>EXTERNAL WORKS</u>				0
	<u>Demolition</u>				
	Allow for demolition	1	Item	46,050	46,050
	Clear site	2,700	m2	5	13,500
	<u>Civil Works</u>				
	Building Bench	2,674	m2	20	53,480
	Footpaths	1	Item	20,000	20,000
	Carparks	1	Item	100,000	100,000
	Ramps & steps	1	Item	20,000	20,000
	Crossovers	1	Item	5,000	5,000
	External Decks	1	Item	40,000	40,000
	<u>Site Metalwork</u>				
	Signage	1	Item	20,000	20,000
	External metalworks, balustrades & furniture	1	Item	40,000	40,000
	Fencing	1	Item	15,000	15,000
	<u>Landscaping</u>				
	Allow soft landscaping	1	Item	100,000	100,000
					9,581,243



NEWTON KERR & PARTNERS – QUANTITY SURVEYORS

Latrobe Performing Arts Morwell

Preliminary Cost Plan

1 Milton Parade,
Malvern VIC 3144
Tel: (03) 9822 1977
Fax: (03) 9822 4711
A.B.N. 31 837 935 121

Job No.	09-167
Date:	8th October 2009

Trade Summary

Project: LaTrobe Performing Arts Building: Performing Arts Centre Morwell		Details: LATROBE PERFORMING ARTS CNR PRINCESS DR & MONASH WAY MORWELL			
Code	Description	Quantity	Unit	Rate	Total
	AREA ANALYSIS				0
01	PERFORMING ARTS CENTRE				8,857,399
02	EXTERNAL SERVICES				420,000
03	EXTERNAL WORKS				532,160
	SUB TOTAL BUILDING WORKS				9,809,559
04	CONSTRUCTION CONTINGENCY				490,478
	TOTAL BUILDING WORKS (EXCL GST)				10,300,037
05	CONSULTANTS FEES				1,236,004
06	AUTHORITY FEES				51,500
07	ESCALATION				579,377
	TOTAL PROJECT COST (EXCL GST)				12,166,918
	<u>GENERAL NOTES</u>				
	This is a Stage A Cost Plan for the proposed Performing Arts Centre at Taralgon				
	This Cost Plan has been prepared for the use of Harmer Architects Architects only. Newton Kerr and Partners take no responsibility for the use of this document by other parties.				
	This Cost Plan assumes the project will competitively tendered, and use a lump sum standard form construction contract.				
	This Cost Plan has been based on preliminary information requiring many assumptions to be made. These will require confirmation once the next stage of the design has commenced.				
	These costings are indicative only of the possible cost in current dollars to construct the building and associated work as documented on the Harmer Architects drawings received 25th September 2009				
	<u>Drawings</u>				
	The following drawings were used in the preparation of this Cost Plan:				
	Harmer Architects drawings, Drawing B Dated Sep 2009				
	<u>Exclusions</u>				
	This Cost Plan EXCLUDES the following:				

Trade Summary

Project: LaTrobe Performing Arts Building: Performing Arts Centre Morwell	Details: LATROBE PERFORMING ARTS CNR PRINCESS DR & MONASH WAY MORWELL
--------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------

Code	Description	Quantity	Unit	Rate	Total
	> Hazardous materials audit and removal > Unfavourable ground conditions > Bored piers or piling > Tenant fitout to cafe or kitchen > Design Contingency > Land purchase, holding, finance and legal costs > Cost escalation for a tender received after Dec 2010 > All rates exclude GST unless noted otherwise				

Preliminary Cost Plan

Project: LaTrobe Performing Arts Building: Performing Arts Centre Morwell	Details: LATROBE PERFORMING ARTS CNR PRINCESS DR & MONASH WAY MORWELL
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Code	Description	Quantity	Unit	Rate	Total
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AREA ANALYSIS

<u>AREA ANALYSIS</u>					
FECA					
	FECA GF	1,743	m2		
	FECA FF	291	m2		
	FECA L2	35	m2		
	Walkway room 4	24	m2		
	Sub Total	2,093	m2		
UCA					
	Cafe Terrace	56	m2		
	Loading	10	m2		
	Sub Total	66	m2		
	GFA	2,159	m2		

Preliminary Cost Plan

Code	Description	Quantity	Unit	Rate	Total
PERFORMING ARTS CENTRE					
	<u>PERFORMING ARTS BUILDING</u>				
	Performing Arts Centre Building	2,093	m2	2,520	5,274,151
	Renovations to Kernot Hall	1,696	m2	963	1,633,248
	<u>Renovation works include;</u>				
	New ceilings & floor finishes				
	Upgrade to services				
	Operable walls				
	New paint				
	Renovation to internal wall finishes				
	Minor upgrade to external wall finishes				
	<u>Equipment</u>				
	Audio Visual Equipment	1	Item	400,000	400,000
	Orchestra Lift Pit	1	Item	300,000.00	300,000
	Stage Equipment	1	Item	580,000	580,000
	Kitchen Equipment	1	Item	170,000	170,000
	Furniture & Equipment	1	Item	500,000	500,000

Preliminary Cost Plan

Project: LaTrobe Performing Arts Building: Performing Arts Centre Morwell	Details: LATROBE PERFORMING ARTS CNR PRINCESS DR & MONASH WAY MORWELL
--------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------

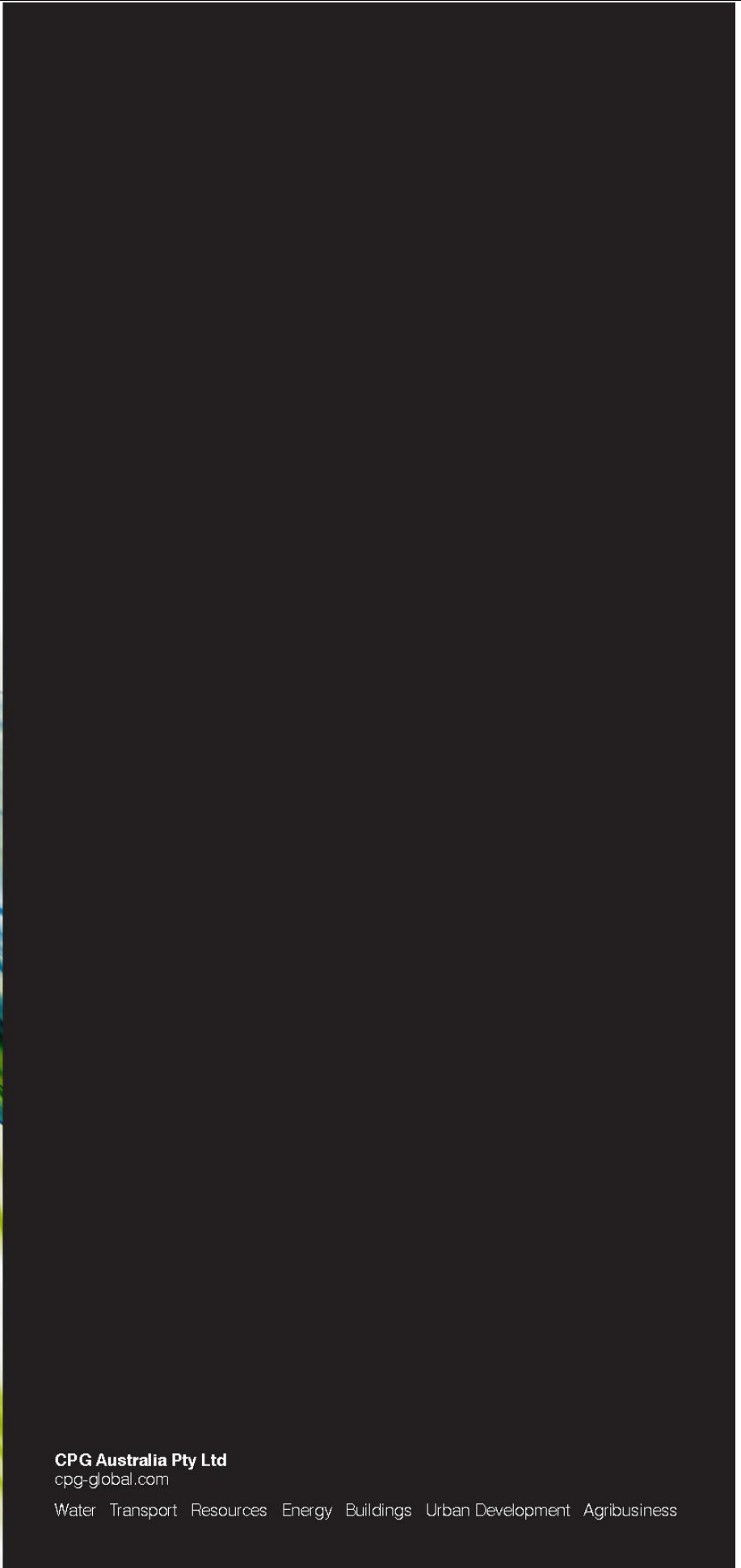
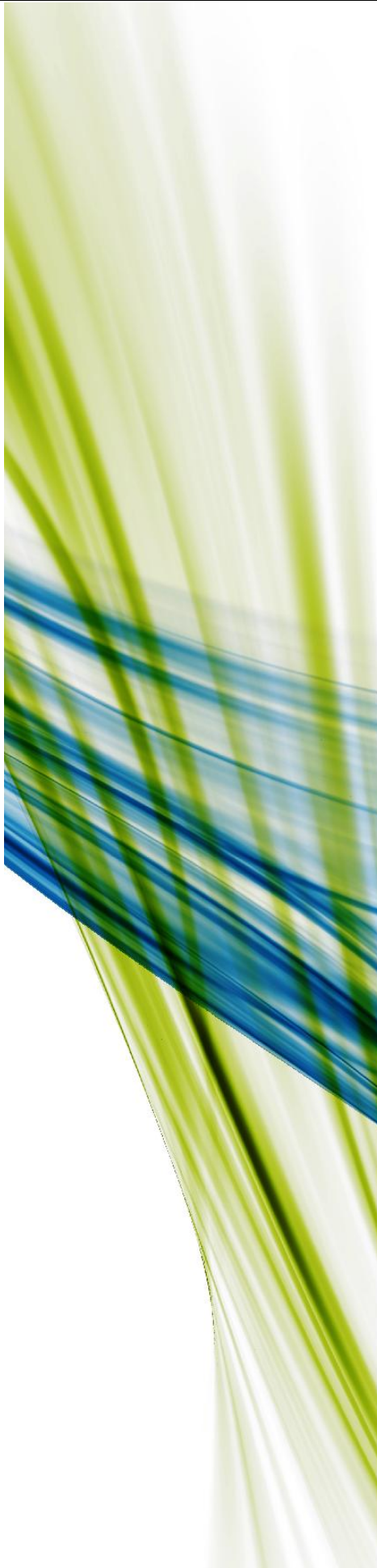
Code	Description	Quantity	Unit	Rate	Total
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EXTERNAL SERVICES

	EXTERNAL SERVICES				
	Allow Electrical Services	1	Item	180,000	180,000
	Allow Hydraulic & Fire Services	1	Item	80,000	80,000
	Allow Sewer Services	1	Item	50,000	50,000
	Allow Stormwater Drainage	1	Item	80,000	80,000
	Water collection	1	Item	30,000	30,000

Preliminary Cost Plan

Project: LaTrobe Performing Arts Building: Performing Arts Centre Morwell		Details: LATROBE PERFORMING ARTS CNR PRINCESS DR & MONASH WAY MORWELL			
Code	Description	Quantity	Unit	Rate	Total
EXTERNAL WORKS					
	<u>EXTERNAL WORKS</u>				
	<u>Demolition</u>				
	Allow for demolition	1	Item	45,950	45,950
	Clear site	6,750	m2	5	33,750
	<u>Civil Works</u>				
	Building Bench	1,743	m2	20	34,860
	Footpaths	1	Item	20,000	20,000
	Carparks	1	Item	100,000	100,000
	Ramps & steps	1	Item	30,000	30,000
	Crossovers	1	Item	5,000	5,000
	External Decks	1	Item	40,000	40,000
	Road alterations	1	Item	47,600	47,600
	<u>External Metalwork</u>				
	Signage	1	Item	20,000	20,000
	External metalworks, balustrades & furniture	1	Item	40,000	40,000
	Fencing	1	Item	15,000	15,000
	<u>Landscaping</u>				
	Allow soft landscaping	1	Item	100,000	100,000
					9,809,559



CPG Australia Pty Ltd
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Water Transport Resources Energy Buildings Urban Development Agribusiness



Latrobe Performing Arts and Convention Centre Business Case

September, 2012



Artefact Consulting Services



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1. Executive Summary

In 2008, Latrobe City Council resolved to undertake a feasibility study following submission of a community driven 1200 signature petition requesting that "Council build a state of the art Performing Arts and Convention Centre".

Council completed the feasibility study in late 2009 and in 2010 resolved (among other actions) to retain the existing Performing Arts Centre in Traralgon but to construct a new Performing Arts and Convention Centre on the Kernot Hall site. Work commencement was dependent on clarifying funding availability and the project being included in Council's budget process, including the impact on rates.

Further work undertaken by Council identified that the development of a new Performing Arts and Convention Centre on the Kernot Hall site would cost in the order of \$15M. The feasibility study proposed a funding model whereby Council, State Government and Federal Government would each contribute \$5 million to the project.

State government subsequently advised that a business case would be necessary in order for it to consider allocation of funding for the project so Council commissioned this business case.

Study Objectives

The purpose of this business case is to develop a report that will provide both Council and its potential funding partners with current, clear and realistic information about the likely capital and operational costs for the proposed new facility as well as forecasts the project's impact on rates and the recurrent cost to Council.

To do this it has also needed to articulate:

- a. A clear vision and/or purpose for the facilities within the hierarchy
- b. An assessment of local and regional market needs and opportunities
- c. A programming and service rationale
- d. The capital and operational costs for the proposed project
- e. The proposed staffing structure and business model incorporating the new facility at Kernot Hall, Morwell and the existing LPAC in Traralgon (referred to as Traralgon Performing Arts Centre throughout this report to avoid confusion with the proposed new facility).
- f. An indicative program for both the new facility at Kernot Hall and the existing PAC in Traralgon and an estimate of the revenue to be generated from the program.

Research, Consultation and Benchmarking

A comprehensive review of local demographics, local and regional strategic planning and the 2009 feasibility study was undertaken. A thorough consultation and benchmarking program which involved gathering input from local performing arts groups, key council officers, funding bodies (future project funding partners), 2 local region performing arts centre managers (benchmarking) and 3 other regional city performing arts and convention centres. Information was also collected and collated from the Victorian Association of Performing Arts Centres (VAPAC), the Australian Performing Arts Centres Association, Gipps Tafe and the project consultants past experience.

The research review process has confirmed that the proposed Latrobe Performing Arts and Convention Centre is aligned with the vision and recommendations that peak local and regional strategies such as

the Council Plan, the Latrobe City Vision – 2026, the economic sustainability strategy and various regional tourism development strategies.

The consultation process has confirmed the need for a major performing arts and convention centre. It has also assisted in clarifying what people want the Latrobe Performing Arts and Convention Centre (LPACC) to be – the niche it should fill. It has also helped in refining and/or defining the functional brief for the new facility as well as pointing to a 'one business' model that will incorporate the operation of the existing Traralgon (Latrobe) Performing Arts Centre, the other community halls such as Moe Town Hall in addition to the new facility in Morwell. It has helped inform an indicative operational budget and the staffing resource needs and facilities performing arts/operational program.

The consultation has also identified that GippsTAFE which has its Morwell campus adjacent to the proposed LPACC on the Kernot Lake site are interested in further discussion with Council about the potential to work together, should the project proceed. It is identified that the viability of the Waratah training restaurant run by GippsTAFE on the site would be impacted by the development of a café within the LPACC as the available market on that site is not substantial enough to sustain two eateries. GippsTAFE has the potential to be a significant client for the new LPACC. Future discussions with GippsTAFE need to be based on an open and realistic assessment of mutual needs, contributions, benefits and dis-benefits.

Vision

A draft 'Vision' for the proposed Latrobe Performing Arts and Convention Centre and the core focus for both the LPACC, the existing but re-purposed Performing Arts Centre in Traralgon and the other facilities managed by Council's Cultural Liveability Unit have been distilled from the review and consultation processes as follows:

Latrobe Performing Arts and Convention Centre will be a dynamic, thriving community and cultural hub that balances provision of and support for professional and community arts activity and events, community functions and corporate events and activity. It will:

- *Attract artists and participants of the highest stature and will be a crucible for artistic exploration and audience development.*
- *Contribute to the city's social, economic and cultural growth*
- *Ensure that the best creative opportunities and product are made available to Latrobe's citizens and visitors*
- *Celebrate the diversity of heritage and cultures that shape our community and will provide facilities and programs that support the cultural vitality of the region.*
- *Deliver economic benefit to the community as a key attractor to the City and the region.*
- *Play an active role in the regional tourism and events sector.*
- *Provide flexible but highly functional, built for purpose spaces along with high quality equipment and furniture.*

'One Business' business model

The research and consultation gave insight into how the LPACC and the Traralgon PAC would combine to operate effectively as 'one business'. Implicit in the 'one business' model is the clear hierarchy of facilities that offer groups (particularly local community groups), access to a range of facilities to meet their various needs within the performing arts production process. The hierarchy of facilities includes the

LPACC at the 'top of the tree' through to the various community halls under the operation of Council's Cultural Liveability unit.

It was determined as part of a 'one business' approach, that the Latrobe Performing Arts and Convention Centre, the Traralgon Performing Arts Centre and the other facilities/halls managed by the Cultural Liveability unit would:

- a. Complement and enhance each other and other facilities in the region;
- b. Enable broadly based participation through highly accessible locations, pricing and facilities;
- c. Focus on building audience, local access and participation and regional arts and cultural 'destination' significance;
- d. Be designed and developed for purpose, offering across the facilities a range of opportunities and options for the community ranging from professional quality theatre and theatre space, through to more accessible and multi-use spaces for rehearsal and local arts development;
- e. Be a key point of contact for information dissemination relating to arts, cultural and community activities

The LPACC will focus on:

- Providing a professional quality, state of the art theatre that will develop and provide a high quality performing arts program that is strategically driven to develop local audiences as well as build the regional profile of Latrobe as an Arts and Cultural 'hot spot' – a great place to go.
- the convention aspect of the business will focus on provision of high quality function and events services inclusive of high quality catering, facilities, services and equipment.

The Traralgon PAC will focus on:

- Being an arts incubator. A meeting place for a range of arts groups
- Being a home for a resident professional performing arts company producing both local and touring productions. This would increase the profile of Latrobe as well as working with the community
- Being a base for creative development projects that are then performed in the new LPACC
- Making and producing work specifically for the local community
- Providing groups with the ability to take a risk in a low cost environment
- Increasing participation by local performing groups
- Be a low cost rehearsal space for local groups
- Break new ground for local government by supporting creative development then through to performance
- Offering support to local artists

The other halls and/or facilities will focus on:

- Low cost, accessible and multipurpose spaces located throughout the municipality for local community meetings, functions, events, rehearsals and some types of performance.

Programming and Management

Active, professional programming and management of the LPACC is seen as critical to its success. The facility will not be the thriving hub of creative, cultural and community activity that people want it to be unless it is programmed well. This will require considerable ongoing investment by Council.

Further, excellent management of the facilities is seen as equally critical to the new facility's and indeed the overall performing arts and convention program that both the LPACC, the TPAC and the other facilities, success.

Operational Budget

A detailed indicative performing arts and convention facility program and a staffing structure designed to be able to deliver the vision and objectives of the facility and/or program services has been developed as part of this business case.

The projected cost of the Council subsidy for the performing arts and convention program and the necessary staffing structure is \$1,118,947 per annum. This amount is \$700,347 greater than the current cost of operations for the performing arts budget and \$200,347 greater than the amount currently allowed for in Council's 10 year financial plan. The 10 year financial plan allows for an additional 1% rate rise to cover recurrent operational costs. A further 0.34% rate increase would be required to cover this cost. Alternatively, Council may wish to consider re-prioritisation and/or reduction of other services to cover this additional cost.

Capital Cost Estimate

A detailed functional component brief for the Latrobe Performing Arts and Convention Centre has been developed as part of this business case to enable Quantity Surveyors Newton, Kerr and Partners to develop a Stage A Cost Plan. The Stage A Cost Plan projects a total project cost (excl GST) of \$15,641,000. (refer appendix 5)

This cost exceeds the \$15,000,000 currently identified within the Council's 10 year financial plan by \$641,000.

Under the funding partnership model originally proposed to include Arts Victoria and Regional Development Australia/Victoria and based on each partner paying one third of the cost, the amount required to be provided by Council would be \$5,213,667. This is \$213,667 above the \$5M amount currently funded and planned for in the Council's 10 year financial plan.

An additional loan borrowing would increase Council's annual costs in loan interest and principal repayments by \$30,660. A rate increase of 0.05% would be required to cover this cost. Alternatively, it is identified that options to cover this additional cost include re-prioritisation and/or reduction of some services to cover within currently available funds or to reduce the scale of the facility to match the available budget.

Traralgon Performing Arts Centre – Asset Renewal

This business case also reflects the findings from a compliance and maintenance audit on the Traralgon Performing Arts Centre, that work will be required on the TPAC to ensure that it remains operational into the future. Its current condition is sound but it is in need of works to make it compliant with current day standards and to correct some existing occupational health and safety operational issues.

Council's financial plan does not currently make allowance for the funds required to undertake these works. It is estimated that the cost of necessary compliance and refurbishment works is approximately \$1.5M over 10 years.

Council's financial plan does however note that asset management plans will need to be funded in the future. It specifically identifies that the 10 year financial model should be updated following completion

of the Drainage and Building Asset Management Plans which are programmed to occur in the near future.

Recommendations

A series of recommendations have been made throughout the business case. They are:

It is recommended that:

1. the Latrobe Performing Arts and Convention Centre should, if it's developed, work to optimise the community, arts and cultural infrastructure and convention and business tourism priorities and outcomes identified in local and regional key strategic documents such as the Council Plan, Community Vision – Latrobe 2026, economic sustainability strategy and regional business event and tourism strategies.
2. Affordable, accessible facilities for rehearsal and performance be made available as part of the future Performing Arts and Convention Centre service.
3. The Latrobe Performing Arts and Convention Centre should achieve a 'blend' of community and other activities as part of its program
4. Council undertake further more detailed discussions with GippsTAFE to examine partnership opportunities. This should include an open and realistic assessment of mutual needs, contributions, benefits and dis-benefits.
5. The Latrobe Performing Arts and Convention Centre must deliver a professional performing arts program that builds local audiences as well as increases the profile of and access to performing arts in Australia.
6. The Latrobe Performing Arts and Convention Centre will work to build regional partnerships and opportunities.
7. The range of services provided by the Latrobe Performing Arts and Convention Centres includes:
 - Professional arts program
 - Civic and community activities and events
 - Business events and conferences
 - Social (private) celebrations and functions
8. The vision for the Latrobe Performing Arts and Convention Centre, which drive and inform its program and funding model is:

Latrobe Performing Arts and Convention Centre will be a dynamic, thriving community and cultural hub that balances provision of and support for professional and community arts activity and events, community functions and corporate events and activity. It will:

- *Attract artists and participants of the highest stature and will be a crucible for artistic exploration and audience development.*
 - *Contribute to the city's social, economic and cultural growth*
 - *Ensure that the best creative opportunities and product are made available to Latrobe's citizens and visitors*
 - *Celebrate the diversity of heritage and cultures that shape our community and will provide facilities and programs that support the cultural vitality of the region.*
 - *Deliver economic benefit to the community as a key attractor to the City and the region.*
 - *Play an active role in the regional tourism and events sector.*
 - *Provide flexible but highly functional, built for purpose spaces along with high quality equipment and furniture*
9. The primary focus for each of the Latrobe Performing Arts and Convention Centre and the Traralgon Performing Arts Centre as components of the 'one business' will be:

Latrobe Performing Arts and Convention Centre

- a professional quality, state of the art theatre that will develop and provide a high quality performing arts program that is strategically driven to develop local audiences as well as build the regional profile of Latrobe as an Arts and Cultural 'hot spot' – a great place to go.
- the convention aspect of the business will focus on provision of high quality function and events services inclusive of high quality catering, facilities, services and equipment.

Traralgon Performing Arts Centre

- An arts incubator. A meeting place for a range of arts groups
 - A home for a resident professional performing arts company producing both local and touring productions. This would increase the profile of Latrobe as well as working with the community
 - A base for creative development projects that are then performed in the new LPACC
 - Making and producing work specifically for the local community
 - Providing groups with the ability to take a risk in a low cost environment
 - Increase participation by local performing groups
 - Low cost rehearsal space for local groups
 - Breaking new ground for local government by supporting creative development then through to performance
 - Ability to offer support to local artists
10. Council endorse the Latrobe Performing Arts and Convention Centre 'one business' model as a subsidised service which will:
 - make available and accessible quality arts and cultural experiences as a key part of the sort of lifestyle people think they should reasonably have access to;
 - contribute to the range of cultural and leisure options available to citizens
 - significantly contribute to Latrobe City and the regions 'sense of place' and community pride in that place;
 - enhance the services and activities available in Latrobe and build its reputation as a great place to live and visit.
 11. Council adopt the indicative program as a guide to future programming of the Latrobe Performing Arts and Convention Centre
 12. Council adopt the proposed staffing structure for the Latrobe Performing Arts and Convention Centre
 13. Council adopt the indicative operational budget for Latrobe Performing Arts and Convention Centre
 14. Council endorse the function component brief as the basis for estimating the capital cost of the Latrobe Performing Arts and Convention Centre as well as being the basis for future architectural design work
 15. Council note the Cost Plan A cost estimate of \$15,641,000 provided by Newton, Kerr and Partners (quantity surveyors and construction cost consultants).
 16. Council review its financial plan to reflect the capital and operational costs projected in the business case.
 17. Based on the findings of this business case, Council endorse preparation of funding submissions for Arts Victoria and Regional Development Australia based on the findings and recommendations within this business case.
 18. That this business case be used primary supporting documentation for the funding partner funding submissions.

2 . Background

In 2008, Latrobe City Council resolved to undertake a feasibility study following submission of a community driven 1200 signature petition requesting that "Council build a state of the art Performing Arts and Convention Centre".

Council completed the feasibility study in late 2009 and in 2010, in consideration of the feasibility study, resolved:

1. That the proposal to construct a Performing Arts and Convention Centre on the Kernot Hall site be adopted.
2. That work not commence until funding availability has been clarified and the project included in Council's budget process, including the impact on rates.
3. That existing facilities (including hall/theatre) on the Traralgon Civic Complex be retained and maintained appropriately.
4. That the Mayor writes to all who made a submission to thank them for their contribution and advise of Council's decision to adopt the Latrobe Performing Arts and Convention Centre Feasibility Study October 2009, Development Scenario 2 – Morwell.

Work done subsequent to the feasibility study identified that a capital outlay in the order of \$15 million would be required for the project to proceed. The feasibility study proposed a funding model whereby Council, State Government and Federal Government would each contribute \$5 million to the project.

On the advice of State Government that a business case would be necessary for State Government to consider allocation of funding for the project, Council commissioned this business case. Preparation of the business case commenced in late February 2012.

2.1 The Latrobe Performing Arts and Convention Centre business case brief

The purpose of Latrobe Performing Arts and Convention Centre business case project is to:

- a. Develop a business case that will inform Latrobe City Council and potential funding partners from Federal and State Government of the capital and operational costs for the new facility
- b. Enable Council to accurately forecast the project's impact on rates and recurrent cost to council.

The business case specifically draws the new facility at Kernot Hall and the existing Performing Arts Centre (PAC) in Traralgon together as separate but complementary aspects of the one service. Further, as part of a strategic approach for the provision of a hierarchy of facilities to meet the range of access, activity and affordability needs of the community, all of the community halls managed by Council's Cultural Liveability unit are considered to be part of the 'one business'. It is a 'one business' model that provides:

- a. A clear vision and/or purpose for the facilities within the hierarchy
- b. An assessment of local and regional market needs and opportunities
- c. A programming and service rationale
- d. The capital and operational costs for the proposed project
- e. The proposed staffing structure and business model incorporating the new facility at Kernot Hall, Morwell, the existing LPAC in Traralgon (referred to as Traralgon Performing Arts Centre throughout this report to avoid confusion with the proposed new facility) and the other Cultural Liveability unit managed halls.

- f. An indicative program for both the new facility at Kernot Hall, the existing PAC in Traralgon and the other halls, and an estimate of the revenue to be generated from the program.

3. The local and regional environment

The proposed Latrobe Performing Arts and Convention Centre at the Kernot Hall site in Morwell has a broader role to play than just providing a place for local theatre to be. To fully appreciate the role it could or should play, and 'pitch' its service and therefore the business case, correctly, it's important to ensure that it aligns with what sort of place Latrobe City is, who lives here, what their interests and aspirations are, the opportunities that exist and what the vision for the City's future is.

3.1 About Latrobe City

Latrobe City is one of Victoria's four major regional centres along with Ballarat, Bendigo and Geelong. Located some 70 minutes from the outskirts of Melbourne, and with a population of over 75,000 residents it provides a range of quality recreational and cultural facilities and offers enviable lifestyle choices ranging from city centre living, rural villages, farmlets and forest hideaways.¹

It is predominantly a family area, with more family households, and hence more children (between 5 and 17), than the Victorian average. Between now and 2036, the population of Latrobe is forecast to experience slow, steady growth.

The number of people aged under 15 is forecast to increase by 13.3%, although it is observed that many young people leave the City after completing their secondary education. The number of people aged over 65 is expected to represent 17.7% (increase of 49.8%) of the population by 2021.²

Latrobe has strong employment growth and is one of Victoria's strongest regional economies.

Built on the back of the electricity production and mining industries Latrobe's industry profile is evolving and construction, property and business services, forestry and paper, manufacturing, agribusiness, retail, hospitality, aviation, health and education, finance and insurance, small business and retail trade have become strong contributors.³

These trends are projected to impact the Latrobe workforce, skills and knowledge, local communities, and the need and demand for services and infrastructure.⁴

As a regional city people need and expect access to a range of community and cultural services and infrastructure. The experience of many other regional cities is that a high quality Performing Arts and Cultural Facility can provide a focus for community and cultural life.

¹Latrobe City profile id 2012

²Latrobe City forecast id 2012

³State of the Valley – A profile of the Latrobe Valley (State of Victoria DEECD - March 2012).

⁴State of the Valley – A profile of the Latrobe Valley (State of Victoria DEECD – March 2012)

3.2 Local and regional priorities for Latrobe City

Locally, Latrobe City's Council Plan and the Community Vision for Latrobe Valley – Latrobe 2026 articulate Council and the community's aspirations for Latrobe City into the future. They identify the need and intention to invest (continue to invest) in programs, activities and infrastructure that support celebration of local culture and heritage, strengthen/build community and cultural pride and vitality and, make Latrobe an attractive place to live and visit.

Latrobe City's Economic Sustainability Strategy and the tourism product audit identify business tourism, particularly conferencing and events as a significant opportunity for Latrobe City to build regional city 'life/lifestyle' and economic investment and activity. They recommend the need for further investment in conference and events facilities to support the growth of the events, conferences and business travel market. The Economic sustainability strategy recommends developing partnerships with the arts community, health sector and recreational clubs to identify, evaluate and progress projects and events that contribute to a liveable and vibrant community.

Council's 'Positioning Latrobe City For a Low Carbon Emissions Future – April 2010' strategy recognises that investment into community infrastructure is and will be important in maintaining and building community pride and confidence in the region's future.

Regionally, the Destination Gippsland Strategic Plan (DGSP), the Gippsland Regional Plan (GRP) and the Ready for Tomorrow, Blueprint for Regional And Rural Victoria also all reflect the need for and importance of investment into facilities such as the proposed LPACC.

From a regional tourism perspective, the DGSP and the GRP both specifically identify the need for and importance of provision of conference facilities for the area.

The proposal for development of the Latrobe Performing Arts and Convention Centre aligns with many of Council's and some broader regional strategies. The LPACC's development would provide opportunities to achieve priority outcomes for the recommendations in each of these strategic plans.

Recommendation: It is recommended that the Latrobe Performing Arts and Convention Centre should, if it's developed, work to optimise the community, arts and cultural infrastructure and convention and business tourism priorities and outcomes identified in local and regional key strategic documents such as the Council Plan, Community Vision – Latrobe 2026, economic sustainability strategy and regional business event and tourism strategies.

4. Consultation and Benchmarking

4.1 Consultation and Benchmarking Overview

Considerable consultation and benchmarking has been undertaken as part of the development of this business case. It has been important to validate, update and/or refine the facility needs identified in the 2009 Performing Arts and Convention Centre feasibility study as a basis for:

- Defining the necessary 'functional components' of the proposed LPACC
- Defining the business focus (niche) and vision for the LPACC as well as the Traralgon Performing Arts Centre (and the other Cultural Liveability managed community halls such as the Moe Town Hall).
- Determining the potential for success of the grant applications that Council will want to make to fund the LPACC
- Determining the cost of:
 - LPACC construction
 - Traralgon PAC refurbishment
 - Ongoing operational cost of the Latrobe performing arts and convention program

Those consulted and/or benchmarked with include:

- Local Performing Arts Groups
- Arts Victoria
- Regional Development Australia/Victoria
- Gipps TAFE (Morwell Campus)
- Council officers from:
 - Economic sustainability
 - Building maintenance
 - Performing arts
 - Finance
- Local region Performing Arts and Convention Centres
- Regional City Performing Arts and Convention Centres
- Victorian Association of Performing Arts Centres (VAPAC)

The 2009 Latrobe Performing Arts and Convention Centre feasibility study established the need, a scope and scale for the LPACC.

It identified two options for the location of the LPACC - either at the corner of Kay and Church Streets in Traralgon (the existing Traralgon Performing Arts Centre) or adjacent to (an addition to) the Kernot Hall in Morwell.

This LPACC business case project, as identified earlier, focuses on the development of a 'one business' model or plan based on a hierarchy of facilities, incorporating:

- the redeveloped Kernot Hall site as Latrobe's (and the potentially the Regions) premium performing arts and convention centre;
- the retained, refurbished and 'repositioned' Traralgon Performing Arts Centre, and;
- the various other Cultural Liveability unit managed community halls such as Moe Town Hall.

Notwithstanding this focus, it's important to acknowledge that the people consulted as part of the development of the business plan consistently questioned whether the Kernot Hall site is the right one as part of their opening commentary.

Some of the people consulted undoubtedly preferred either the Morwell or Traralgon (or Moe) sites based on their group's historic location and a long-standing association with one site, facility or township.

However, of greater impact on the short and long term success of the facility and its service is the fact that some broader issues/ability questions were raised not only by local people who will ultimately be key facility users, but also by the officer representatives of the funding bodies that Council will seek partnership funding from to construct the new facility (Arts Victoria and RDA/RDV) as well as recurrent funding (Arts Vic) for the facility's annual program. The issues are/were:

- I. Selection of the Kernot Hall, Morwell site for development of the City's premium performing arts and convention centre. People felt that the following criteria would generally be used for selecting a performing arts centre location:
 - a. Part of a dynamic, buzzing activity area where there is 'community life' outside of just the activities in the theatre/centre.
 - b. Proximity cafes and restaurants
 - c. Public transport accessibility
 - d. Easily accessible on site parking
 - e. Visibility – location in a public, easily visible location

In relation to convention centres, they added to this list:

- a. The importance of being within easy access to enough good quality accommodation to house/sleep convention delegates,
- b. and other tourist experiences/destinations

On this basis, most people consulted felt that the Traralgon site rated more highly than the Kernot Hall site did.

- II. The capacity of Latrobe City, to sustain two performing arts centres. That is, that having two facilities in such close proximity to each other may dilute the audiences available
- III. The cost of developing and managing a viable, complementary program for two performing arts centres

Generally, following transmission of these issues/concerns, all those consulted moved on to participate positively in discussion about development of the Latrobe Performing Arts and Convention Centre at the Kernot Hall site and the 'one business' model based around the LPACC at the Morwell site and retention of the Traralgon facility.

The outcomes of those discussions follow.

4.2 Local Community Consultation

Consultation interviews were conducted with local community performing arts group representations. The community groups represented through this process were:

- Latrobe Theatre Company

- Morwell Festival of Dance
- Gippsland Youth Theatre
- Here There and Everywhere Theatre Company
- Strzelecki Showtime
- Break a Leg Theatre Company
- Latrobe Valley Eisteddfod

The groups interviewed generally fall into two categories. Long standing 'historic' groups such as the Eisteddfod committees and the Showtime, and newer, smaller more cutting edge theatre companies. Those with a long local/Latrobe history tend to:

- have major sponsors (eg. Loy Yang Power) as well as an array of minor sponsors. They survive on the combination of sponsorships, grants (Council) and entry fee and/or ticket sales
- be run by very committed volunteer committees.
- rely on grants and sponsorships to survive although at least one has some financial holdings.
- All the Eisteddfods receive Arts Victoria eisteddfod funding
- Eisteddfods identify that their fees are low (relative to other eisteddfods in Vic) but that this is important locally given the demographic ("people won't pay Melbourne prices")
- Many run canteen/food sales during their event which is profit generating for them – this is an important funding source.
- Council allows them to do their own ticketing

The smaller newer groups tend not to receive ongoing grants or sponsorships. They are typically very lean organisations that generally have to survive on ticket sales alone.

The key themes emerging from these consultations were:

Current facilities and activities

- Most groups are using facilities for rehearsal and meeting purposes because they are available and affordable but are generally not particularly fit for purpose. This is a limiting factor for what groups can achieve both in terms of building their groups capacity and building audiences.
- Many groups have expectations about access to facilities based on their historic use and/or involvement in development of facilities. Some groups are accustomed to having quite lengthy 'as of right' access to the facilities (sometimes 2 weeks) which can lock out other use/users of facilities.

Facility Management

- A number of groups were critical of or find it difficult to reconcile changes over recent years in the management of, access to, and fees for facilities.
- All identify cost of facilities as a problem and the affordability of facilities as being the primary consideration as to whether they will use facilities or not. All consider Council's fees high (as high as they can afford) although a number also identified that Council's grant helped them cover the cost of the facility hire.

- Many have issues with supervision of facilities. The cost of technicians, particularly when they are perceived to 'not be doing much', is regarded as an additional cost they can't really afford.

Facility Gaps/Needs

- Rehearsal space
- Dressing rooms (for dance – large company's)
- Smaller rooms that are accessible to smaller groups (with lesser budgets)
- Size of the new facility needs to be big enough to generate enough money to cover the cost of shows
- Good acoustics
- Piano
- Orchestra Pit (for up to 25)
- Dressing rooms - Chorus (maybe 20 kids and 20 adults, need capacity for large (60 people) casts) as well as rooms for principals
- Costume Store (some citing need for a permanent one)

Performing Arts and New Facility issues and ideas

- Public transport is a problem for the Morwell facility
- The Eisteddfods that have historically used facilities in Moe and Traralgon want to continue to use their current facilities because:
 - They identify strongly with their 'local' roots.
 - They consider Morwell is too far to travel.
 - They assume that the new centre will be unaffordable
- At least one theatre group identified that they would like to be 'resident group' in the new facility.
- Need for increased local Arts and Cultural funding to build audience and capacity
- Would be good to have a 'guarantee against loss' scheme for local groups to use the facility
- A number felt that 500 seats isn't big enough (it's not different enough from what's available now) and that 7-800 seats might be more appropriate.
- Some groups have performed in Warrigal (travel isn't ideal) because facilities and costs were perceived to be better.

Latrobe Performing Arts and Convention Centre service focus

- Programming focus of the new Centre
 - Clear expectation that local groups must be able to access the new facility
 - Must be a blend of local and 'other' shows
- The 3 facilities – Moe, Morwell and Traralgon – should complement each other (not compete)
- New facility MUST:
 - Be accessible to the community
 - Have a blend of community and 'other' activities
 - Build local cultural capacity
 - Be a 'hub' of activity
 - Have a life throughout the day and night

4.3 Gipps Tafe consultation

The Morwell campus of GippsTAFE sits on a site adjacent to the Kernot Hall and the proposed LPACC so discussion about the relationship between the two is an important one.

The Morwell GippsTAFE campus is the base for the Institute's Executive Leadership Team as well as being one of GippsTAFE's six primary training facilities. This campus has a range of learning facilities, including an on-campus library, computer lab and Flexible Learning and Innovation Room (FLAIR). Of greatest immediate relevance to the LPACC is the Wáratáh Training Restaurant. The restaurant (which also includes a coffee bar) is a training facility for the GippsTAFE's hospitality and tourism students. The restaurant is open to students and the general public for lunch and dinner on specified days. The Wáratáh Coffee Bar is open every day from 10am - 3pm. The site also has an additional 10 hectares of as yet undeveloped (Tafe owned) land. It is the intention of GippsTAFE that additional buildings/facilities could be placed on this land in the future though nothing specific is planned currently.

The key issues, ideas and/or opportunities that were identified during the consultation with the GippsTAFE representatives are:

- GippsTAFE is very interested in the potential LPACC development.
- They have some (safety based) concerns relating to the LPACC 2009 concept design which extended over the current road (in front of the lake) and this reduced passage around the site to one road as well as limited entrance points to carparks on site.
- GippsTAFE would like to explore opportunities to work with Council as the project progresses. Key ideas are:
 - Potential to contract and/or collaborate on the café/kitchen/catering side of things
 - Potential to shift their current 'restaurant' business to the LPACC
 - Potential to use the facilities during the day in 'down time'
- They would like to ensure that duplication of facilities on site (between Council and TAFE) is avoided.
- They identify that the site will not be able to sustain both the existing Wáratáh restaurant and the proposed new café and/or catering operation.
- GippsTAFE would not be able to contribute financially to the facility's development, however, they believe that GippsTAFE and Council 'partnering' on the project would lend weight to the funding applications and may assist in tapping additional funding sources.
- GippsTAFE and Council collaboration could be a powerful local community building exercise/project.
- If GippsTAFE were to be able to transfer their training kitchen facilities into the LPACC, the kitchen developed would need more facilities/features than a standard commercial kitchen as currently specified.
- GippsTAFE involvement in the LPACC could well address some of their key challenges (challenges from government) for the future in terms of being innovative/creative and establishing their ongoing relevance in the market place in view of recent changes to the TAFE system.

The opportunity to work with GippsTAFE, particularly given its proximity to the proposed LPACC is positive however, it will be important for Council to proceed cautiously to ensure that the 'vision' for what the Latrobe Performing Arts and Convention Centre is for and is aiming to achieve, does not become diluted. Some of the key issues to be considered are:

- The LPACC has a clear (draft) vision and purpose. These have been developed to reflect what local people have said the facility needs to be to meet community need/demand. This vision also complies with the grant criteria (for capital and operational funding) of the identified funding partners.
- It is clear that the Kernot Hall site will not be able to sustain both the existing Wāratāh Restaurant/Coffee Bar and the Café proposed for the LPACC as there is not sufficient passing trade and this will need to be the subject of further future discussion with GippsTAFE. It will be important to work with GippsTAFE and ensure that facilities are not unnecessarily duplicated, but it will also be important to ensure that the LPACC is able to provide the services it needs to provide for it to be successful.
- Quality and professionalism will be critical to the success of LPACC – Discussion about the GippsTAFE playing a role in catering/café services in the LPACC would need to involve a careful assessment of the ability for a training facility (kitchen) and students to be able to deliver the 'quality' required within the necessary timeframes. Further, if a LPACC kitchen were to be a training facility (to replace the Wāratāh facility for example) this could impede its availability for catering purposes for other events/bookings and this would not be acceptable for the efficient and successful operation of a state of the art performing arts and convention centre. It would likely be necessary for there to be two commercial quality kitchens (one of them with additional training facilities) to be available within the facility to meet LPACC business imperatives.
- At a minimum, GippsTAFE should be considered a (potential) client however, it is important to understand that allocation of facilities for regular classes or activities (a standing weekly booking for example) would seriously compromise the operation of the centre for its primary purpose. It would effectively 'lock out' the performing arts, business events and conventions that the proposed LPACC and other key strategies are targeting.

Future discussions with GippsTAFE should be based on an open and realistic assessment of mutual needs, contributions, benefits and dis-benefits.

4.4 Arts Victoria & Regional Development Australia/Victoria consultation

Arts Victoria and Regional Development Australia/Victoria have previously been identified as key funding partners for the Latrobe Performing Arts and Convention Centre.

Consultation was undertaken with the funding program Managers/Officers from each of these organisations to:

- Test the proposed scope, focus and vision for the new facility
- Gather advice regarding any specific requirements from the funding bodies that best position the project to receive funding and particularly the level of funding required.

The information and advice from this process is summarised as follows:

4.4.1 Arts Victoria

- A funding application is anticipated from Latrobe Council for the LPACC project. Arts Vic would be looking for there to be evidence of commitment (certainly as part of the business case) to development of a strong professional quality program for the centre.
- There must be a demonstrated understanding that investment in a dynamic 'audience building' program will be central to the success of the centre. That once the building is built, the program is what will make or break the facility.
- Current programming (Traralgon) would not meet the criteria for recurrent programming.
- Have concerns about the location selection – based on usual 'activity hub' criteria more obvious location is CBD location.
- For the funding application to be successful, it will need to tick boxes for state and national objectives.

4.4.2 Regional Development Australia/Regional Development Victoria

- Particularly need the business case to consider/provide information about how the LPACC would contribute or impact regionally.
- Need to consider how the facility will work with other facilities in the region.
- There is funding and the project has profile, but Council would need to invest significantly. That is, it would need to be a true tripartite project.

4.5 Latrobe City officer consultation

4.5.1 Economic sustainability:

- Current strategic work relating to business events, and convention centres and specifically the Latrobe's identified opportunities in development of the conferencing and events market
- Tourism product audit information and priorities/direction identifies business conferences as opportunity
- Gippsland Regional Plan and Destination Gippsland Regional Plan recommendations for 1000+ seat convention centre
- Agreement that the LPACC, while having a convention centre component, is being driven by (primary focus is) performing arts. Centre and site could not accommodate a 1000 seat venue including all of its ancillary rooms/facilities.
- The LPACC should be 'iconic' enough that it puts Latrobe on the map. Needs to be a destination and build Latrobe's 'other experience' business tourism product.

4.5.2 Building Maintenance

- Council has spent between \$11K and \$50K (approx.) annually on maintenance and \$31K renewal/capital for the Traralgon facility over the last six years.
- Council has spent between \$18K and \$50K annually on maintenance and \$5K on renewal/capital for the Kernot Hall facility over the last six years.
- Future maintenance/asset management budgets for these facilities are currently projected to continue at a similar level.

4.5.3 Performing Arts

- Detailed information about current administrative systems, operational income and expenditure, current programming, management and facility issues, challenges and opportunities.

4.5.4 Finance

- Detailed information about current and projected budget. Council's draft 10 year financial plan.

4.6 Performing Arts and Convention/Function Centre Benchmarking

Industry benchmarking was undertaken with seven performing arts and convention centres⁵. The Warragul and Sale venues were reviewed both because of the synergies between their business and the proposed LPACC and because of their regional location. An important aspect of this project is to identify the role the LPACC might play regionally and the relationship with other venues in the region and their programs is critical in this respect.

The other 4 venues were reviewed because of their status as the premium performing arts venues in regional cities.

Consideration was given to market competition, catchment areas, theatre size, ancillary spaces management and staffing models and subsidy levels. The facilities reviewed were:

- The Arts Centre Warragul (local regional comparison/relationship)
- Esso BHP Billiton Wellington Sale (local regional comparison/relationship)
- The Capital Bendigo (Regional City venue)
- Her Majesty's Theatre Ballarat (Regional City venue)
- Geelong Performing Arts Centre (Regional City venue)
- Frankston Performing Arts Centre (Regional City venue)
- Wangaratta Performing Arts Centre (Regional City venue)

The data collected was also benchmarked against the current operations of the Latrobe Performing Arts Centre.

The key themes emerging from the benchmarking were:

4.6.1 Role of the facilities

All of the benchmarked facilities are considered the 'Cultural Centrepiece' of their municipality. As largely local government facilities, they each manage the blend of community and professional theatre activity and function/conference/meeting services.

4.6.2 Level of subsidy

Latrobe City's current subsidy for its performing arts program/major facility (currently Traralgon) is the lowest of all those reviewed. This reflects in the amount of programming that many of these centres are able to do and the level of audience/use that these centres get, which is to say generally higher than the audiences and level of programming experienced at Traralgon Arts Centre.

The level of subsidy among the benchmarked facilities varies between \$450K (Ballarat – Her Majesty's at the lowest end of the scale for regional city venue although Latrobe is lower at \$391K) and \$1.4M (Bendigo – Capital Theatre). It's interesting to note that Bendigo has taken the view that investing in and building the profile and quality of product available at the Capital is an investment in local audience development and participation, and regional economic wealth generation through

⁵It should be noted that the Performing Arts Centre in Wangaratta was one of the facilities reviewed. While they were generous with provision of information, they have asked that it not be published and so have not been included formally in the benchmarking.

the increased profile and prestige associated with the Capital. This is by all accounts reaping rewards in terms of building the cultural tourism and business tourism visitation to the area.

The level of subsidy or investment into the program is directly related to the level and quality of activity in the centre and this in turn is related to the level of interest and profile that the centre can attract as a regional economic and cultural activity stimulator.

4.6.3 Staffing Resources

Associated with the level of subsidy of course, is the level and capacity of facility staffing. Latrobe City currently has the lowest staffing resource allocated to its performing arts program (Traralgon). The level at which people are remunerated is also generally lower than at the other venues.

While greater detail is provided around the required staff roles and responsibilities and therefore remuneration in section 7.3 of this report, it is relevant to note that our benchmarking found that the Facility Managers are typically at an SEO level with the next level of management at a band 6 or 7. This is directly related to the expectation that these facilities are significant contributors to building the local area/region profile and the level of responsibility associated with building and maintaining a program of events and activities in these performing arts centres requires a level of remuneration commensurate with this.

4.6.4 Usage

All of the venues benchmarked combine community and community hire access as well as a professional program developed by the venue staff. One facility (Bendigo) also provides an outreach/arts development program.

Those benchmarked identified that long term community hirers can become an issue in that they often take up a large amount of 'hireable time' for relatively little income and with lower audience attendance than a centre needs to build reputation and profile regional profile.

4.6.5 Programming

Actively and professionally developing a successful annual program that builds audiences locally and contributes to increased national (and international) profile for the Arts in Australia is essential for these facilities to attract and maintain funding from key funding bodies such as Arts Victoria and the Australia Council for the Arts. The programming currently provided at Traralgon is considered to be at 'may not be able to maintain Arts Vic funding' end of the spectrum because there is a relatively small amount of time available/allocated to profession product presentation.

More detail in relation to the facility managers benchmarking consultation can be found in appendix 3.

4.7 'Key Success Factors'

Though not directly canvassed with facility operators as part of this project, previous project consultations that we've undertaken with facility operators have identified a number 'key success factors' for performing arts and functions/convention facilities. Not surprisingly, the success of the combined theatre and function/convention centre is a combination of a number of things. Most notably, the following are identified as important:

- Quality management with the ability to support and grow both sides of the business (theatre and conventions/functions) such that they are complementary/beneficial to each other.
- Good, well managed catering contracts.
- Efficient, well designed, built for purpose facilities that have sufficient/matching support spaces for both the theatre and the functions sides of the business. Eg. Foyers that can hold all of the people in the function area and the theatre, adequate storage etc.
- Quality, easily accessible and sufficient back of house facilities such as dressing rooms (for both leads and general company)
- Administration offices that are easily accessible and can accommodate all the staff
- Accessible loading docks
- Accessible, well located, built for purpose and with plenty of storage
- Well-equipped facilities that are in a good state of maintenance/repair. Capacity to upgrade equipment and/or facilities is important.

4.8 Victorian Association of Performing Arts Centres (VAPAC) consultation and benchmarking

The Victorian Association of Performing Arts Centres (VAPAC) is an active network of professionally managed venues, volunteer presenters and industry experts. VAPAC's mission is to promote, support and foster a network of performing arts centres, promote and strengthen partnerships with key stakeholders and provide leadership in the development of the arts industry's best practice in performing arts programming, presentation, venue management and community cultural development.

As the peak Victorian Performing Arts Centre industry group, VAPAC was asked to provide advice and ideas in relation to this project. They advised as follows:

- A new venue in Latrobe is needed
- The strength of the touring circuit for Gippsland would certainly be strengthened with the development of a state of the art facility in Latrobe
- Bairnsdale is now a player in the network so this increases opportunities
- Latrobe City is now represented on the VAPAC Executive
- Oh You Beautiful Stage revised edition should be the primary reference tool

Further to this advice, in July 2010, the Victorian Association of Performing Arts Centres undertook an end of financial year survey of its Performing Arts Centre members. 13 of a possible 40 members completed the survey. The Centres are not identified because of the commercially sensitive nature of the information provided. The results of that survey, which are ranked from lowest level of Council subsidy to highest level of Council subsidy, provide an interesting reality-check in terms of provision of performing arts centres. That is:

- They are all subsidised by Council.
- They all provide performing arts programs as well as delivering some form of events, conferences or functions.

The results of that survey ranked by the level of Council subsidy follow⁶:

Table 1: Levels of Performing Arts and Convention Centre subsidy

Performing Arts Centres	Attendances: Performances (number)	Attendances: Performances (percent of ALL)	Attendances: Other (number)	Attendances: Other (percent of ALL)	ALL attendances	Population of Municipality	Attendances as a percentage of Population	Annual operational cost to Council	Cost per attendance	Cost per head of population
A	4,480	85%	770	15%	5,250	17,500	30.00%	\$25,000	\$4.76	\$1.43
B	5,087	37%	8,670	63%	13,757	20,000	68.79%	\$25,000	\$1.82	\$1.25
C	63,840	69%	28,340	31%	92,180	32,000	288.06%	\$36,844	\$1.48	\$4.28
D	10,000	19%	43,591	81%	53,591	21,000	255.20%	\$200,000	\$3.73	\$9.52
E	10,000	23%	34,000	77%	44,000	11,000	400.00%	\$226,000	\$5.14	\$20.55
F	5,716	21%	21,877	79%	27,593	21,000	131.40%	\$240,875	\$8.73	\$11.47
G	28,700	87%	4,300	13%	33,000	147,000	22.45%	\$275,000	\$8.33	\$1.87
H	n/a		n/a		25,895	73,000	35.47%	\$302,400	\$11.68	\$4.14
I	40,185	78%	11,600	22%	51,785	35,000	147.96%	\$333,114	\$6.43	\$9.52
J	63,812	84%	11,732	16%	75,544	134,884	56.01%	\$542,000	\$7.17	\$4.02
K	63,450	25%	194,039	75%	257,489	151,000	170.52%	\$575,000	\$2.23	\$3.81
L	145,000	69%	65,000	31%	210,000	116,000	181.03%	\$800,000	\$3.81	\$6.90
M	48,000	72%	18,500	28%	66,500	100,000	66.50%	\$1,300,000	\$19.55	\$13.00

4.9 National (APACA) Benchmarking

The Australian Performing Arts Centres Association undertook a benchmarking review of venue charges and salaries. Of relevance to this report is the following:⁷

- Of National performing arts centres, the majority of primary performance spaces seat 500-999
- Of Victorian venues, 43% of venues have an annual turnover of \$1-2million
- Of venues with a \$1-2m turnover, the average salary levels are:
 - Manager - \$100,000
 - Technical Manager - \$80,000-\$89,000
 - Marketing Manager - \$80,000- \$89,000
 - Box Office Manager - \$60,000-\$64,000
- 55% of venues' usage is at a community rate and 45% at a commercial rate
- Average daily hire rate for a 500-999 seat venue are:
 - Community \$1,326
 - Commercial \$2,206

⁶ VAPAC End of financial year survey of its Performing Arts Centre members – July 2010

⁷ APACA 2011 Economic Activity Report and Venue Charges and Salaries Report.

Recommendations:

It is recommended that:

1. Affordable, accessible facilities for rehearsal and performance be made available as part of the future Performing Arts and Convention Centre service.
2. The Latrobe Performing Arts and Convention Centre should achieve a 'blend' of community and other activities as part of its program
3. Council undertake further more detailed discussions with GippsTAFE to examine partnership opportunities. This should include an open and realistic assessment of mutual needs, contributions, benefits and dis-benefits.
4. The Latrobe Performing Arts and Convention Centre must deliver a professional performing arts program that builds local audiences as well as increases the profile of and access to performing arts in Australia.
5. The Latrobe Performing Arts and Convention Centre must work to build regional partnerships and opportunities.

5. Market review: local functions/conferences and performing arts facilities

A review of the function, conference and performing arts facilities currently operating or available in Latrobe City was undertaken to help inform how and where the LPACC needs to fit into the market place and/or the service it needs to provide.

The 2009 Latrobe Performing Arts and Convention Centre feasibility study identified that "Latrobe City currently has a number of Council owned and operated venues used for conference/convention functions and performing arts events. These venues are generally considered to be inadequate" and "the existing provision of facilities for the performing arts and conventions/functions is therefore considered lacking and alternatives are needed to cater for existing and potential demand."

The review undertaken for this business case project found that the 2009 feasibility study information remains reasonably current.

In relation to existing conference and/or function facilities:

- There are 24 function and event centres with banquet seating for between 40 & 300 or theatre style seating between 50 & 700. There are a number of smaller spaces.
- Of these, only 4 venues have over 200 seat banquet capacity and offer full catering and event service
- Although Monash University offers conference service for 700 it is in theatre style only. Banquet style is 180. It does however offer breakout rooms.
- Kernot Hall offers the largest seating capacity in banquet style and would meet the gap in the market for conference and catering service
- Premier Function Centre has recently re-opened and would be the major competitor in the functions market (banquet setting 300)

In relation to facilities for performing arts:

- Latrobe Performing Arts Centre, Traralgon – includes the Town Hall Theatre (401 seats) and the Little Theatre (227 seats). Whilst generally in sound condition, there are occupational health and safety issues associated with this facilities operation. A condition audit has identified the need to invest in the order of \$1.5M over the next 10 years to bring this facility up to standard.
- Kernot Hall, Morwell – 864 seats on a flat floor. A basic town hall style performance facility.
- Moe Town Hall – 401 raked seats. Small backstage area. Limited current use. It is recommended that the opportunity to maximise its use by targeting it (alongside the TPAC) as an affordable, community access rehearsal and performance space that complements the activities and services of the other two facilities)
- Lowanna College Auditorium & Sports Hall Newborough – 522 raked seats, flat stage. As with most school facilities, access and use in the way that the broader community want it, can be difficult because it's a programmed classroom space in use during the day.

5.1 Market Segments

The 'market segments' for local performing arts and convention centre facilities are identified as:

Table 2: Local performing arts and convention facilities market segments

Market Segments	Activity
Arts	performances, visual arts displays, Eisteddfods, craft exhibitions
Civic & Community	meetings, civic functions, citizenship ceremonies, community clubs and groups
Business	meetings, conferences, seminars, product launches, trade shows training
Social	dinner dances, weddings, club socials, debutante balls, cocktail functions

5.2 Kernot Hall Service Review

Using the market segments outlined above, activities in the Kernot Hall in 2010/11 have been classified as follows:

Table 3: Kernot Hall Market Segments

Market Segments	No. of Events	Attendance
Arts	21	13,772
Civic and Community	11	2,026
Business	3	6,610
Social	11	900
Total	46	23,308

5.3 Traralgon Arts Centre Review

The Traralgon Performing Arts Centre's existing service is predominantly performing arts in nature. The market segments for the TPAC therefore relate to the local performing arts market. In relation to these specific market segments a breakdown of the Traralgon PAC's 2010/11 activity/usage is as follows:

Table 4: Traralgon Performing Arts Centre Market Segments

Market Segments	No. of Events	Attendance
Performance/Community	12	8,256
Performance/Commercial	3	1,203
Rehearsal	1	227
Concert	3	2,647
Other	1	200
Eisteddfod	1	4,000
Total	21	16,533

Some further explanation of the Traralgon PAC program was provided by Council officers as follows:

- Community Performing Arts Groups generally hire the Traralgon Performing Arts Centre across a two-week period (season). These groups have changed their performance patterns from a traditional evening shows to now offer additional matinee performances on Saturday and Sunday.

This has resulted in hirers maximising their income from additional performances while only a minimal increase in hire fees are charged and in some cases hirers reduce hire days.

- In the past Traralgon Performing Arts Centre has been unavailable to be hired a significant number of days as Community Groups 'block out' days where they do not hire the venue. This occurs as the hirer's infrastructure remains in the venue. For example in 2010, the Latrobe Valley Eisteddfod hired the Latrobe Performing Arts Centre for a total of 23 days (including some morning only days), but the venue (Town Hall & Little Theatre) was blocked out for a total 35 days (5 weeks).
- There is a potential loss of hire from two Traralgon Primary Schools (Grey Street Primary School and St Michael's School) that have received Federal Government Stimulus Packages to build multipurpose spaces that their Schools may use for future School Productions.

5.4 Identified Business Opportunities

A number of LPACC business opportunities have been identified from the market review and research process as follows:

Aspects of Business

- The new LPACC would have the market advantage of being able to provide a plenary space (theatre) plus function space and would be ideal for conferences. Foyer, green room and possibly some of the dressing rooms could be used as break out spaces.
- Opportunities to increase business and social market.
- Success of functions and conferences relies on the catering contractor/functions co-ordinator.
- Economic development to be part of the marketing/attracting large conferences to the area.

Catering Services

There are four key catering streams are identified for the new LPACC:

1. Café
2. Functions Catering
3. Theatre Bar/Kiosk
4. Community Catering

The following is noted in relation to the catering streams:

- Each stream should be able to operate independently.
- There is the option to combine one or more of the streams, e.g. Bar/kiosk and function catering.
- A professional catering/function company would be important to provide a consistency of service (notwithstanding the identified potential opportunity to partner with GippsTAFE)
- A preferred list of caterers could be an alternative but this would require a venue staff position dedicated to functions co-ordination
- The major issue of having exclusive catering is to ensure that the venue is still accessible
- A community access kitchen (reheating/cool room facilities) would enable community groups to provide their own basic catering
- The sharing of one kitchen between resident catering company and community groups is not advised
- The Café should be able to operate independently to allow the possibility of two different operators as café and function caterers require different skill sets.

- There would need to be a clear set of guidelines/policies for access to the community kitchen to ensure that self-catering does not undermine the catering contractor.

6. Future Business Focus: The proposed Latrobe Performing Arts Program

Establishing a clear 'vision' for the proposed Latrobe Performing Arts and Convention Centre is important because it will inform and drive the business model around which the facility will operate.

In the course of the consultation for this report people have talked about the service/service areas that they think the LPACC needs to deliver. They've talked about the 'vibe' and 'life' that they think it needs to cultivate and have. They've used words like 'iconic', 'dynamic', 'active', 'full of life', 'buzzing 24/7' and 'a community cultural hub' to describe how and what the centre should be. They've also said that the local community being able to afford and get access to use it is essential as is the right balance of new, exciting and dynamic and sometimes challenges theatre programming. People want it to be something to be proud of and something that will really contribute to the image of Latrobe as a thriving, modern and exciting destination and/or regional city.

The range of services that people have said need to be provided by the Centre if it's to meet identified needs and be successful, spans the market segments identified in section 5.1 of this report and is a blend of:

- Professional arts program
- Civic and community activities and events
- Business events and conferences
- Social celebrations and functions

Consideration has also been given to those aspirations and directions articulated through key strategic documents such as the Council Plan, Community Vision 2030, Economic Sustainability Strategy and the other documents listed in section 3.2 of this report.

From all of this, a series of statements have been developed to describe the 'vision' for the Latrobe Performing Arts and Convention Centre and the 'niche' it should occupy in the performing arts and conference facility landscape in Latrobe and more broadly, the region.

6.1 A vision for Latrobe Performing Arts and Convention Centre

Vision: Latrobe Performing Arts and Convention Centre will be a dynamic, thriving community and cultural hub that balances provision of and support for professional and community arts activity and events, community functions and corporate events and activity. It will:

- Attract artists and participants of the highest stature and will be a crucible for artistic exploration and audience development.
- Contribute to the city's social, economic and cultural growth
- Ensure that the best creative opportunities and product are made available to Latrobe's citizens and visitors
- Celebrate the diversity of heritage and cultures that shape our community and will provide facilities and programs that support the cultural vitality of the region.
- Deliver economic benefit to the community as a key attractor to the City and the region.
- Play an active role in the regional tourism and events sector.

- Provide flexible but highly functional, built for purpose spaces along with high quality equipment and furniture

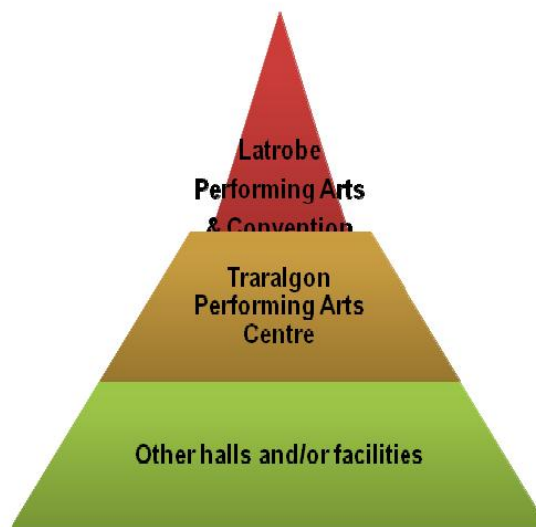
6.2 Latrobe Performing Arts and Convention facilities purpose and focus

As identified at the beginning of the document, this is a business case that encompasses the management of both the proposed Latrobe Performing Arts and Convention Centre at the Kernot Hall site in Morwell and the existing Traralgon Performing Arts Centre. We have called this the 'one business' approach.

In addition though, to the LPACC and the TPAC though there are a number of other less specialised and more multi-purpose facilities managed by Council's Cultural Liveability unit. They are the Moe Town Hall, Newborough Town Hall, Churchill Town Hall, Traralgon Court House and Traralgon Soundshell.

These facilities are an important part of a hierarchy of facilities that make it possible for groups (particularly local community groups), to undertake their various levels, quality and stages (in the process) of performing arts, theatre production, community and/or social functions and events. The hierarchy of facilities includes the LPACC at the 'top of the tree' through to the various community halls under the operation of Council's Cultural Liveability unit. For this reason, while they are not discussed in detail, they are also a key strategic component of the 'one business' model.

The performing arts and convention facilities hierarchy is shown in the diagram below.



Within the facilities hierarchy, it is necessary to define the role/function of each of the facilities.

The Latrobe Performing Arts and Convention Centre, the Traralgon Performing Arts Centre and the other listed facilities, as components of the 'one business' will:

- a. Complement and enhance each other and other facilities in the region;
- b. Enable broadly based participation through highly accessible locations, pricing and facilities;
- c. Focus on building audience, local access and participation and regional arts and cultural 'destination' significance;

- d. Be designed and developed for purpose, offering across the facilities hierarchy a range of opportunities and options for the community ranging from professional quality theatre and theatre space, through to more accessible and multi-use spaces for rehearsal and local arts development;
- e. Be a key point of contact for information dissemination relating to arts, cultural and community activities

6.2.1 Latrobe Performing Arts and Convention Centre Focus

The focus of the new Latrobe Performing Arts and Convention Centre is identified as:

- a professional quality, state of the art theatre that will develop and provide a high quality performing arts program that is strategically driven to develop local audiences as well as build the regional profile of Latrobe as an Arts and Cultural 'hot spot' – a great place to go.
- the convention aspect of the business will focus on provision of high quality function and events services inclusive of high quality catering, facilities, services and equipment.

6.2.2 Traralgon Performing Arts Centre focus

With the 'one business' model in mind and an understanding of the facility services gaps and opportunities from previous research and most recent consultation, the future role of the Traralgon Performing Arts Centre is proposed as:

- An arts incubator. A meeting place for a range of arts groups
- A home for a resident professional performing arts company producing both local and touring productions. This would increase the profile of Latrobe as well as working with the community
- A base for creative development projects that are then performed in the new LPACC
- Making and producing work specifically for the local community
- Providing groups with the ability to take a risk in a low cost environment
- Increase participation by local performing groups
- Low cost rehearsal space for local groups
- Breaking new ground for local government by supporting creative development then through to performance
- Ability to offer support to local artists

6.2.3 The other halls and/or facilities focus

- Low cost, accessible and multipurpose spaces located throughout the municipality for local community meetings, functions, events, rehearsals and some types of performance.

Recommendations:

It is recommended that:

1. The range of services provided by the Latrobe Performing Arts and Convention Centre includes:
 - Professional and community arts program

- Civic and community activities and events
- Business events and conferences
- Social celebrations and functions

2. The vision for the Latrobe Performing Arts and Convention Centre, which will drive and inform its program and funding model is:

Latrobe Performing Arts and Convention Centre will be a dynamic, thriving community and cultural hub that balances provision of and support for professional and community arts activity and events, community functions and corporate events and activity. It will:

- *Attract artists and participants of the highest stature and will be a crucible for artistic exploration and audience development.*
- *Contribute to the city's social, economic and cultural growth*
- *Ensure that the best creative opportunities and product are made available to Latrobe's citizens and visitors*
- *Celebrate the diversity of heritage and cultures that shape our community and will provide facilities and programs that support the cultural vitality of the region.*
- *Deliver economic benefit to the community as a key attractor to the City and the region.*
- *Play an active role in the regional tourism and events sector.*
- *Provide flexible but highly functional, built for purpose spaces along with high quality equipment and furniture*

The primary focus for the Latrobe Performing Arts and Convention Centre, the Traralgon Performing Arts Centre and the other halls and/or facilities will be:

Latrobe Performing Arts and Convention Centre

- *a professional quality, state of the art theatre that will develop and provide a high quality performing arts program that is strategically driven to develop local audiences as well as build the regional profile of Latrobe as an Arts and Cultural 'hot spot' – a great place to go.*
- *the convention aspect of the business will focus on provision of high quality function and events services inclusive of high quality catering, facilities, services and equipment.*

Traralgon Performing Arts Centre

- *An arts incubator. A meeting place for a range of arts groups*
- *A home for a resident professional performing arts company producing both local and touring productions. This would increase the profile of Latrobe as well as working with the community*
- *A base for creative development projects that are then performed in the new LPACC*
- *Making and producing work specifically for the local community*
- *Providing groups with the ability to take a risk in a low cost environment*
- *Increase participation by local performing groups*
- *Low cost rehearsal space for local groups*
- *Breaking new ground for local government by supporting creative development then through to performance*
- *Ability to offer support to local artists*

The other halls and/or facilities focus

- *Low cost, accessible and multipurpose spaces located throughout the municipality for local community meetings, functions, events, rehearsals and some types of performance.*

7. Business Model

The benchmarking undertaken for this project clearly identified that Performing Arts and Convention Centres do not make a profit. They are, without exception, services subsidised by Council. Their recognised benefit to the community is in:

- making available and accessible quality arts and cultural experiences as a key part of the sort of lifestyle people think they should reasonably have access to;
- contributing to the range of cultural and leisure options available to citizens
- significantly contributing to a city's or region's 'sense of place' and community pride in that place;
- enhancing the services and activities available such that the city becomes a 'destination of choice' for people to live and visit.

It is evident from observation of industry best practice, that those facilities are most successful both from a 'cultural vibrancy' and a financial performance perspective, when they reactively and professionally programmed.

In a sense, notwithstanding the need for the facilities to be in place for activities to occur, once the facility is in place, the focus is much more about the provision of a 'quality program' and not the bricks and mortar.

With this in mind, the following sections of this business case (sections 7.2 to 7.4) follow a logical sequence from an indicative program designed to deliver the facility/service vision and aspirations, to the operational budget needed deliver that program and the facility/service vision.

7.1 Indicative Program

The development of an indicative program for the combined facilities ('one business') is a required outcome of the Latrobe Performing Arts and Convention Centre business case project.

Based on:

- the recommended 'focus' for both the proposed Latrobe Performing Arts and Convention Centre and the existing (though refocussed) Traralgon Performing Arts Centre
- the identified need for strong programming commitment
- an understanding of the local and regional market place
- information from the projects' local, regional and national benchmarking
- activity at the Traralgon PAC is arts development of community hire with minimal staff supervision

an indicative program based on event 'types' has been developed. The indicative program table (table 5) also includes room usage charge rate, room hire income, staffing costs for events and the recoverable dollars from these costs which all feed into the projected operational budget in section 7.4.

Table 5: Indicative Latrobe Performing Arts and Conventions Program

Projected events	No. of events	Rate \$	Hire Income \$	Staffing per event \$	Recoverables \$
Performance Program					
Entrepreneurial Program	12	700	8,400	600	7,200
Bump-in rehearsal	12	700	8,400	320	3,840
Hiring Program					
Community performance	22	700	15,400	600	13,200
Schools performances	15	700	10,500	600	9,000
Eisteddfods	20	700	14,000	600	12,000
Commercial performance	20	900	18,000	600	12,000
Bump-in /rehearsal	60	700	42,000	320	19,200
Community hire Traralgon/Mbe/Halls	50	350	17,500	225	11,250
General Hire Traralgon/Mbe/Halls	60	100	6,000	0	0
Functions and Events					
Civic Events	10	50	500	160	1,600
Meetings and Conferences	60	400	24,000	160	9,600
Social events/Balls/ Dinner dances	12	500	6,000	160	1,920
Exhibitions	5	500	2,500	600	3,000
Trade Shows/Expos	3	800	2,400	1200	3,600
Festivals	4	600	2,400	600	2,400
Totals					
Morwell/Traralgon/Mbe/Halls	365		178,000		109,810

The indicative program allows for 12 annual entrepreneurial shows, that is, shows that are professionally programmed by the Latrobe City performing arts and functions program management/staff. The projected income from ticket sales is identified in table 6 below. Table 7 identifies the box office commission or fees from those ticket sales.

Table 6: tickets sales income from entrepreneurial shows

Box office Income	500 seat theatre				
Entrepreneurial Program	Full	%	Conc.	%	Total
Average Performance	\$35	30	\$22	25	\$8,000
12 performances					\$96,000

Table 7: Box Office commission/fees on projected entrepreneurial program ticket sales.

Box Office Commission/Fees	
Entrepreneurial shows	12 productions x 275 tickets x \$2.00 = \$6,600
Hirer's shows	77 events x 275 x \$3.00 = \$63,525

The indicative program allows for a total of 183 events per annum. With this in mind, an estimate of the total staff hours to staff those events has been made and is detailed in tables 8 & 9 (LPACC and the

other facilities respectively). Tables 10 & 11(LPACC and the other facilities respectively) show the various charge out rates for those staff required to staff events.

Table 8: Total staff hours for staffing LPACC (Morwell) events

LPACC Events	No. of Events	No. of staff	Hrs per staff	Total staff Event hours
Performance/Public	183	5	4	3660
Bump-in / rehearsal	72	1	8	576
			Total hrs:	4236

* Note: 1 event = 4 hours
1 rehearsal/bump in = 8 hours

Table 9: Total staff hours for staffing Traralgon/Moe/Halls events

Traralgon/Moe/Halls Events	No. of Events	No. of staff	Hrs per staff	Total staff Event hours
Community Hire Event	50	2	3	300
			Total hrs:	300

* Note: 1 event = 3 hours

Table 10: Charge out rates for staff required to staff LPACC events

Staffing charge out costs	Rate \$	4 hr call	8 hr call
Technician	40	160	320
Front of House/Duty Manager	40	160	320
Usher x 2	70	280	560
Total hours		600	1200

Table 11: Charge out rates for staff required to staff Traralgon/Moe events

Staffing charge out costs	Rate \$	3hr call
Technician	40	120
Front of House	35	105
Total hours		225

* Note: Staff cost for Traralgon/Moe/Halls averaged as most hiring's will not require full staffing

7.2 Staff Structure

It's worth emphasising upfront that within the Performing Arts and Convention Centre industry it is understood that functions/conventions services and performing arts programs/services are completely different, separate services that happen to be frequently built into single facilities.

This is particularly significant when considering the staffing needs of such facilities. Clearly, to optimise both the performing arts program and the convention/functions arms of the operation, you need to employ the right staff with the right skill sets. It's worth emphasising because many Performing Arts and Convention Centres have been established without having a management and operational team whose skill set matches the various aspects of the services to be delivered.

It's obvious, but it's been an often repeated mistake in establishing these facilities.

Quality and level of service will be critical to the success of the Latrobe Performing Arts and Convention Centre as an iconic venue where the community can easily access and engage with the arts and culture.

Establishment of the new management structure and team needs to happen incrementally and in-sync with the development and redevelopment of both the Latrobe Performing Arts and Convention Centre and the Traralgon Performing Arts Centre.

When the facilities are fully operational (by the end of 2018) there will need to be a team of professionals in place with the skills to seamlessly deliver:

- Professional facility activities and functions bookings and service;
- A comprehensive professional program of events and cultural activity that addresses identified strategic priorities;
- Arts development outreach, audience development and community capacity building programs;
- Marketing and communication.

The provision of a recommended staff structure, adequate to deliver the indicative program for the combined facilities ('one business') is a required outcome of the Latrobe Performing Arts and Convention Centre business case project.

The recommended staff structure based on consultant experience, industry benchmarks and the specific needs of the Latrobe Performing Arts and Convention Centre service, is:

Table 12: Recommended LPACC staff structure

Position	Band	EFT	Salary base
Permanent			
Manager	SEO	1	110,000
Programming Assistant	5	1	65,000
Marketing Coordinator	7	1	80,000
Box Office and Front of House Supervisor	5	1	65,000
Box Office Assistant	4	1	56,000
Functions Coordinator	7	1	80,000
Operations Manager	7	1	80,000
Technician	5	1	60,000
Technician	5	1	60,000
Administration Assistant	4	1	56,000
Finance Officer	6	0.5	37,000
Total Permanent		10.5	749,000
Casuals			
Technical Assistants	4A	1	60,000
Technical Assistants Traralgon/Mbe	4A	0.2	12,000
Duty Managers	4A	0.5	30,000
Ushers	1D	1	52,561
FOH Staff Traralgon/Mbe	1D	0.2	10,512
Box Office Assistants	1D	0.2	10,512
Total casual		3.1	175,585

Total Staffing		13.6	924,585
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Table 13: Casual Staff Worksheet

Staffing charge out costs	\$	4 hr call	8 hr call
Technician	40	160	320
Front of House/Duty Manager	40	160	320
Usher x 2	70	280	560
Total casual staff		600	1200

Table 14: Casual Staff Worksheet Traralgon/Moe*

Staffing charge out costs	\$	3hr call
Technician	40	120
Front of House	35	105
Total casual staff		225

* Note: Staff costs for Traralgon/Moe averaged at 3hr call as most hiring's will not require full staffing

Table 15: Casual EFT calculation

Casual EFT calculation		Hours	Est. Hours
52 weeks	38hrs	1976	4236
	per hour		

The following assumptions are made in relation to the staff structure:

- Staffing levels are estimated for Year 3 - full operation
- 60% of casual staffing should be recoverable
- casual loading 25% + special engagement loading 25%
- Functions Coordinator could be part of catering contract

Brief position descriptions of each of the positions above are provided in Appendix 4.

7.3 Operational Budget

The provision of an indicative operational budget deliver of the proposed program and management of the combined facilities ('one business') service is a required outcome of the Latrobe Performing Arts and Convention Centre business case project. The operational budget, based on industry experience, benchmarks and the specific needs of the Latrobe Performing Arts and Convention Centre service is proposed as follows:

Table 12: Indicative Operating Budget Year 3

Indicative Operating Budget Year 3	Proposed Latrobe PACC Morwell
Salaries	
Permanent	749,000
Casual LPACC (Morwell)	153,073
Casual Traralgon/Vbe/halls	22,512
On-costs	184,917
Services	
Utilities – Light and power	83,955
Cleaning LPACC (Morwell)	101,325
Utilities – Light & power Traralgon/Vbe/halls	31,000
Cleaning Traralgon/Vbe/halls	21,000
Phone/Communications/IT Services	10,000
Phone/Comms/IT Traralgon/Vbe/halls	5,000
Fire services	5,000
Maintenance	
Equipment LPACC	11,000
Building LPACC	15,000
Exterior LPACC	5,000
Equipment/Maintenance	15,000
Asset Renewal	50,000
Expenses	
Marketing and Promotion	95,000
Programming/Entrepreneurial	120,000
Legal	5,000
Insurance	10,000
Memberships	2,000
Creative Development programming Traralgon	7,000
Security	4,500
Security Traralgon/Vbe/halls	5,000
Administration	
Stationery/Printing	3,000
Vehicle	15,600
Conference	3,000
Total Expenditure	1,732,882
Income	
Arts Victoria	55,000
Ticket Sales	96,000
Ticket Commission	70,125
Venue Hire LPACC (Morwell)	154,500
Technical Recoverables	15,000
Catering / café rent	90,000
Venue Hire: Traralgon/Vbe/halls	23,500
Staff recovery	98,560
Staff recovery Traralgon/Vbe/halls	11,250
Total Income	613,935
Subsidy required	1,118,947

Operational budget notes/assumptions

- On costs @20%
- LPACC Utilities calculation based on 2,895sq mtrs (all main public and work areas) @\$29 per sqmtr
- LPACC Cleaning costs based on 2,895 sqmtrs(all main public and work areas) @\$35 per sqmtr
- Existing facilities services based on 2012/12 projected budgets

7.4 Current staff structure and operational budget comparison

The projected staffing requirements and cost of operating the new facility inclusive of the Traralgon Performing Arts Centre and the other facilities/halls is obviously considerably higher than Council's current level of allocation/investment.

The following table provides a comparison between the current staffing allocation and the proposed new service.

Current Staffing Positions	Band	EFT	Proposed Staffing Positions	Band	EFT
Permanent			Permanent		
Arts Director	7	1	Manager	SEO	1
Coordinator Latrobe Performing Arts & Venues	6	1	Programming Assistant	5	1
Latrobe Performing Art & Venues Arts Officer – Venue Services	5	1	Marketing Coordinator	7	1
Customer Service – Box Office	4	0.57	Box Office and Front of House Supervisor	5	1
LPA&V Assistant	3	1	Box Office Assistant	4	1
Theatre Technician	4	0.72	Functions Coordinator	7	1
Theatre Technician	4	0.58	Operations Manager	7	1
			Technician	5	1
			Technician	5	1
			Administration Assistant	4	1
			Finance Officer	6	0.5
Total Permanent		5.29	Total Permanent		10.5
Casuals			Casuals		
Usher	1	0.16	Technical Assistants	4A	1
Box Office	1	0.16	Technical Assistants Traralgon/Mbe	4A	0.2
Theatre Technician	1	0.26	Duty Managers	4A	0.5
			Ushers	1D	1
			FOH Staff Traralgon/Mbe	1D	0.2
			Box Office Assistants	1D	0.2
Total casual		0.58	Total casual		3.1
Total Staffing		6.45	Total Staffing		13.6

The following table provides a point of comparison between the current operational budget and the proposed new service.

	Current Budget	Projected Budget
Operating Income		
Earned Income	234,900	558,935
Community Grants	39,500	0*
Arts Vic Grant	55,000	55,000**
Total Income	329,400	613,935
Operating Expenditure		
Salaries & on-costs	386,500	1,109,502
Programming, Materials & Services	345,900	607,780
Vehicle (internal charge)	15,600	15,600
	748,000	1,732,882
Operating Subsidy	418,600	1,118,947
<i>***Asset Maintenance</i>		1,500,000

*NB: * Council's community grants, based on 2011/12 figures, have been included in 'Earned Income' in the Projected Budget.*

*** Arts Victoria Grant funding may increase with the new facility. For example, Wangaratta PAC received increased funding from \$50K to \$100K upon completion of their new facility.*

*** The estimated \$1,500,000 asset maintenance cost is required over a ten year period to bring Traralgon Performing Arts Centre up to standard. Refer section 8.2*

Recommendations: It is recommended that:

1. Council endorse the Latrobe Performing Arts and Convention Centre 'one business' model as a subsidised service which will:
 - make available and accessible quality arts and cultural experiences as a key part of the sort of lifestyle people think they should reasonably have access to;
 - contribute to the range of cultural and leisure options available to citizens
 - significantly contribute to Latrobe City and the regions 'sense of place' and community pride in that place;
 - enhance the services and activities available in Latrobe and build its reputation as a great place to live and visit.
2. Council adopt the indicative program as a guide to future programming of the Latrobe Performing Arts and Convention Centre
3. Council adopt the proposed staffing structure for the Latrobe Performing Arts and Convention Centre
4. Council adopt the indicative operational budget for Latrobe Performing Arts and Convention Centre

8. Capital Cost Estimate

8.1 LPACC Functional Component Brief

Confirmation of the capital cost to build the Latrobe Performing Arts and Convention Centre is a key requirement of this LPACC business case project.

As this project does not include any concept design development, a functional component brief detailing each of the required spaces, their size, functional needs and relationships as well as vision, design principles and specific details as they related to particular spaces and their uses. It is informed by:

- the design work undertaken for Latrobe Performing Arts and Convention Centre Feasibility Study 2009
- confirmation of facility needs from the consultations undertaken for this Business Case project

As a guide to the likely capital cost of development of the Latrobe Performing Arts and Convention Centre at the Kernot Hall site, Morwell, Newton Kerr & Partners (quantity surveyors and construction cost consultants) were asked to prepare a predesign preliminary indicative cost. The cost plan which is provided in full in appendix 5 states as follows:

- This is a Stage A Cost Plan for the proposed Latrobe Performing Arts Centre at Morwell.
- This Cost Plan has been prepared for the use of Outside the Square Consulting only. Newton Kerr and Partners take no responsibility for the use of this document by other parties.
- This Cost Plan assumes the project will competitively tendered, and use a lump sum standard form construction contract.
- This Cost Plan has been based on preliminary information requiring many assumptions to be made. These will require confirmation once the next stage of the design has commenced.
- These costings are indicative only of the possible cost in current dollars to construct the building and associated work as documented on the Harmer Architecture drawings received 25th September 2009 and Outside the Square Draft Facility Components Brief 2012.

The total cost (excl GST) for development of the Latrobe Performing Arts and Convention Centre is estimated to \$15,641,000. This price includes a number contingencies, fees and escalation to 2015. There also a number of noted exclusions for this early stage cost plan.

8.2 Traralgon Performing Arts Centre refurbishment cost estimate

As has been noted earlier in this report, that while in generally in sound condition, there are occupational health and safety issues associated with the Traralgon Performing Arts Centre. A comprehensive condition and compliance assessment of the Traralgon Performing Arts Centre was undertaken by Dennis Hunt and Associates Pty Ltd March 2011. The audit has identified and documented the need to invest in bringing this facility up to current day standard. That report proposes a 10 year maintenance and renewal program and a compliance upgrade program that runs over a 10 period has a total cost of approximately \$1,500,000. (excluding some items such as design, builders margin etc).

In keeping with Council's asset management approach, it proposed that the findings from the condition and compliance assessment should inform a Traralgon Performing Arts Centre Asset Management Plan which should be developed as a priority.

Recommendations:

It is recommended that:

1. Council endorse the function component brief as the basis for estimating the capital cost of the Latrobe Performing Arts and Convention Centre as well as being the basis for future architectural design work.
2. Council note the Cost Plan A cost estimate of \$15,641,000 provided by Newton, Kerr and Partners (quantity surveyors and construction cost consultants)

9. Latrobe City 10 Year Financial Plan

At the time of writing this report, Council's draft 10 Year Financial Plan was in a public comment phase in preparation for adoption in mid July 2012. The 10 Year Financial Plan is a high level planning document to designed provide guidance to future financial decision making and it is identified as the foundation that will enable Council to realise the Community's Vision, Latrobe 2026, and provide the basis for enabling the implementation of the four year Council Plan.

The financial plan provides a context for funding both operational and capital budgets, and documents objectives and strategies in the areas of rating, grants, fees and charges, operations and services, human resources, asset management, liquidity, borrowings and reserves.

The draft 10 year financial plan specifically identifies the Latrobe Performing Arts and Convention Centre as a major capital project spread over the financial years 2015/16, 2016/17 and 2017/18. The plan identifies a \$15M budget for the LPACC and allows for Council to fund \$5m through loan borrowings and the other \$10m to be funded through (state/federal) government grants. It also allocates an additional \$0.5 M (net) per year operating costs to be funded from rates revenue.

A stated purpose of this business case is to accurately forecast the projects impact on rates and recurrent cost to Council.

Assuming a capital cost of \$15M, there would be no impact on rates and recurrent cost other than the already projected impacts in the 10 year financial plan.

That said, there is a minor variation between the amounts allowed in the financial plan and the projected costs - both capital and operational. There is also the potential that, as the project progresses and more detailed planning and design occurs there will be costs cannot be accurately predicted at this stage in the project. It is also prudent to note that the funding scenario is based on successfully gaining capital funding from State and Federal Government. If Council is not successful in its applications or is offered less than the amount Council will apply for, this will affect the funding model and, should Council elect to proceed with the project, will likely mean greater cost to Council.

9.1 Capital Budget

The following table (table 13) gives an indication of the costs to Council and impact on rates in the event that the proportion to be funded by Council varies from the currently proposed \$5M.

Table 13: Capital Funding Scenarios

No	Capital Funding Scenario		Options and Impact on Council's Financial Plan
1	\$5M- Council	\$10M- State/Fed Govt.	No impact. In line with 10 year financial plan
2	\$5.21M- Council	\$10.43M- State/Fed Govt	Additional \$210K borrowings. Options to cover additional annual cost in loan interest and principal repayments of \$30,660 are: a. additional rates which would equate to a 0.05% rate increase and is not in-line with current fin. plan or, b. re-prioritisation and/or reduction of some services to cover within current available funds c. Option to be within scope of financial plan: reduce the scale of the facility in line with the Budget.
3	\$10.6M- Council	\$5.3M- State/Fed Govt	Additional \$5.6M borrowings. Options to cover additional annual cost of \$812,000 are: a. additional rates which would equate to a 1.4% rate increase and is not in-line with current fin. plan or, b. re-prioritisation and/or reduction of some services to cover within current available funds
4	\$15M- Council	\$0 - State/Fed Govt	Additional \$10M borrowings. Options to cover additional annual cost of \$1.45M are: a. additional rates which would equate to a 2.4% rate increase and is not in-line with current fin. plan or, b. re-prioritisation and/or reduction of some services to cover within current available funds

9.2 Operational Budget

The operational budget developed as part of this business case projects an annual Council subsidy of approximately \$1,118,947. This amount is \$200,947 greater than the amount anticipated in the 10 year financial plan. The following table (table 14) shows the impact on rates of this additional cost. The impact is based on information provided by Council's financial services department relating to the cost of borrowing and the impact of additional costs expressed as a rates percentage.

Table 14: Projected Latrobe Performing Arts and Convention Centre potential impact on rates.

No.	Annual Operating Budget Net cost to Council	Impact on 10 year financial plan
1	\$918,600 (comprised of 2012/13 draft budget subsidy of \$418,600 and \$500,000 allowed in 10 year financial plan for increased operational costs)	No impact on rates or Council's draft 10 year financial plan. Amount is within current financial plan allowances.
2	\$1,118,947 (projected annual budget developed as part of this business case based on indicative program, staff resourcing, income and expenditure)	Council fully funds. The options are: a. Increase rates to cover additional funds Requires a 0.34% rate increase to generate the additional \$200,347. This is not in line with the financial plan. b. re-prioritisation and/or reduction of some services to cover within current available funds

9.3 Asset Management

As noted in section 8.3, Traralgon Performing Arts Centre is in need of refurbishment. A 10 year program costing approximately \$1.5 is projected to refurbish the facility and bring it up to a current day standard.

Council has an established Asset Management approach. In keeping with this, Council's forward financial plan recommends that the 10 Year Financial Model be updated following the completion of the Drainage and Building Asset Management Plans.

It is therefore recommended that while Council should be aware that the total cost of provision of the performing arts and convention centre facilities (inclusive of the Traralgon Performing Arts Centre and the Latrobe Performing Arts and Convention Centre) will cost more than the \$5M allocated for the LPACC in the financial plan, the cost associated with the maintenance and renewal of the Traralgon PAC be considered in accordance with the 10 year financial plan recommendation.

Recommendations:

It is recommended that:

1. Council review its financial plan to reflect the capital and operational costs projected in the business case.
2. Based on the findings of this business case, Council endorse preparation of funding submissions for Arts Victoria and Regional Development Australia based on the findings and recommendations within this business case.
3. That this business case be used as a primary supporting documentation for the funding partner funding submissions.

10. Next Steps

The Latrobe Performing Arts and Convention Centre business case provides core information about the programming and management of a comprehensive performing arts and convention program that would use both the proposed new LPACC and the existing PAC in Traralgon.

It provides solid, indicative operational costs for the proposed program and its management.

It also provides a capital cost estimate for the construction of the LPACC.

The next steps will involve Council considering the recommendations throughout this report and, assuming it considers that this business case provides it with the level of information it requires to determine if the new facility on the Kernot Hall site in Morwell (LPACC) and the operational costs are affordable, to formally adopt this business case and its recommendations.

11. Appendices

Appendix 1: Document Review

Council Plan

- Strategic Direction:
 - Facilitate and support events, community festivals and arts programs that reflect and celebrate cultural diversity and heritage.
 - Strengthen community pride and well being through the provision of high quality and well presented programs, events and facilities.
 - Plan, facilitate, develop and maintain public infrastructure that strengthens the cultural vitality of the municipality.

Community Vision for Latrobe Valley – Latrobe 2026

- Strategic Directions
 - facilitate and support events, community festivals and arts programs that reflect and celebrate cultural diversity and heritage.
- Action: 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.

Economic Sustainability Strategy

- In addition to these initiatives, in 2011-2015 our infrastructure plans include:
 - Energy Innovation Centre/Conference Centre Feasibility Assessment: As noted earlier, growth in business tourism, particularly conferencing, has been identified by the Tourism Product Audit as a significant opportunity for Latrobe City. To support the development of this market, Latrobe City will explore the opportunity identified in the Gippsland Regional Plan for a 1000 seat conference facility to be located in the municipality.
- Implementation of the recommendations of the Tourism Product Audit and Latrobe Visitor Information Centre Review will be a priority in the 2011-2015 period. These studies have shown that while Latrobe City is not a primary leisure tourism destination, it has a strong economic base, international investment partners, experience in events and a ready conference market upon which to develop its tourism and events sector. Latrobe City will deliver the adopted recommendations to:
 - Position Latrobe City as the events and conferencing centre for broader Gippsland.
 - Promote a cohesive effort by the three major centres to secure funding and events of mutual benefit
- In addition, opportunities for new investment that bring new capital into the local economy, align with the strengths of Latrobe City, complement existing industries and serve to diversify the economy will be proactively identified and aggressively pursued during the 2011-2015 period. Opportunities that will be targeted are:
 - Business tourism and events: furthering investment in facilities to support the growth of the business tourism market including an 1000+ seat conference centre

and accommodation facilities, undertaking cost/benefit studies into opportunities identified in the Latrobe City Tourism Audit including an energy innovation conference resort, a major driver training complex and a motor sport activity centre

- Conference and events facilities identified as opportunities
- Actively pursue investment opportunities for business tourism and events:
 - furthering investment in facilities to support the growth of the business tourism market including an 1000+ seat conference centre and accommodation facilities
- Actions for Contributing to a Liveable and Vibrant Community
 - Facilitate partnerships with the arts community, health sector and recreational clubs to identify, evaluate and progress projects and events that contribute to a liveable and vibrant community

Tourism Product Audit and Review of the Visitor Information Centre Service

- This Report is consistent with the Gippsland Regional Plan 2010
 - (10) Tourism Infrastructure *Recommendation* 3. Improve the region's capability with respect to conference based tourism
- The Tourism Product Audit revealed that the major part of the tourism sector in Latrobe City is made up of small businesses, with a few medium sized businesses operating in the accommodation and conference sector. It is estimated that tourism makes up approximately 6% of employment within Latrobe, and generates approximately \$83 million per annum.
- Latrobe has two medium sized conference and accommodation facilities with a maximum capacity of 240 and 300 delegates. It has six other accommodation properties capable of hosting smaller conferences. There are at least 22 venues without accommodation which are able to host conferences ranging up to 1000 delegates.

Given Latrobe's accommodation capacity, central Gippsland location and regional city status, it is likely to be an obvious choice for business and other types of conferences/meetings within the region, particularly from industry sectors based in Gippsland.

It is recommended that:

1. Latrobe City takes a strategic approach to develop this high yielding sector to its maximum potential and ensure strategy alignment with Business Events Victoria funding.
2. Latrobe City actively pursues the development of a 1,000 seat conference centre as recommended in the Gippsland Regional Plan. Latrobe City is well placed to develop such a facility given its' central location and its' strong and diverse economic base.
Note: Tourism Victoria has recently provided a substantial grant to Business Events Victoria (BEV) (managed by VECCI) to employ business development resources to attract business meetings and conferences to regional Victoria. Latrobe City should actively participate in this program via their membership.
3. Latrobe City position itself around events, conferences and business travel providing a significantly better return on investment. Tourism marketing for Latrobe City, particularly for events and conferences, can be aligned and integrated with DGL's promotional activities, and
4. Latrobe City undertake a detailed feasibility study to scope the potential development of a 1,000 seat conference centre to build on the municipalities' competitiveness in the lucrative conference and corporate meetings market.

5. The basis for prioritising events, conferences, corporate meetings and the business travellers over general tourism development is based on Latrobe's current competitive strengths. The existing data supports a shift of emphasis and will provide a better return on investment for both Council and the business sector.
6. The municipality has a particularly strong economic base, international investment partners, experience in events and a ready conference market to build upon.

Positioning Latrobe City for a Low Carbon Emissions Future – April 2010

Following the privatisation of the electricity sector in the 1990s, local government spending and planning programs were wound back. Latrobe City Council recognises, with the benefit of hindsight, that this did not help the structural adjustment process as it added to the downward economic trend and reduced community confidence in the region's future. Council currently has a program of planned upgrades of recreational and community facilities and will continue to work to implement these improvements throughout the transition period.

In enhancing infrastructure and services, Council intends to continue to plan strategically and to implement strategies and planning schemes that support development while maintaining a unique rural lifestyle.

- **Locally Based Policy Actions:** Progress planned infrastructure programs including 1 to 3 years identified upgrades to town centres, community facilities and the Gippsland Logistics Precinct development – 1-3 years (possible timeframe for commencement)

Destination Gippsland Strategic Plan

- Facilitate and support public and private investment in tourism infrastructure focusing on projects such as those identified in the **Tourism Victoria Regional Action Plan, Victorian Nature Based Tourism Strategy and National Landscapes Tourism Master Plans:**
 - Other important projects for tourism in Gippsland include sealing of roads into key product areas such as South Face Road, Grand Ridge Road and Tarra Bulga; completion of various rail trail links; and larger scale accommodation integrated with conference facilities.

Gippsland Regional Plan

- 'Finally, the Gippsland region does not have a major conference facility that can accommodate significant events. Such a facility would not only support tourism but would also grow the region's reputation for supporting professional development on a major scale'.

Ready for Tomorrow, Blueprint for Regional and Rural Victoria

- the Regional Infrastructure Development Fund has supported 353 infrastructure projects across the state with a total value of more than \$1.4 billion (as at 31 May 2010). Among these were:
 - Wangaratta Performing Arts Centre \$7,600,000 - RIDF \$4,500,000
 - Redevelopment of the Hamilton Arts Precinct \$1,700,000 - RIDF \$950,000
 - Upgrade of Capital Theatre (Bendigo) \$1,400,000 - RIDF \$650,000

Regional Victoria Business Events Research Project

LPACC Feasibility Study 2009

Preparation of the 2009 feasibility study involved extensive consultation with a range of community stakeholders. Of particular relevance to this project, the feasibility consultation identified that:

- the existing local theatre/performing arts facilities did not meet community and group needs as they had design, size and quality limitations and their costs were prohibitive.
- Latrobe has a number of facility 'gaps' including:
 - Function/conference facilities
 - Well designed, flexible theatre spaces with current standard technical equipment
 - Good sized foyer space
 - Multi-purpose rooms
 - Storage areas and cooking facilities
 - Large flat floor venue
 - Good acoustics
 - Theatre capacity of at least 500 seats
 - A facility that is managed to maximise capacity and use
- The Kermot Hall, Morwell site is centrally located and has the potential to be a 'destination' location where a 'cultural precinct' could be created.
- A conference centre would attract people to Latrobe
- Proximity to other services and activities such as café's and restaurants, night life, accommodation and other attractions are generally considered important success factors for performing arts and conference centres. The Morwell site does not have this but the Traralgon site does.
- Value for money and the 'affordability' of these facilities are important issues for the community
- Local involvement, use and access is considered a success factor
- Management for all aspects of a performing arts and convention facility, that is theatre/performance as well as conventions/functions, is very important.

Community Indicators 2007 survey

- 47.3% of persons in Latrobe had participated in at least one of the selected artistic and cultural activities in the previous month, compared to 47.8% in the Gippsland Region and the Victorian State average of 46.6%.
- 90% of persons in Latrobe agreed or strongly agreed that cultural diversity is a good thing for a society, compared to 85.9% in the Gippsland Region and the Victorian State average of 89.4%. (CIV-2007)

Appendix 2: Functional Component Brief

Vision

Latrobe Performing Arts and Convention Centre will be a dynamic, thriving community and cultural hub that balances provision of and support for professional and community arts activity and events, community functions and corporate events and activity. It will:

- Attract artists and participants of the highest stature and will be a crucible for artistic exploration and audience development.
- Contribute to the city's social, economic and cultural growth
- Ensure that the best creative opportunities and product are made available to Latrobe's citizens and visitors
- Celebrate the diversity of heritage and cultures that shape our community and will provide facilities and programs that support the cultural vitality of the region.
- Deliver economic benefit to the community.
- Play an active role the regional tourism and events sector.
- Provide flexible but highly functional, built for purpose spaces along with high quality equipment and furniture.

Design Principles

The centre will be:

- an **iconic** building and will be a significant investment in local pride and sense of place.
- **Sensitive, sustainable design** will ensure the centre is both a significant cultural landmark for today and for future generations.
- It's **visual impact** will announce the building as a destination and as a hub for cultural and community activity. **Artwork will be integrated** into the precinct design.
- The design will reflect the environment in which the building sits and there will be interaction between the **indoor/outdoor** spaces.
- The centre will be **open, welcoming and accessible** for everybody. Whether arriving by public transport, car or on foot, patrons will find welcoming entry points to the building. The building will have no 'back entrance'.
- **Technology** will be incorporated into the fabric of the design, enhancing the operational capacity of the facility into the future.

Australian Design and Technical Benchmarks for Performing Arts Centres – Oh You Beautiful Stage

This design brief has referred to the benchmarks for performing arts centre as developed in the draft Third Edition of Oh You Beautiful Stage (Victorian Association of Performing Arts Centres) due for publication in May 2012. In previous editions, the proscenium theatre had three categories AA, A and B. In the third edition, a new star system (one to four stars) has been adopted. For the purpose of this brief, the benchmarks are based on a 500 seat, three star venue.

The components listed in this brief are indicative for costing purposes. It does not include a fully itemised technical inventory.

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
Proscenium Theatre	Auditorium	<ul style="list-style-type: none"> ▪ Community Concerts / Events ▪ Touring professional (entrepreneurial) shows ▪ Conferences ▪ Seminars ▪ Events ▪ Functions 	<ul style="list-style-type: none"> ▪ Performing arts centre theatre with capacity to seat (approx.) 500 people. ▪ Venue to accommodate community based performances and professional touring shows/program ▪ Venue for occasional commercial events/conferences ▪ Venue to be 300 raked seats on lower level and 200 balcony seats on upper level ▪ Sound and light locks 	<ul style="list-style-type: none"> ▪ Linked to studio space ▪ Linked to foyer ▪ Close proximity to Amenities 	<ul style="list-style-type: none"> ▪ Ensure good site line to stage area. Minimum 85% with excellent sightlines ▪ Maximum viewing distance <20m 	<ul style="list-style-type: none"> ▪ Area based on 1m² per person. ▪ 300 lower level @1m² = 300m² ▪ 200 upper deck @1m² – 200m² 	550m ² (Note: seats on 2 levels)

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	FOH lighting		<ul style="list-style-type: none"> ▪ Minimal two lighting bridges ▪ Two follow spot positions 	<ul style="list-style-type: none"> ▪ Easily accessible without entering the auditorium 		<ul style="list-style-type: none"> ▪ 	
	Stage	<ul style="list-style-type: none"> ▪ Performers ▪ Hirers ▪ Technicians ▪ Conferences ▪ Presentations 	<ul style="list-style-type: none"> ▪ Develop stage to include: <ul style="list-style-type: none"> ▪ 12 metre wide, 6 metre high proscenium arch ▪ Wings to be minimum of 4 metres each side ▪ 10 metres to back wall ▪ Rear stage cross over 	<ul style="list-style-type: none"> ▪ Final dimensions should also be guided by 'Oh You Beautiful Stage' – Victorian Association of Performing Arts Centres standards for stage design should be used as a guide 	<ul style="list-style-type: none"> ▪ Easy access to backstage areas and front of house 	<ul style="list-style-type: none"> ▪ 12 metre proscenium arch ▪ Wings 4m minimum 	288m ²
	Fly tower		<ul style="list-style-type: none"> ▪ Minimum flytower height is the maximum proscenium height of the x2.5 with all services and structures above 	<ul style="list-style-type: none"> ▪ Fly galleries accessible both sides of the stage 	<ul style="list-style-type: none"> ▪ Need counterweight (not winches) 		

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Orchestra Pit	<ul style="list-style-type: none"> ▪ Orchestra for: ▪ Community Concerts ▪ School productions ▪ Touring professional shows 	Orchestra pit to include: <ul style="list-style-type: none"> ▪ backstage access ▪ accommodate 28 players ▪ disability access ▪ Covered or partially covered. ▪ Forestage/orchestra lift 	<ul style="list-style-type: none"> ▪ consider connection to ancillary space. This would allow for tuning etc. prior to performance and/or overflow dressing room and/or studio/rehearsal space. 	<ul style="list-style-type: none"> ▪ Area to be flexible 	<ul style="list-style-type: none"> ▪ accommodate 28 players (based on 1.7m per person) 	42.5m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Dressing rooms	<ul style="list-style-type: none"> ▪ Performer ▪ Concerts ▪ Events 	<ul style="list-style-type: none"> ▪ Refurbish or develop new dressing room area for performers including: <ul style="list-style-type: none"> ▪ 1 X 35 person dressing rooms (including wardrobes/hanging area, toilets and showers), ▪ 2 X 2 person dressing rooms (leads) (these should have wardrobe/hanging area and be in easy access to toilets/showers etc) ▪ 2 X 4 person dressing rooms (leads) (these should have wardrobe/hanging area and be in easy access to toilets/showers etc) ▪ Large ancillary space for overflow dressing rooms for very large casts. (see space attached to orchestra pit) 	<ul style="list-style-type: none"> ▪ Clear access to stage ▪ Dressing Rooms for the studios separate and easily accessible from the studio spaces 	<ul style="list-style-type: none"> ▪ Dressing rooms need a phone in them and W-Fi ▪ Toilets and shower facilities to be included in dressing room area. Include one accessible toilet/washroom, 1 shower, toilet and wash facilities for principal dressing rooms, and shared toilet and wash and showers for chorus dressing rooms (2 female toilets, 1 toilet & 1 urinal for males). ▪ Sound relay through out ▪ TV relay throughout 	<ul style="list-style-type: none"> ▪ 1 x 30 person dressing rm @ 1.5m² per person ▪ 2 x 2 person rms @ 10m² ▪ 2 x 4 person rms @ 18m² ▪ 1 x 30 person ancillary/multipurpose rm @ 1.5m² per person 	150m ²

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Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Green Room	<ul style="list-style-type: none"> ▪ Performer ▪ Concerts ▪ Events 	<ul style="list-style-type: none"> ▪ Green room (ideally chorus dressing rooms would be at the back of this). It should be a central area for people to gather. ▪ Could double as staff room 	<ul style="list-style-type: none"> ▪ Located in close proximity to stage and dressing rooms 	<ul style="list-style-type: none"> ▪ Include support amenities i.e. kitchenette 	<ul style="list-style-type: none"> ▪ Ability to accommodate 30 people (based on 1.5m per person) 	50 m ²
	Wardrobe	<ul style="list-style-type: none"> ▪ Hirers ▪ Production companies 	<ul style="list-style-type: none"> ▪ Shelving 				6m ²
	Scenic doors to stage		<ul style="list-style-type: none"> ▪ Minimum 5m h and 3m w ▪ Sound rated 				
	Piano Store		<ul style="list-style-type: none"> ▪ Storage for two grand pianos 	<ul style="list-style-type: none"> ▪ Easy access to orchestra pit/lift and to stage area 			7.5m ²
	General Store	<ul style="list-style-type: none"> ▪ Venue staff 	<ul style="list-style-type: none"> ▪ General storage for venue services 				10m ²
	Hirers Equipment Store	<ul style="list-style-type: none"> ▪ Hirers 	<ul style="list-style-type: none"> ▪ Separate secure store for hirers equipment 				7.5m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Laundry	<ul style="list-style-type: none"> Venue staff and hirers 	<ul style="list-style-type: none"> Services for commercial size washing machine and dryer Cleaners trough Laundry basin 				10m ²
	Hiring/Touring company office	<ul style="list-style-type: none"> Touring companies 	<ul style="list-style-type: none"> Small production office for use by technical staff and touring companies 	<ul style="list-style-type: none"> Located in close proximity to stage and dressing rooms 	<ul style="list-style-type: none"> Needs phone & Wi-Fi 	<ul style="list-style-type: none"> 3x3 m (could double as extra dressing room) 	15m ²
	Technicians Office	<ul style="list-style-type: none"> Permanent and casual staff 	<ul style="list-style-type: none"> Work area for technicians and back of house staff 	<ul style="list-style-type: none"> Easy access to technical workshop 		<ul style="list-style-type: none"> 3 x2 m 	15m ²
	Technical Workshop	<ul style="list-style-type: none"> Technical and back stage staff 	<ul style="list-style-type: none"> Workbenches, maintenance area 	<ul style="list-style-type: none"> Easy access to backstage and exterior doors 	<ul style="list-style-type: none"> Could be shared with lighting and sound storage if secured/caged areas are provided 		25m ²
	Lighting equipment store	<ul style="list-style-type: none"> Venue staff 	<ul style="list-style-type: none"> Central secured/caged area with functional racking for lighting equipment 	<ul style="list-style-type: none"> Located at stage level 			20m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Sound equipment store	<ul style="list-style-type: none"> Venue staff 	<ul style="list-style-type: none"> Central secured/caged area with functional racking for sound equipment 	<ul style="list-style-type: none"> Located at stage level 			20m ²
	Staff Room	<ul style="list-style-type: none"> Venue staff 	<ul style="list-style-type: none"> Staff facility area, lunch room 	<ul style="list-style-type: none"> Kitchen facilities 			25m ²
	Staff change room	<ul style="list-style-type: none"> Venue staff 	<ul style="list-style-type: none"> Shower and toilet facilities 	<ul style="list-style-type: none"> M/F and accessible facilities 			15m ²
	Scenic Dock	<ul style="list-style-type: none"> All back stage staff and hirers 	<ul style="list-style-type: none"> Area used for scenic storage and assembly 	<ul style="list-style-type: none"> Adjacent to the stage 	<ul style="list-style-type: none"> Work bench 		60m ²
	Loading Dock	<ul style="list-style-type: none"> Performer Concerts Events 	<ul style="list-style-type: none"> Loading dock area to include the following features: 	<ul style="list-style-type: none"> turning circle for trucks (52 footers) good sight lines dock door that enters directly in to theatre backstage and ideally the wing space Dock doors need to be 3m wide and 4m high 	<ul style="list-style-type: none"> Separate lockable storage (at least 5m X 5m) – (25m²) loading dock based on 8m X 2.5m (20m²) bay area to be big enough for one semi trailer (12.5 X 8 m = 100m²) Elevated lift to load goods from truck to dock/backstage and vice versa. 		145m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
Convention Facilities (refurbished Kernot Hall)	Function Room(s)	<ul style="list-style-type: none"> ▪ Community Concerts ▪ Conferences ▪ Seminars ▪ Expo's ▪ Events ▪ Functions 	<ul style="list-style-type: none"> ▪ Using the existing Kernot Hall, create a flexible function space with the capacity to divide the room into 2 separate spaces with sound rated doors 	<ul style="list-style-type: none"> ▪ Linked to breakout areas ▪ Consider links to outdoor green space 	<ul style="list-style-type: none"> ▪ Multimedia support infrastructure required to run professional meetings/seminar ▪ Operable walls – 21m across hall. ▪ Good sound attenuation between rooms within the venue essential. ▪ use of low/no noise transference operable walls. ▪ Note: Kernot Hall currently has operable walls that allow the space to be divided into 2 areas as follows: <ul style="list-style-type: none"> ▪ Hall 1 - 20 metres in length by 21 metres wide ▪ Hall 2 - 14 metres in length by 21 metres wide. Existing operable walls are poor quality and not sound proof. They need replacement to enable more effective use/hire of separate spaces. Allowance for renovation works should include: <ul style="list-style-type: none"> ▪ New ceilings and floor finishes 	<ul style="list-style-type: none"> ▪ One large room to cater for up to 600 people seated at tables with the capacity to be divided into 2 separate rooms. 	714m ² (main hall) 160m ² (stage)

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Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Table and Chair (and general) Store	<ul style="list-style-type: none"> ▪ Centre Staff ▪ Centre hirers 	<ul style="list-style-type: none"> ▪ Safe readily accessible storage to accommodate all tables and chairs 	<ul style="list-style-type: none"> ▪ Must be directly accessible into the hall. 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	75m ²
	AV equipment store	<ul style="list-style-type: none"> ▪ Centre Staff ▪ Centre hirers 	<ul style="list-style-type: none"> ▪ Safe, secure store for audio visual equipment 	<ul style="list-style-type: none"> ▪ Must be easily accessible into the hall. 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	7m ²
	Conference room	<ul style="list-style-type: none"> ▪ Conferences ▪ Seminars ▪ Expo's ▪ Events ▪ Functions ▪ Community Concerts 	<ul style="list-style-type: none"> ▪ To provide break out area from function room(s) ▪ Area to support pre event activities ▪ Additional facility for conferences/seminars 	<ul style="list-style-type: none"> ▪ Accessed directly off function room and entrance ▪ Separate areas to Centre foyer. 	<ul style="list-style-type: none"> ▪ Area could be used for community based exhibitions 	<ul style="list-style-type: none"> ▪ Area to accommodate 60 people (allow 2m per person). 	120m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Board Room	<ul style="list-style-type: none"> ▪ Business meetings 	<ul style="list-style-type: none"> ▪ High quality, purpose built space for business meetings, interview and/or staff meetings. ▪ Should be able to seat 15-20 people and have fixed furniture and built in audio visual equipment. 	<ul style="list-style-type: none"> ▪ Could be located outside of the admin area but should adjoin the foyer. 	<ul style="list-style-type: none"> ▪ fixed high quality boardroom furniture ▪ built in audio visual equipment. ▪ Storage cupboard space ▪ Sink, small kitchenette bench 	<ul style="list-style-type: none"> ▪ Area to accommodate 15 – 20 people 	50 m ²
	Caterers Office	<ul style="list-style-type: none"> ▪ Caterer and clients 	<ul style="list-style-type: none"> ▪ Meeting place for caterer with prospective function/convention clients. 	<ul style="list-style-type: none"> ▪ Close to foyer area 		<ul style="list-style-type: none"> ▪ Area to accommodate 1 workspace with meeting space for 2 additional 	7 m ²
	Commercial Kitchen	<ul style="list-style-type: none"> ▪ Conferences ▪ Serrinars ▪ Events ▪ Functions 	<ul style="list-style-type: none"> ▪ To service food and beverage requirements for function rooms 	<ul style="list-style-type: none"> ▪ Adjacent to function rooms ▪ Have external delivery access 	<ul style="list-style-type: none"> ▪ Contracted catering services 	<ul style="list-style-type: none"> ▪ Check facilities meet health regulation 	75m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Community access/Reheat Kitchen	<ul style="list-style-type: none"> Community groups 	<ul style="list-style-type: none"> Reheat facilities and cool room for community self catering 	<ul style="list-style-type: none"> Adjacent to function rooms 	<ul style="list-style-type: none"> Depending on catering services model, a community access kitchen will allow for self catering by community groups and will avoid shared kitchen scenario 	<ul style="list-style-type: none"> 	15m ²
	Bar	<ul style="list-style-type: none"> All visitors to the Centre 	<ul style="list-style-type: none"> Redevelop current bar/food and beverage area to include the following: <ul style="list-style-type: none"> Allow efficient services of food and beverages short turnaround times during theatre production interval 	<ul style="list-style-type: none"> Bar integrated as part of foyer space. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	16m ²
	Café	<ul style="list-style-type: none"> All visitors to the centre 	<ul style="list-style-type: none"> To operate as an all day café with the operator to have cooked to order menu and a prepared offer ready for service. 	<ul style="list-style-type: none"> Able to be secured but also visible from the foyer area 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	70m ²
	Café Terrace	<ul style="list-style-type: none"> All visitors to the centre 	<ul style="list-style-type: none"> Outdoor area of cafe 	<ul style="list-style-type: none"> Direct access to cafe 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	35m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Café Kitchen	<ul style="list-style-type: none"> Catering staff 	<ul style="list-style-type: none"> Stand alone preparation and serving kitchen 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	60m ²
Front of House/Administration	Foyer	<ul style="list-style-type: none"> Auditorium audience Studio users General visitors to the Centre 	<ul style="list-style-type: none"> Area for break out during performance or intervals Provide welcoming entry area that allows users to relax and socialise before entering main activity areas. Needs to accommodate 300 people 	<ul style="list-style-type: none"> Provides easy access to all key facility components <ul style="list-style-type: none"> Theatre Function room(s) Consider exhibition space 	<ul style="list-style-type: none"> Area to be welcoming 	<ul style="list-style-type: none"> Upgrade and expansion of existing area Needs to accommodate 300 people 	250m ²
	Exhibition Space	<ul style="list-style-type: none"> All visitors to the Centre 	<ul style="list-style-type: none"> Provide area within foyer for the exhibition of art works 	<ul style="list-style-type: none"> Part of foyer space 	<ul style="list-style-type: none"> Lighting Tracking system Security 	<ul style="list-style-type: none"> Within foyer space 	Part of foyer area

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Box Office	<ul style="list-style-type: none"> ▪ All visitors to the Centre 	<ul style="list-style-type: none"> ▪ To efficiently service needs of Centre customers. 	<ul style="list-style-type: none"> ▪ Box office should be designed to accommodate 3 (minimum 2) people ▪ Located within reception area ▪ Connected to the administration/office area (for security in managing cash/phones etc.) 	<ul style="list-style-type: none"> ▪ Provide relay (audio/visual of the show in the theatre) 	<ul style="list-style-type: none"> ▪ Area for 2/3 point of sales 	8m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Administration (inclusive of managers office, admin office, staff room and technical managers office)	<ul style="list-style-type: none"> Centre Management/Staff 	<ul style="list-style-type: none"> Provide areas for staff and centre administration. 	<ul style="list-style-type: none"> Could be located at back of centre but should have connection with box office. MUST be at front and visible to front entrance / entering patrons 		<ul style="list-style-type: none"> 3 separate areas (including group work area, kitchenette and toilets) (46m²) Admin office (8workstations) (15m²) 1 technical managers office (7m²) 1 managers office (7m²) Interview/sponsors room (7m²) Storage 	82m ²
	Amenities	<ul style="list-style-type: none"> All visitors to the Centre 	<ul style="list-style-type: none"> To provide male/female and accessible amenities to service all Centre users 	<ul style="list-style-type: none"> Needs to be within easy access within foyer for both theatre and function centre users. 	<ul style="list-style-type: none"> Upgrade/refurbishment of existing Kernot Hall amenities Development of new amenities (primarily) for theatre users min. 9 pans for females, 2 pans and urinal for males, accessible toilet 	<ul style="list-style-type: none"> Male Female Accessible 	200m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Storage	<ul style="list-style-type: none"> ▪ Centre staff 	<ul style="list-style-type: none"> ▪ To provide general storage needs of Centre 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ Increase current storage to meet needs of expanded component areas 	20m ²
Other Areas	Plantroom	<ul style="list-style-type: none"> ▪ - 	<ul style="list-style-type: none"> ▪ - 	<ul style="list-style-type: none"> ▪ - 	<ul style="list-style-type: none"> ▪ Note that currently the Air Conditioning is combined with TAFE buildings and plant room lives within the TAFE building. ▪ Need for individual climate control for stage & changerooms. 	<ul style="list-style-type: none"> ▪ 	36m ²
	Cleaners Room / Store						10m ²
	General Circulation Allowance					<ul style="list-style-type: none"> ▪ Total area is 3254.7m² 	389.5m ²
ESTIMATED TOTAL BUILDING AREA		<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	3861.0m ²

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
ALLOWANCES	Car parking	<ul style="list-style-type: none"> All visitors to the Centre 	<ul style="list-style-type: none"> Extend car parking to in line with increased seating capacity of auditorium and function room Current car parking 340 spaces Need to allow for provision of up to 400 car parks (additional 60 spaces) 	<ul style="list-style-type: none"> Provide accessible car parking areas close to Centre entrance Provide parents with prams parking spaces close to Centre entrance 		<ul style="list-style-type: none"> Allowance 	
	Technical Equipment:				<ul style="list-style-type: none"> Audio Visual Equipment Orchestra Lift Pit Stage Equipment 	<ul style="list-style-type: none"> Allowance 	
	Furniture and Fittings				<ul style="list-style-type: none"> Kitchens (commercial, reheat) Fit out and Equipment Tables, chairs, desks and other furniture and equipment 	<ul style="list-style-type: none"> Allowance 	

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	External Services	▪	<ul style="list-style-type: none"> ▪ Concert Grade audio system with 60 lines of digital audio ▪ Lighting – minimum 5 bars ▪ 20 x 50amp 3 phase outlets ▪ Hardwire patching ▪ Switchroom 	▪	<ul style="list-style-type: none"> ▪ Allow Electrical Services ▪ Allow Hydraulic & Fire Services ▪ Allow Sewer Services ▪ Allow Stormwater Drainage ▪ Water Collection 	▪ Allowance	
	External Works	▪	▪	▪	<ul style="list-style-type: none"> ▪ Demolition <ul style="list-style-type: none"> ○ Allow for demolition ○ Clear site 	▪ Allowance	

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
	Civil Works	▪	▪	▪	<ul style="list-style-type: none"> ▪ Building bench ▪ Footpaths ▪ Carparks ▪ Ramps and steps ▪ Crossovers ▪ External Decks ▪ Road alterations 	▪ Allowance	
	External Metalwork	▪	▪	▪	<ul style="list-style-type: none"> ▪ Signage ▪ External metalworks, balustrades and furniture ▪ Fencing 	▪ Allowance	
External Areas	Landscaping	▪	▪	▪	<ul style="list-style-type: none"> ▪ Allow soft landscaping 	▪ Allowance	
	Artwork/ Signposting	▪ All visitors to the Centre	▪ Consider location for interactive art piece as part of facility precinct.	▪ Located within arts precinct	<ul style="list-style-type: none"> ▪ Link to outdoor function space 	▪ Allowance	
Construction Contingency		▪	▪	▪	▪	▪ Allowance	
Consultant Fees		▪	▪	▪	▪	▪ Allowance	

Latrobe Performing Arts and Convention Centre DRAFT FACILITY COMPONENTS AND AREA SCHEDULES							
Zone	FACILITY COMPONENTS	TARGET MARKETS	FACILITY OBJECTIVES	FUNCTIONAL RELATIONSHIPS	OTHER FEATURES TO CONSIDER	AREA SCHEDULES	TOTAL AREA (m ²)
Authority Fees		▪	▪	▪	▪	▪ Allowance	
Escalation		▪	▪	▪	▪	▪ Allowance	

Appendix 3: Industry Context

Performing Arts Centres

Industry benchmarking was undertaken and 6 venues were assessed to provide relevant data to inform the development of the Latrobe Business Case. Consideration was given to market competition, catchment areas, theatre size, ancillary spaces management and staffing models and subsidy levels.

- The Arts Centre Warragul
- Esso BHP Billiton Wellington Sale
- The Capital Bendigo
- Her Majesty's Theatre Ballarat
- Geelong Performing Arts Centre
- Frankston Performing Arts Centre

The data collected was also benchmarked against the current operations of the Latrobe Performing Arts Centre.

Venue	Location/Owner	LGA population	Venue Established	Distance from Morwell (travel time)	Venue/s Seating capacity	Subsidy	Management/ Staffing	Programming
Latrobe Performing Arts	Traralgon Latrobe City	74,000		17 min	Traralgon Town Hall Theatre 401 seats Traralgon Little Theatre 277 seats	\$391,000	5 EFT	Professional season Community hiring Commercial hiring
Arts Centre Warragul	Warragul Baw Baw Shire	43,000	1982	40 min	Theatre 492 seats Studio 200 Function Room 150	\$704,000	8.2 EFT	Professional season Community hiring Commercial hiring
Esso BHP Wellington Entertainment Centre	Sale Wellington Shire	43,000	203	1 hour	Theatre – 400 Small meeting rooms Cafe	\$415,000 Council \$80,000 Arts Vic	5.2 EFT	Professional season Community hiring Commercial hiring
The Capital	Bendigo City of Greater Bendigo	104,000		3.5 hours	Theatre 485 Function room 150 Ancillary spaces next door	\$1.4m	13 EFT	Professional season Community hiring Commercial hiring Also outreach/arts programming

Venue	Location/Owner	LGA population	Venue Established	Distance from Morwell (travel time)	Venue/s Seating capacity	Subsidy	Management/ Staffing	Programming
Her Majesty's	Ballarat City of Greater Ballarat	98,000	1875/ refurbished 1990	3 hours	Theatre 959	\$450,000	7 EFT	Professional season Community hiring Commercial hiring South Street Eisteddfod
Geelong Performing Arts Centre	Geelong Victorian State Government	220,000	1981	2.5 hours	Playhouse 750 Drama Theatre 325 Cafe	\$851,000 Plus other substantial sponsorship and grants funding	31 EFT	Professional season Community hiring Commercial hiring
Frankston Performing Arts Centre	Frankston City of Frankston	130,000	1995	1.75 hours	Theatre 800 Cube 37 200 Function Room 500	\$859,000	15.75 EFT plus 40 casuals	Professional season Community hiring Commercial hiring

Appendix 4: LPACC proposed staffing roles and responsibilities

Role	Responsibilities
Manager	Overall management, Strategic planning, policy development, business planning and future development, industry networking, advocacy
Programming Assistant	Audience development, program planning, artists and producer liaison
Marketing Coordinator	Promotion and business development, event publicity and promotional campaigns
Box Office and Front of House Supervisor	Customer Service, casual staff rostering, patron safety, management of ticketing system
Box Office Assistant	Customer Service, loading of events, ticket selling
Functions Coordinator	Client liaison and event planning (could be part of the catering contract)
Operations Manager	Venue coordination, asset management, hirer liaison, technical staffing, maintenance program
Technician	Direct hirer liaison, event support
Technician	Venue technical maintenance, show support, event support
Administration Assistant	Office systems, reception and back up for box office
Finance Officer	Account reconciliation, hirer's accounts, box office reports, invoicing, royalties and acquittals
Technical Assistants	Show technical services, hirer supervision
Duty Managers	Patron safety, event supervision, hirers requirements
Ushers	Patron safety, customer service
Box Office Assistants	Event ticketing and customer service

**Appendix 5: Newton Kerr & Partners (Quantity Surveyors and Construction Cost Consultations)
Capital Cost Plan**

**ECONOMIC IMPACT
ASSESSMENT:**

**LATROBE PERFORMING ARTS
AND CONVENTION CENTRE**



PROJECT UNDERTAKEN FOR
LATROBE CITY COUNCIL
November 2012

REMPPLAN

Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

Economic impact assessment: Latrobe Performing Arts and Convention Centre

This project has been conducted by REMPLAN

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November 2012

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DISCLAIMER

All figures and data presented in this document are based on data sourced from the Australia Bureau of Statistics (ABS), and other government agencies. Latrobe City Council has provided all data in relation to the cost and income of Latrobe Performing Arts and Convention Centre. Using ABS datasets, the regional economic modelling software REMPLAN, developed by REMPLAN has been applied to generate industrial economic data estimates. This document is provided in good faith with every effort made to provide accurate data and apply comprehensive knowledge. However, REMPLAN does not guarantee the accuracy of data nor the conclusions drawn from this information. A decision to pursue any suggestions mentioned in the report is wholly the responsibility of the party concerned. REMPLAN advises any party to conduct detailed feasibility studies and seek professional advice before proceeding with any action and accept no responsibility for the consequences of pursuing any of the findings or actions discussed in the document.

RESOURCES

All modelling has been undertaken using REMPLAN™ software that has been authored by Principal Research Fellow (ret.), Ian Pinge, at La Trobe University Bendigo.

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Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

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Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

1 Introduction

1.1 Purpose and aim

This report has been undertaken in response to a request by Latrobe City Council with respect to the proposed Latrobe Performing Arts and Convention Centre. The specific purpose of the report is to identify the potential direct and indirect economic impacts for the Latrobe City regional economy from the construction and operation of the Latrobe Performing Arts and Convention Centre. The economic impacts are detailed in terms of:

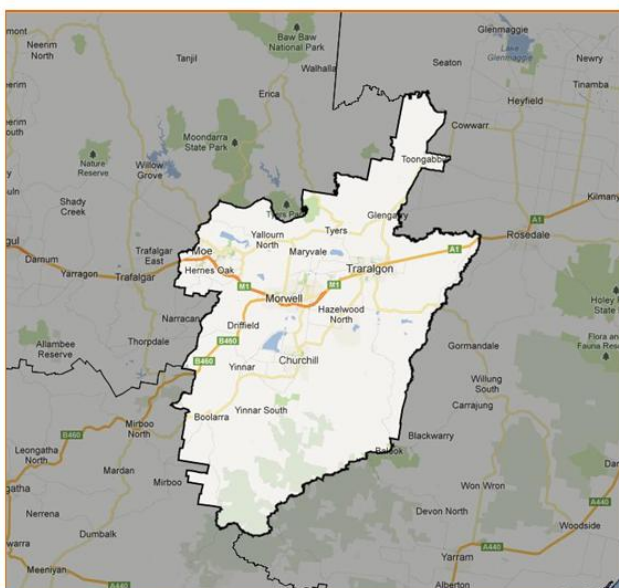
- Output / Revenue (\$ M)
- Employment (Jobs)
- Value-added (\$ M)

Economic analysis in this report was undertaken using REMPLAN – *regional economic modelling and analysis system*¹. This study applies REMPLAN economic data for the defined region of Latrobe City, incorporating data sourced from the ABS 2006 Census, 2007/2008 ABS National Input / Output Tables, and ABS Gross State Product (June 2011).

1.2 Region

The impact analysis will be undertaken in the context of the Latrobe City Local Government Area.

Figure 1-1 Latrobe (C) Local Government Area



¹ www.rempln.com.au

Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

2 Background and Scope

2.1 Background²

Latrobe City is one of Victoria's four major regional centres, located 70 minutes from the outskirts of Melbourne. With a population of over 75,000 residents, the City provides a range of quality recreational and cultural facilities and offers different lifestyles.

With strong population and employment growth Latrobe City Council has identified the need for further investment in programs, activities and infrastructure that support local culture and heritage, strengthen community and cultural pride, and most importantly make Latrobe an attractive place to live and visit. These goals and objectives are reflected in Latrobe City's economic sustainability strategy and regional business event and tourism strategies.

A feasibility study of Latrobe Performing Arts and Convention Centre (LPACC) adopted in 2009 recommended the retention the existing Performing Arts Centre in Traralgon as well as the construction a new Performing Arts and Convention Centre on the Kernot Hall site in Morwell. The subsequent Business Case recommended that these two centres operate as 'one business'.

2.2 Scope

The report has been undertaken to identify the potential economic impacts for Latrobe City economy associated with the proposed Latrobe Performing Arts and Convention Centre. The following impact scenarios have been modelled:

1) **Construction Phase:**

The total cost (excl GST) for building the Latrobe Performing Arts and Convention Centre at the Kernot Hall sit, Morwell is estimated at \$15.641 million. This price includes a number contingencies, fees and escalation to 2015. Capital works will occur over the financial years 2015/16, 2016/17 and 2017/18².

NB. The total refurbishment and maintenance cost for the existing Traralgon Performing Arts Centre is approximately \$1.5 million over a 10 year period, or \$0.15 million per year. As this is an existing facility for which maintenance and incremental refurbishment would be required regardless, this expenditure is not considered a marginal boost to the economy and has therefore been excluded from the analysis.

2) **Operational Phase:**

An indicative operational budget of the proposed Latrobe Performing Arts and Convention Centre based on industry experience, benchmarks and specific needs of the Centre shows that total expenditure is estimated to be \$1.733 million, with total income at approximately \$0.614 million² (see Appendix 1 for detail). This budget identifies that a \$1.119 million subsidy would be required to support the operation.

The above scenarios have been applied to REMPLAN to estimate the likely flow-on impacts for the Latrobe City economy in terms of output, employment and value-added.

²Latrobe Performing Arts and Convention Centre Business Case, Sep 2012

3 Economic Impact Assessment

3.1 The Construction Phase

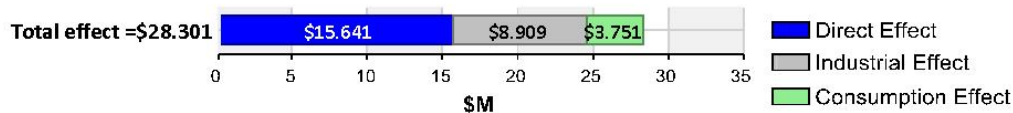
The total cost estimate for the development of the Latrobe Performing Arts and Convention Centre is estimated to \$15.641 million, including a number contingencies, fees and escalation to 2015. The capital works will occur over the financial years 2015/16, 2016/17 and 2017/18. Therefore, the project cost of \$15.641 million has been modelled for the 'Construction' industry sector in Latrobe City. **It is important to note that the analysis presented below is based on a construction period of 3 years.**

3.1.1 Output

Building the Latrobe Performing Arts and Convention Centre will boost direct construction sector output by \$15.641 million. From this it is estimated that additional demand would be generated for goods and services, with a proportion likely to be sourced from within Latrobe City. These flow-on impacts are referred to as industrial effects. The industrial effects under this scenario are valued at \$8.909 million, which represents a Type 1 Output multiplier³ of 1.57.

The increases in direct and indirect output support jobs in the economy, with corresponding payments of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$3.751 million.

Figure 3-1 Construction Phase: Impact on Output



The total impact for regional output is estimated at up to \$28.301 million over the 3 year period of construction. This represents a Type 2 Output multiplier⁴ of 1.809, which implies for every dollar of project related expenditure, it is estimated that a further \$0.809 worth of economic activity would flow to the local economy.

³ Type 1 multiplier is equal to (direct effect + industrial effect)/direct effect.

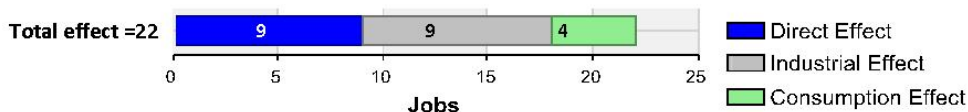
⁴ Type 2 multiplier is equal to total effect/direct effect.

Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

3.1.2 Employment

From a direct increase in output of \$15.641 million over 3 years, the corresponding creation of direct jobs⁵ during the construction period is estimated at 9 jobs. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated would result in the gain of a further 9 jobs. This represents a Type 1 Employment multiplier of 2. The consumption effects associated with the payment of wages and salaries during the construction phase are estimated to further boost employment by 4 jobs.

Figure 3-2 Construction Phase: Impact on Employment



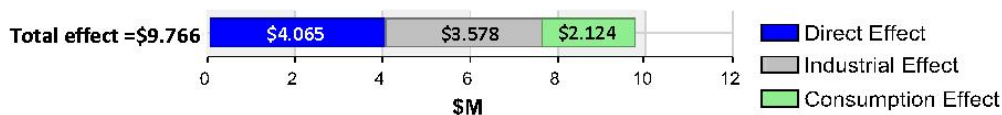
Total employment supported over the 3 year period, including all direct, industrial and consumption effects is estimated at up to 22 jobs. This represents a Type 2 Employment multiplier of 2.444. That is, for every 10 direct construction jobs it is estimated that a further 14 jobs would be supported in the local economy once flow-on industrial and consumption effects are taken into consideration.

3.1.3 Value-Added

Value added⁶ represents the marginal economic value added by economic activity, and it is a measure of the net worth of a project. From direct output of \$15.641 million in the construction sector, the corresponding direct value-added is estimated at \$4.065 million. Therefore this project contributes approximately \$1.355 million to gross regional product (GRP) for each year of the construction period. From this direct stimulus to the economy, indirect flow-on industrial effects in terms of local purchases of goods and services are estimated to further support value-added by \$3.578 million. This represents a Type 1 Value-added multiplier of 1.88. The indirect consumption effects under this scenario are expected to further boost value-added by \$2.124 million.

Total value-added, including all direct, industrial and consumption effects is estimated at up to \$9.766 million. This represents a Type 2 Value-added multiplier of 2.403.

Figure 3-3 Construction Phase: Impact on Value-Added



⁵ Jobs represent the number of employed people in industry sectors. Here, the employment represents total number of employees without conversions to full-time equivalence.

⁶ Value-added can be calculated by subtracting expenditure on intermediate goods from output, or alternatively, by adding the wages & salaries paid to local employees, the gross operating surplus and taxes on products and production.

Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

3.1.4 **Summary: Construction Phase**

The flow-on effects associated with the construction of Latrobe Performing Arts and Convention Centre in terms of output, employment, and value-added are summarised in Figure 3-5. All direct and flow-on impacts are spread across a construction period of 3 years.

Figure 3-4 Economic Impact of Construction

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$15.641	\$8.909	\$3.751	\$28.301	1.57	1.809
Employment (Jobs)	9	9	4	22	2.00	2.444
Value-added (\$M)	\$4.065	\$3.578	\$2.124	\$9.766	1.88	2.403

Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

3.2 The Operational Phase

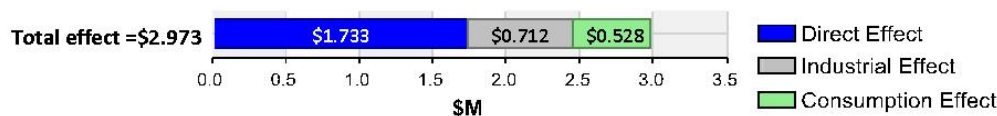
The annual operational budget based on industry experience, benchmarks and specific needs of the Centre is shown in Appendix 1. The operating budget (output) has been modelled in the 'Arts & Recreation Services' industry sector to estimate the flow-on impacts of the Performing Arts and Convention Centre on the Latrobe City economy.

3.2.1 Output

The annual output of the Latrobe Performing Arts and Convention Centre is estimated at \$1.733 million. From this direct increase in output it is estimated that additional demand would be generated for goods and services with a proportion likely to be sourced from within Latrobe City. These flow-on effects referred to as industrial effects continue with multiple rounds, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy. The industrial effects under this scenario are valued at \$0.712 million, which represents a Type 1 Output multiplier of 1.411.

The increase in direct and indirect output would typically correspond to the creation of jobs in the economy, resulting in an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure will be captured in the local economy. The consumption effects under this scenario are estimated at \$0.528 million.

Figure 3-5 Operational Phase: Impact on Output



In total, it is estimated that regional output could increase by up to \$2.973 million in the first year of operation. This represents a Type 2 Output multiplier of 1.716, which implies that for every dollar generated by the Arts Centre it is estimated that a further \$0.72 worth of economic activity would flow to the economy once the industrial and consumption effects are taken into consideration.

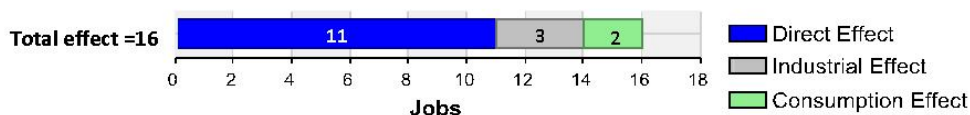
3.2.2 Employment

From a direct increase in output \$1.733 million it is estimated that 11 jobs would be generated. From this direct expansion in the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated. It is estimated that these industrial effects would support a further 3 jobs. This represents a Type 1 Employment multiplier of 1.273.

The direct and industrial effects would correspond to the payment of wages & salaries to local workers, a proportion of which would be used for consumption in the Latrobe City economy. These consumption effects are estimated to further boost employment by 2 jobs.

Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

Figure 3-6 Operational Phase: Impact on Employment

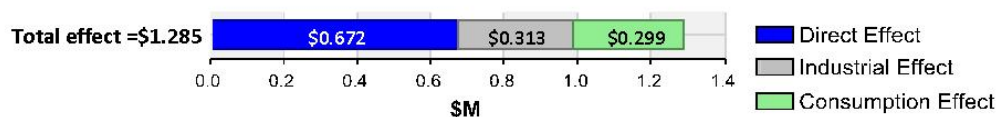


Total employment, including all direct, industrial and consumption effects is estimated at up to 16 jobs. This represents a Type 2 Employment multiplier of 1.455.

3.2.3 Value-Added

From a direct increase in output of \$1.733 million the corresponding increase in direct value-added is estimated at \$0.672 million. Indirect flow-on industrial effects from this direct expansion in the economy in terms of local purchases of goods and services would result in a further increase to value-added of \$0.313 million. This represents a Type 1 Value-added multiplier of 1.466. The indirect consumption effects under this scenario are expected to further boost value-added by \$0.299 million.

Figure 3-7 Operational Phase: Impact on Value-Added



Total value-added, including all direct, industrial and consumption effects is estimated at up to \$1.285 million. This represents a Type 2 Value-added multiplier of 1.911.

3.2.4 Summary: Operational phase

The flow-on effects of the proposed Latrobe Performing Arts Operational Program to the Latrobe City economy in terms of output, employment and value-added are summarised in Figure 3-8.

Figure 3-8 Economic Impact of Operation

Impact Summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$1.733	\$0.712	\$0.528	\$2.973	1.411	1.716
Employment (Jobs)	11	3	2	16	1.273	1.455
Value-added (\$M)	\$0.672	\$0.313	\$0.299	\$1.285	1.466	1.911

Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

4 Potential Impact and Future Development

The impact modelling for the proposed Latrobe Performing Arts and Convention Centre suggests that the construction and operation will provide direct stimulus to the Latrobe City economy and further boost business and job opportunities via the estimated flow-on effects. It is important to note that direct and flow-on benefits during construction phase are short-term. The operation of the Centre will however deliver ongoing benefits to the local economy.

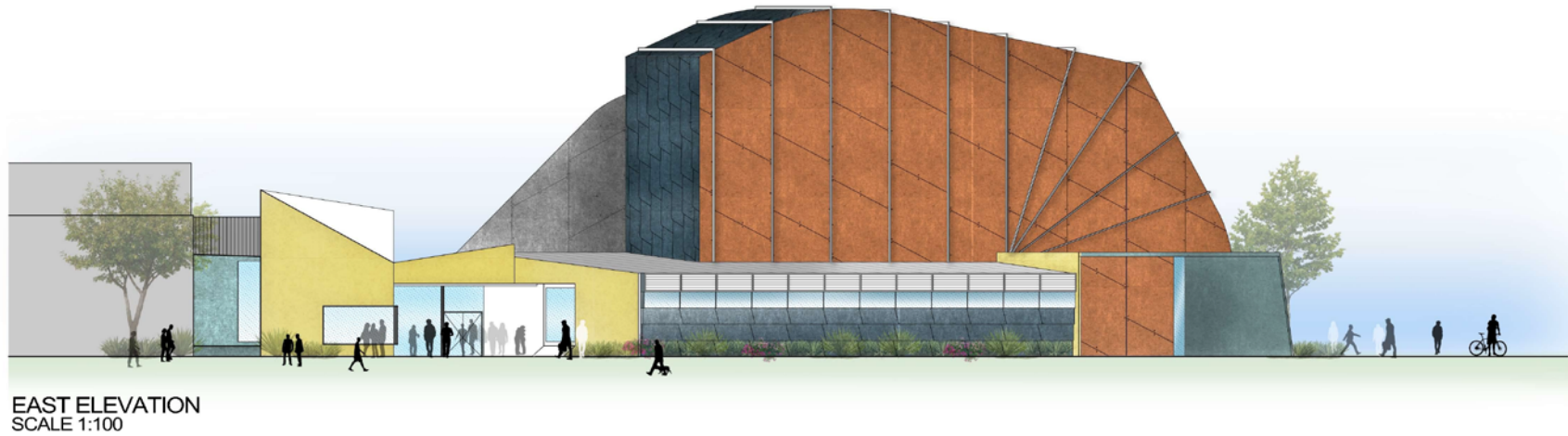
The Latrobe Performing Arts and Convention Centre will be a cultural hub for local residents. With 'one business' model, the Latrobe Performing Arts and Convention Centre and the existing Traralgon Performing Arts Centre as well as other halls will contribute to a dynamic and thriving community. They will contribute to the City's social, economic and cultural growth, furthermore, will raise the image of Latrobe as a modern and exciting tourism destination.

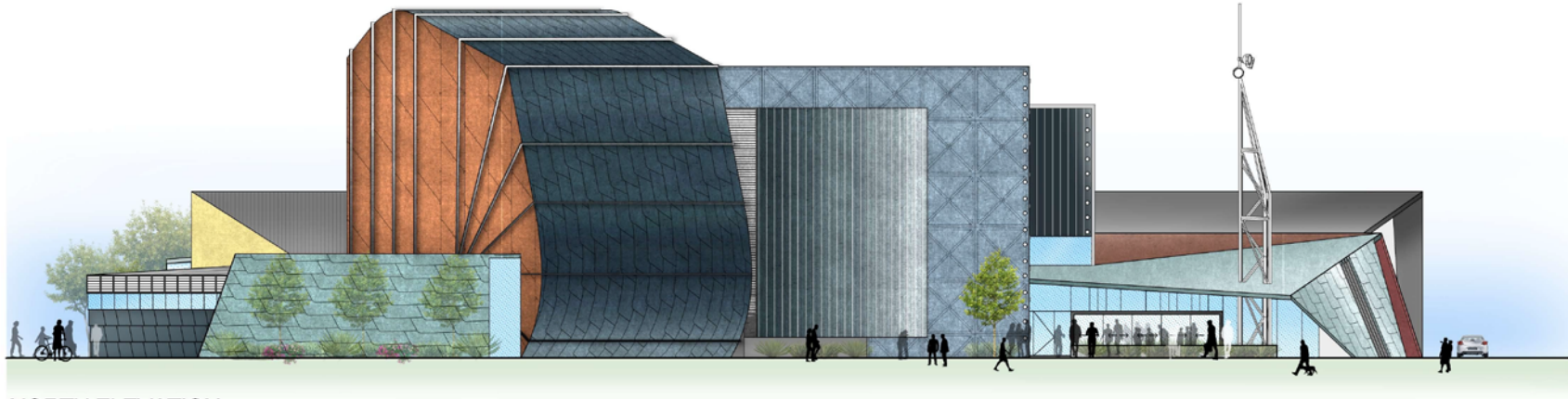
Economic Impact Assessment: Latrobe Performing Arts and Convention Centre

Appendix 1 Operating Budget

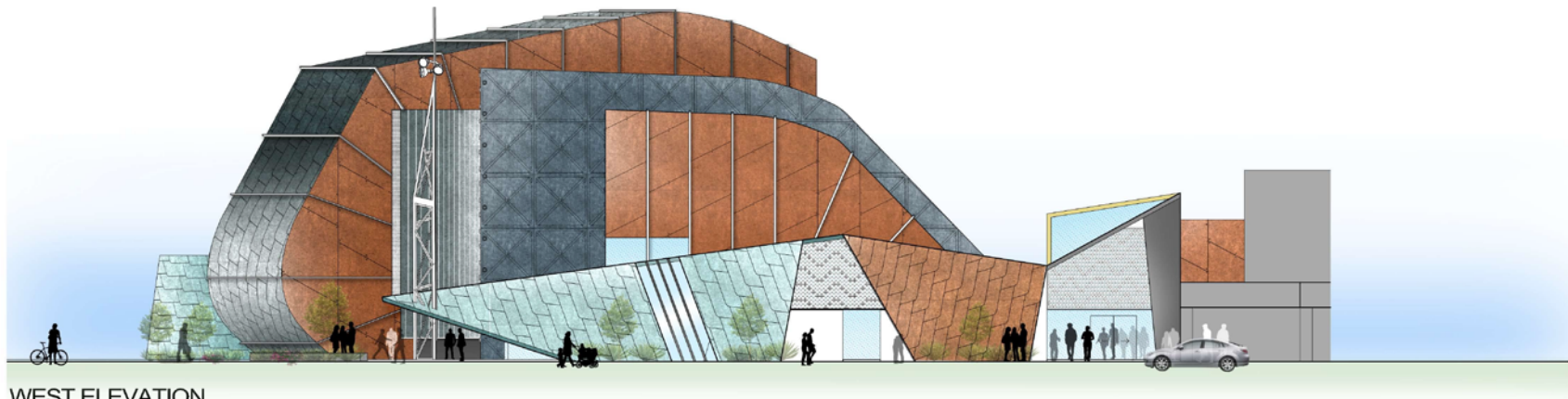
Indicative Operating Budget Year 3	Proposed Latrobe PACC Morwell
Salaries	
Permanent	749,000
Casual LPACC (Morwell)	153,073
Casual Traralgon/Moe/halls	22,512
On-costs	184,917
Services	
Utilities – Light and power	83,955
Cleaning LPACC (Morwell)	101,325
Utilities – Light & power Traralgon/Moe/halls	31,000
Cleaning Traralgon/Moe/halls	21,000
Phone/Communications/IT Services	10,000
Phone/Comms/IT Traralgon/Moe/halls	5,000
Fire services	5,000
Maintenance	
Equipment LPACC	11,000
Building LPACC	15,000
Exterior LPACC	5,000
Equipment/Maintenance	15,000
Asset Renewal	50,000
Expenses	
Marketing and Promotion	95,000
Programing/Entrepreneurial	120,000
Legal	5,000
Insurance	10,000
Memberships	2,000
Creative Development programming Traralgon	7,000
Security	4,500
Security Traralgon/Moe/halls	5,000
Administration	
Stationery/Printing	3,000
Vehicle	15,600
Conference	3,000
Total Expenditure	1,732,882
Income	
Arts Victoria	55,000
Ticket Sales	96,000
Ticket Commission	70,125
Venue Hire LPACC (Morwell)	154,500
Technical Recoverables	15,000
Catering / café rent	90,000
Venue Hire: Traralgon/Moe/halls	23,500
Staff recovery	98,560
Staff recovery Traralgon/Moe/halls	11,250
Total Income	613,935
Subsidy required	1,118,947

Source: Latrobe Performing Arts and Convention Centre Business Case, Sep 2012





NORTH ELEVATION
SCALE 1:100



WEST ELEVATION
SCALE 1:100

LATROBE PAC FEASIBILITY STUDY, MORWELL, VIC

harmen
architecture





**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)****13.6 WOOD ENCOURAGEMENT POLICY****General Manager****Planning & Economic
Sustainability****For Decision****PURPOSE**

The purpose of this report is to present to Council the outcomes of the community consultation process for the draft Wood Encouragement Policy and seek Council adoption of the Policy.

EXECUTIVE SUMMARY

Latrobe City Council recognises the importance of the timber industry to both Latrobe City and the broader Gippsland region. Central to Council's commitment to job retention and creation is supporting significant local industry in order to secure jobs and leverage further investment.

In what is an Australian first for local government, a draft Wood Encouragement Policy has been developed for Council's consideration. The Policy seeks to place Latrobe City Council as a national leader on this subject, and support the retention and expansion of the timber industry.

A program of community consultation has been conducted. The response from this process has been largely positive, therefore formal adoption of the Policy is recommended.

RECOMMENDATION**That Council:**

- 1. Adopt the Latrobe City Council Wood Encouragement Policy.**
- 2. Write to members of the Latrobe City Council Wood Encouragement Policy Steering Committee thanking them for their assistance in developing the draft policy.**

Cr Gibson left the Council Chamber at 9.00 pm**Moved:** Cr Kam**Seconded:** Cr Harriman**That the Recommendation be adopted.****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 - 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.

Latrobe City Council Plan 2013 - 2017

Theme and Objectives

Theme 1: Job creation and economic sustainability

Objectives:

- *Actively pursue long term economic prosperity for Latrobe City, one of Victoria's four major cities.*
- *Actively pursue further diversification of business and industry in the municipality.*

Strategic Direction – Job creation and economic sustainability

- *Work in partnership with business, industry and government to create new jobs and investment in Latrobe City.*
- *Enhance community and business confidence in the future of the local economy.*

Strategy & Plans –

Strategy 1 – Economic Sustainability Strategy 2011-2015

Strategy 2 - Positioning Latrobe City for a Low Carbon Emission Future

BACKGROUND

Council has been proactively supporting the wood and forest products industry over many years as indicated by membership of both the National Timber Councils Taskforce and Timber Towns Victoria. In addition, ongoing business development support is provided for local businesses within the sector.

At its Ordinary Meeting of 3 February 2014, Council resolved:

1. *That Latrobe City Council notes the role of the region's unique and abundant natural resources, particularly plantation timber, which support a productive timber and forestry industry providing softwood,*

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

value added hardwood and paper products sold to domestic and export markets.

2. *That Council notes the emergence worldwide of the adoption of wood encouragement policies where governments at all levels must consider wood where feasible as the primary building material for newly constructed, publicly funded buildings within their jurisdiction and that these policies support environmental performance for the buildings as well as the use of responsibly sourced wood.*
3. *That a report be provided to Council on or before 3 March 2014 which:*
 - a. *Quantifies the economic contribution of the forestry, wood and paper sector within Latrobe City; and,*
 - b. *Provides an overview of the opportunities and benefits of Council becoming the first local government area in Australia to adopt a Wood Encouragement Policy.*
4. *That Council write to the Australian Minister for Agriculture requesting that the Australian Government work with Latrobe City Council to support the establishment or research facilities in Latrobe City to enable development of innovative technology for the wood, forestry and paper products sector.*

A further report was presented to the Ordinary Meeting of Council on 3 March 2014. At this meeting Council resolved:

1. *That Council note the assessment of the value of the Wood and Forest Products industry sector to Latrobe City and the indicative benefits and opportunities of introducing a wood encouragement policy.*
2. *That an industry roundtable be undertaken prior to 30 June 2014 to further investigate the potential for introducing a wood encouragement policy in Latrobe City and a report provided to Council on the outcomes of the roundtable.*

The Wood Encouragement Policy Roundtable was held on 11 June 2014. The Roundtable was conducted by an independent facilitator and attended by 30 participants from the forestry, timber and paper products sector, industry peak bodies, Councillors and officers.

The Roundtable participants encouraged Latrobe City Council to continue exploration of a Wood Encouragement Policy. Participants concluded there are strong drivers, improved and new opportunities and few risks (none of were judged to be insurmountable) to the establishment of a Wood Encouragement Policy.

Participants agreed that a Wood Encouragement Policy needed to integrate with other areas of Latrobe City Council policy and practice, including:

- o Procurement policy

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

- Land use planning policy
- Brand and community identification

Participants of the Roundtable provided the following recommendations to Council:

1. Establish a Policy Group to plan and guide policy development, including local stakeholders and community experts.
2. Develop a draft Wood Encouragement Policy and consultation documents
3. Conduct stakeholder consultations, with particular emphasis on industry stakeholders, other Gippsland regional municipalities and communities.

A further report was presented to Council on 30 June 2014. At the meeting Council resolved:

1. *That Council establish a Task Group comprising the Mayor, The two (2) Timber Towns Councillor delegates and Chief Executive Officer to guide the development and consultation of a Wood Encouragement Policy.*
2. *That the Task Group establish a Steering Group to guide the development of a draft Wood Encouragement Policy and Engagement Plan.*
3. *That a further report be presented to Council regarding the draft Wood Encouragement Policy and Engagement Plan at the earliest opportunity.*

The appointed Task Group established a Steering Committee comprising the following representatives:

- Mr Laurie Martin, AUSTimber 2016
- Mr John Bahoric, Bonnaci Group
- Mr Ross Hampton, Australian Forest Products Association
- Mr Chris Philpot, Planet Ark
- Mr Craig Douglas, RMIT
- Mr Alistair Woodard, Wood Products Victoria
- Mr Tim Woods, Industry Edge
- Mr Andrew Nieland, Lend Lease

The Steering Committee held four meetings between August and October 2014 and has drafted the draft Wood Encouragement Policy (the Policy) which is provided as attachment one.

On 5 November, 2014 Council resolved the following:

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That Council

1. *Release the draft Wood Encouragement Policy for community consultation from 6 November 2014 to 5 December 2014.*
2. *That a further report be presented to Council at the 15 December 2014 Ordinary Council Meeting.*

The draft Policy seeks to encourage the use of wood as the preferred material for construction purposes in both the construction and fit out of Council buildings and infrastructure. The focus of the policy is ensuring that wood is considered at the initial stages of a project, specifically when the brief for a project is developed.

Goals of the Policy are to:

- To encourage the use of wood in the construction and fit out of Council buildings and infrastructure.
- To recognise all of the benefits that make wood a smart choice for Council buildings and infrastructure.
- To share information and encourage education regarding the benefits of using wood in construction and fit out of buildings and infrastructure.
- To demonstrate local and national leadership by enacting the Wood Encouragement Policy on Council buildings and infrastructure.
- To encourage the use of wood in demonstration projects across the municipality.
- To align with opportunities for state and federal funding.
- To reinforce Council's preference for quality wood buildings in the development of briefs for projects.

Central to the Policy is the recognition that wood will not be the most suitable material in all cases, and that a mix of materials will be required for any given project. The Policy encourages, rather than mandates the use of wood for Council projects.

If adopted, the Policy will be an Australian first for government at any level, providing Latrobe City the unique opportunity to demonstrate leadership and commitment to the development of the timber industry.

KEY POINTS/ISSUES

Outcomes of community consultation

Community consultation was held from 6 November 2014 to 5 December 2014, during this period 27 responses were received. A summary of these responses is provided in the Internal/External consultation section of this report.

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

Advice from the Wood Encouragement Policy Steering Committee

The Steering Committee met throughout the consultation process and has considered the submissions received. The Steering Committee indicated they were pleased with the positive response to the policy, in particular the number of positive responses received from local businesses.

The Steering Committee is of the view that amendments to the draft policy are not required in light of responses received.

RISK IMPLICATIONS

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

The Steering Committee has considered a range of risks associated with this Policy, most notably, the risk of detrimental impacts to the local steel and concrete sector. This risk was not considered to be so significant as to cease the development of the policy, and will be managed through targeted engagement with relevant local industry and industry associations.

FINANCIAL AND RESOURCES IMPLICATIONS

Should Council proceed and endorse this Policy following community consultation, Policy implementation could result in increased costs for Council buildings and infrastructure. Advice from the Steering Committee indicates that in some cases, wood may be a more costly option for construction and fit out purposes. There are also opportunities for cost savings from the use of wood depending on the type of application. These implications would be managed using weighting criteria provided in Council's procurement policy.

INTERNAL/EXTERNAL CONSULTATION

Engagement Method Used:

An external Steering Committee has been established to guide the development of the Policy. The Committee has been a valuable resource, providing advice on industry issues and trends, and the development of Wood Encouragement Policies globally.

Representatives of the Steering Committee also held a workshop with Council departments to discuss the practical implications of the Policy.

Details of Community Consultation / Results of Engagement:

Following the release of the draft policy, the following activities were undertaken:

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- A media release was prepared and distributed
- A direct mailout to over 140 key stakeholders identified by the Steering Committee was completed
- Advertising on Council's website, noticeboard, Facebook page and the Business Development e-newsletter.
- Promotion of the draft policy at the AUSTimber 2016 launch event on 13 November.

Four weeks was provided for formal consultation.

During the consultation period, submissions were received from the following organisations and individuals:

- Churchill Fabrication
- Australian Forest Products Association
- Hallmark Oaks
- Australian Forest Contractors Association
- Paul Griffin, Latrobe City resident
- Australian Sustainable Hardwoods
- West Gippsland Catchment Management Authority
- Department of Environment and Primary Industries
- Frame and Truss Manufacturers Association
- Wood Products Victoria
- Whelan Logging
- Timber Merchants Association
- Law Somerville Industries
- Bensons Timber and Hardware
- Master Builders Association of Victoria
- Fenning Bairnsdale
- Planet Ark
- Carter Holt Harvey
- Forest and Wood Products Australia
- Fishers Pellets
- Victorian Association of Forest Industries
- Timber Towns Victoria
- Forestworks
- Building Designers Association of Victoria

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- Jelfor Timbers

The table below provides an overview of the range of submissions:

Group	Number of submissions received
Industry Associations	11
Businesses	11
Individuals	1
Government	3
Non-government organisations	1

Of the 27 responses received, 23 were supportive of the introduction of the draft policy, three were against the introduction of the draft policy and one was neutral.

Overview of supportive responses

Those submissions in support of the draft Policy referenced the economic, social and environmental benefits generated from the increased use of wood for Council infrastructure. Many submissions raised the economic benefits of the policy, from the perspectives of support for local businesses and the attraction of new investment. The submission from the Australian Forest Contractors Association (attachment 6), highlights the economic dependence of Traralgon, Morwell and Tyers for direct employment and expenditure by forestry business.

In addition to economic benefits, many responses, particularly those from industry associations raised the environmental benefits of the increased use of wood in Council infrastructure. Responses highlighted the potential reduction of Co2 wood construction brings compared to steel or concrete, plus many lifecycle benefits from potential energy cost savings and the recycling of wood should infrastructure be redundant into the future.

In addition to providing support for the project, Forest Wood Products Australia has offered Council the following assistance in implementing the draft Policy:

- Technical support during the scoping and design of council buildings.
- Support for an objective life-cycle assessment of a completed council building that can be used to validate the environmental benefits of using wood.
- Evaluate the potential of using any proposed council buildings as subjects of subsequent FWPA supported research projects.

**ORDINARY COUNCIL MEETING MINUTES
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- Development case studies for Council buildings completed as part of the Policy.

Submissions not in support of the draft Policy

One submission raised the potential impact of the draft Policy on the ability of local business to employ additional people. Throughout the development of the Policy, the potential impacts on local manufacturers and fabricators have been a key consideration for the Committee. The Steering Committee believe that whilst there are risks to local businesses from the introduction of the draft Policy, there will still be a place for steel, concrete and other common construction materials into the future. The Steering Committee has discussed the need for further education of local businesses to ensure they are well positioned to seize these opportunities.

The submission from the West Gippsland Catchment Management Authority requests Council consider including a reference to the intended source of timber to mitigate potential environmental degradation. The Steering Committee has indicated that this is covered within the draft Policy via the requirement to source products that meet the Australian Forest Standard and Forest Stewardship Council Certification standards. The advice from the Steering Committee in relation to this submission was not to amend the draft policy in light of this submission.

The response from the Building Designers Association of Victoria (BDAV) (attachment 26) indicated that whilst the organisation supports the inclusion of timber finishes as materials for consideration in public buildings, it does not support regulation that impacts on the choices available to clients of construction projects. As this was an objection to the development of the Policy, rather than the Policy requirements, changes to the draft Policy were not suggested by the Steering Committee.

OPTIONS

1. That Council adopt the Wood Encouragement Policy.
2. That Council amend and adopt the Wood Encouragement Policy.
3. That Council request further information in relation to the draft Wood Encouragement Policy.

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CONCLUSION

The adoption of a Wood Encouragement Policy by Latrobe City Council would be an Australian first, providing a clear statement of support to the timber industry and assisting efforts to attract timber related development and research.

The appointed Steering Committee has drafted a Wood Encouragement Policy for Council to consider and seek community feedback.

SUPPORTING DOCUMENTS

Wood Encouragement Policy Roundtable 11 June 2014 – Meeting Outcomes

Attachments

1. Draft Wood Encouragement Policy
2. Churchill Fabrication
3. Australian Forest Products Association - submission
4. Australian Forest Products Association - media release
5. Hallmark Oaks
6. Australian Forest Contractors Association
7. Paul Griffin
8. Australian Sustainable Hardwoods
9. Department of Environment and Primary Industries
10. Frame and Truss Manufacturers Association
11. Wood Products Victoria
12. Whelan Logging
13. Timber Merchants Association
14. Law Somerville Industries
15. Bensons Timber and Hardware
16. Master Builders Association of Victoria
17. Fenning Bairnsdale
18. Planet Ark
19. Carter Holt Harvey
20. Forest and Wood Products Australia
21. Fishers Pellets - submission
22. Victorian Association of Forest Industries
23. Timber Towns Victoria
24. Forestworks
25. Australian Paper
26. Building Designers Association of Victoria
27. Jelfor Timber

13.1

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26	Building Designers Association of Victoria	587
27	Jelfor Timber	589

Document Name: **Wood Encouragement Policy**

13 POL-?

Adopted by Council: **<date of Council Meeting>**

Policy Goals

- To stimulate sustainable economic development within the Gippsland timber and wood products industry and encourage value adding products within the timber industry.
- To encourage the use of wood in the construction and fit out of Council buildings and infrastructure.
- To recognise all of the benefits that make wood a smart choice for Council buildings and infrastructure.
- To share information and encourage education regarding the benefits of using wood in construction and fit out of buildings and infrastructure.
- To demonstrate local and national leadership by enacting the Wood Encouragement Policy on Council buildings and infrastructure.
- To encourage the use of wood in demonstration projects across the municipality.
- To align with opportunities for state and federal funding.
- To reinforce Council's preference for quality wood buildings in the development of briefs for projects.
- To promote the industry as a renewable resource, capturing the environmental benefits of the resource.

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:

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

Council Plan:

Job Creation and Economic Sustainability

Objective

Actively pursue and support long term job security and the creation of new employment opportunities within the municipality

Strategic Direction

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

Policy Implementation

Latrobe City Council recognises the importance of the forest and wood products industry to both Latrobe City and the broader Gippsland region. Central to Council's commitment to job retention and creation is supporting significant local industry in order to secure jobs and leverage further investment.

Council will encourage the increased utilisation of wood in Council assets by:

1. Ensuring that all briefs for new Council projects incorporate the requirement to use wood as the preferred material for both construction and fit out purposes, where wood is deemed a suitable material for the proposed application;
2. Seeking those who can find, practical, efficient, versatile and cost-effective building and design solutions using wood when sourcing design and architectural expertise;
3. Ensuring that all comparisons to the cost of building with other materials will take into account all long-term and life cycle benefits of using wood;
4. Where possible, sourcing locally produced wood products for construction and fit out purposes;
5. Being a champion of the forest and wood products industry, by establishing this policy and demonstrating commitment to the further development of the local forest and wood products industry.
6. Actively seeking demonstration projects that showcase the use of wood within the municipality.
7. Actively working to attract new, innovative wood products manufacturers to Latrobe City.

In using wood as a preferred construction material for Council infrastructure, Council will have regard to:

1. The utilisation of wood products that meet the Australian Forest Standard, Program for the Endorsement of Forest Certification and / or Forest Stewardship Council certifications.
2. Maintenance required throughout the life of the project;
3. Pest and fungus protection; and
4. Using wood only when it is the right material for the selected application.

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: / / 2014

Signed : _____ Date : / / 2014.
Chief Executive Officer

Donna Taylor

Subject: FW: Draft Wood Encouragement Policy UPLOAD FEEDBACK Submitted

From: cms@seamlesscms.com [<mailto:cms@seamlesscms.com>]

Sent: Thursday, 13 November 2014 9:45 AM

To: Kristie West

Subject: Draft Wood Encouragement Policy UPLOAD FEEDBACK Submitted

Please review the following submission regarding the Wood Encouragement Policy:

First Name Rob

Surname Turpin

Street 5 McCormick St

Town Churchill

Post Code 3842

Email Address office@churchillfab.com.au

Phone Number +61407873844

My submission is This policy does not help our local steel fabrication businesses move forward nor does it help the local men and woman they employ.

Upload... No file attached



17 November 2014

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840

(e) donna.taylor@latrobe.vic.gov.au

Dear Ms Taylor

Latrobe City Council – Wood Encouragement Policy

The Australian Forest Products Association (AFPA) writes in response Latrobe City Council (LCC) invitation to stakeholders to submit comment on a draft 'Wood Encouragement' policy.

AFPA is the peak national body for Australia's forest, wood and paper products industry. We represent the industry's interests to governments, the general public and other stakeholders on matters relating to the sustainable development and use of Australia's forest, wood and paper products.

On 5 November 2014, LCC councillors voted unanimously to push on towards a 'Wood Encouragement' policy. LCC's first step is to commence a public consultation process on the draft policy, before an expected final ratification of the policy in December 2014.

AFPA appreciates the policy's key goal is to drive construction in the region towards an outcome which is better for the environment and will also benefit a great many local businesses.

AFPA notes and supports LCC's stated policy goals being:

- To stimulate sustainable economic development within the Gippsland timber and wood products industry and encourage value adding products within the timber industry.
- To encourage the use of wood in the construction and fit out of Council buildings and infrastructure.



Forest Industries House • 24 Napier Close Deakin ACT 2600 • PO Box 239 Deakin West ACT 2600
Tel 02 6285 3833 • Fax 02 6285 3855 • enquiries@ausfpa.com.au • www.ausfpa.com.au

- To recognise all of the benefits that make wood a smart choice for Council buildings and infrastructure
- To share information and encourage education regarding the benefits of using wood in construction and fit out of buildings and infrastructure.
- To demonstrate local and national leadership by enacting the Wood Encouragement policy on Council buildings and infrastructure.
- To encourage the use of wood in demonstration projects across the municipality.
- To align with opportunities for state and federal funding.
- To reinforce Council's preference for quality wood buildings in the development of briefs for projects.
- To promote the industry as a renewable resource, capturing the environmental benefits of the resource.

LCC's 'Wood Encouragement' policy would require all submissions for LCC construction to pay adequate regard to wood, and acknowledge LCC's strong preference for quality wood buildings, where suitable.

All over the world in countries such as Canada, France, New Zealand, Netherland, Finland, Japan and United Kingdom, governments are making the decision to change their tender and procurement processes to better accommodate timber products and recognise their accompanying benefits. Australia is slowly catching up on this positive trend.

The reasons political decision makers are taking this stance are simple and well founded:

- Timber and timber products are natural, renewable, biodegradable, recyclable, and as they store carbon, play a positive role in reducing greenhouse gas emissions;
- An ever-increasing range of efficient and effective wood construction systems now exist for the construction of mid-rise apartment, commercial and public buildings; and
- Wood based construction systems are versatile, lightweight and can result in little or no waste.

In LCC's case the benefits are clearly economic and social as well. The region is one of the premier timber producing areas. Forestry and timber products contribute some \$800 million a year to the local economy and provide more than 1,325 jobs and many times that number of indirect jobs.

Nationally forestry and forest product industries provide some 76 000 direct jobs and about 200 000 indirect. These jobs are generally clustered around regional areas in Tasmania, South east Queensland, the Green Triangle of South Australia and Victoria, Gippsland, northern and southern NSW, Central Tablelands and the Tumut area of NSW, and Southwest WA.

I was very pleased to have the opportunity to address Councillors on the development of the 'Wood Encouragement' policy and discuss the significant role that the forest, wood and paper products industries play in Australia.

AFPA supports the adoption of the 'Wood Encouragement' policy and congratulates the Latrobe City Council for leading our nation on this important initiative passionately led from the front by the Mayor, Councillors Sharon Gibson and Sandy Kam. Please see *attached* a recent AFPA media release.

Further AFPA urges other local councils, especially those responsible for the regional areas that have a strong focus on forest, wood and paper product operations, to follow the lead of LCC, develop and adopt their own wood encouragement policies.

If you require any additional information please contact AFPA on (02) 6285 3833.

Yours sincerely



Ross Hampton
Chief Executive Officer

Media Release



6 November 2014

Latrobe City leads nation in 'Wood Encouragement' policy.

In a nation leading decision, Councillors at Latrobe City Council last night voted unanimously to push on towards a 'Wood Encouragement' policy. The policy has the goal of driving construction in the region towards an outcome which is better for the environment and will benefit a great many local businesses.

The Council voted to commence a public consultation process, before an expected final ratification of the policy in December.

The Chief Executive Officer of the Australian Forest Products Association, Mr Ross Hampton travelled to Morwell to address the Councillors at the Council Chamber.

'This is a forward thinking Council led by Mayor, Councillor Sharon Gibson', said Mr Hampton. 'All over the world in countries such as Canada and France, governments are making the decision to change their tender processes to better accommodate timber. Latrobe City Council is to be congratulated for leading our nation. The reasons political decision makers are taking this stance is simple. Timber and timber products are completely renewable, biodegradable and as they store carbon, play a positive role in reducing greenhouse gas emissions. In Latrobe City Council's case the benefits are clearly economic as well. The region is one of the premier timber producing areas. Timber and timber products contribute some \$800 million a year to the local economy and provide more than 1325 jobs - many times that number of indirect jobs.'

Nationally forestry and forest product industries provide some 80 000 direct jobs and about 200 000 indirect. These jobs are generally clustered around regional areas in Tasmania, South east Queensland, the Green Triangle of South Australia and Victoria, Gippsland, northern and southern NSW, Central Tablelands and the Tumut area of NSW, and Southwest WA.

Mr Hampton said, 'It is my hope that all councils in these areas will follow the lead of Latrobe City Council and adopt their own wood encouragement policies.'

The Latrobe City Council wood encouragement policy would require all submissions for Council construction to pay adequate regard to wood, and acknowledge Council's strong preference for quality wood buildings, where suitable. Mr Hampton was a member of the Council's expert steering committee. YouTube video: <http://youtu.be/vk6EJCKRP2Y>

AFPA represents forest growers, harvesters, and manufacturers of timber and paper products.

Media contact: **Nigel Catchlove**,
AFPA Communications Manager 0419 428 646
nigel.catchlove@ausfpa.com.au www.ausfpa.com.au



<http://twitter.com/afpaonline>

Donna Taylor

From: Bob Humphreys <hoaks@bigpond.com>
Sent: Tuesday, 18 November 2014 11:13 AM
To: Donna Taylor
Cc: Alastair Woodard
Subject: Wood Encouragement Project

Hallmark Oaks P/L, a hardwood sawmilling enterprise in Cann River, congratulates the Latrobe City Council (LCC) on it's initiative to develop and endorse the Wood Encouragement Project.

This initiative will encourage and promote the use of wood products in both the construction and fit out of public buildings and infrastructure in the LCC precinct.

It should be stressed through the promotion of the project that timber and wood products regenerate, store carbon,are greenhouse positive and environmentally friendly.

Further the policy will assist local processors while playing an important part in maintaining and potentially increasing employment.

I hope the Wood Encouragement Project is a success and will be supported by other local government agencies.

R.M.Humphreys
Managing Director
Hallmark Oaks P/L.
Cann River Vic. 3890
0408 n361834

**A F C A**

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL 3840
donna.taylor@latrobe.vic.gov.au

Shop 17, Kings Crt, 2 Innocent
St
Kings Meadows, TAS 7249

PO Box 770
Kings Meadows, TAS 7249

Ph: (03) 6343 3398
Fax: (03) 6343 1775
Email: denise@afca.asn.au
Web: www.afca.asn.au

ABN 35 102 865 430

Dear Ms Taylor,

RE DRAFT WOOD ENCOURAGEMENT POLICY

The Australian Forest Contractors Association welcomes the opportunity to provide feedback on the Latrobe City Council's draft *Wood Encouragement Policy*. The Association congratulates Latrobe City Council on the development and potential implementation of this innovative policy thus far.

The Australian Forest Contractors Association is the national peak body that manages the varied and diverse interests of its members operating in the forestry, transport and timber sectors. The Association is proud of the fact that the forestry sector is a major employer of people in regional and remote areas, employing people with both high levels of skills and qualifications as well as large numbers of semi and unskilled people. The Association knows that the forestry and timber processing sectors facilitates large amounts of investment in regional economies with regard to the purchase of processing facilities, distribution centres, plant and equipment.

Members of the Australian Forest Contractors Association recognise that they are part of a larger supply chain that converts a raw sustainable product into consumer goods that are used by industries and communities in the building and construction sectors. The Association believes that it is vital that the endorsement and marketing of the increased use of processed timber in all aspects of construction is important to its members and also promotes the use of wood in creating structures that reflect every aspect of sustainability.

The Consortium for Research on Renewable Industrial Materials (CORRIM) recently announced the results of its study of the environmental performance of wood as a building material. The CORRIM is a non-profit consortium of 15 research institutions formed to research the use of wood as a renewable material, based in the United States.

In the study, CORRIM used typical building designs to construct hypothetical homes, comparing the environmental benefits of wood-framed versus steel-framed houses in a cold climate and wood versus concrete in a warm, humid climate. The study looked at environmental effects across the entire life cycle

of the home, known as "Life Cycle Analysis." The conclusions in relation to energy use and global warming drawn out from the study can be summarised as follows:

Energy Use:

- Construction of the wood-frame home used 17% less energy than the matching steel-frame home.
- Construction of the wood-frame home used 16% less energy than the matching concrete-frame home.
- The energy consumption measured included not just electricity, but also diesel and fuel oil to extract and haul materials, natural gas to generate steam in lumber mills, and electricity for steel mills.

Global Warming:

- The global warming potential of the wood-frame home was 26% lower than the steel-frame home.
- The global warming potential for the wood-frame home was 31% lower than for the concrete-frame home.
- Using wood products instead of steel or concrete can further reduce greenhouse gas emissions from fossil fuels because more than half the energy used by wood mills comes from biomass – bark, sawdust and other residuals, a renewable source of energy.

The Association notes the comments made by Dr Patrick Moore the co-founder of Greenpeace a worldwide environmental organisation. It is his belief that one of the best ways to address climate change is to use more wood, not less. Furthermore, he believes that every wood substitute, including steel, plastic and cement, requires far more energy to produce than lumber. Moreover he submits the following;

- Wood is the only 100% renewable resource in the manufacturing of building products.
- Wood is the only naturally recyclable and biodegradable building material.
- Wood has the lowest environmental impact compared to other building products such as steel, concrete, tile, vinyl siding, fibre cement siding, and stucco.
- Wood products require less embodied energy. This is energy used in the extraction, production and transportation of the resource.
- Wood products require little to no fossil fuels (a non-renewable resource) to produce.
- Wood products produce less air pollution.
- Wood products produce less water pollution

Dr Moore argues that wood products generate less greenhouse gases; therefore wood reduces carbon emissions while concrete and steel increase carbon emissions. Wood products are better insulators in homes and buildings which reduces the energy consumption in both heating and cooling making it the most energy efficient material. Wood is 400 times better at insulating than steel and 15 times better than concrete. Wood products produce less solid waste, both in manufacturing of the products and at construction sites. Additionally, there is virtually no waste in manufacturing wood products.

Additionally it is argued that wood products have the lowest ecological resource use index. This means that while trees are harvested the effects are only short term as reforestation follows. Other products have long term effects as their resources are non-renewable, such as petroleum for plastic and ore used in steel and aluminum siding. Once these non-renewable resources are gone they cannot be replaced. The trees themselves are produced naturally through solar energy.

It is submitted that wood can be re-used and recycled with very little additional energy. Concrete cannot be re-used in the same form but can be down cycled to aggregate with a lot of additional energy expended.

From the growing of the tree to the disposal of the wood products, wood has a minimal environmental footprint. Non-renewable products, such as steel, aluminum and concrete, use up to 250% more fossil fuel energy from the production to the disposal versus wood.

In 2003 the Forest and Wood Products Research & Development Corporation undertook a study funded by the Australian Federal Government. The Study titled, *Review of the Environmental Impact of Wood Compared with Alternative Products Used in the Production of Furniture* was undertaken by J. Taylor and K. Van Langenberg, from CSIRO Forestry and Forest Products sector. Whilst there were some detailed recommendations made as part of the Study, there were some more broad observations made about the role of wood in relation to sustainability, namely;

- There are many studies that have compared the environmental impact of wood with other materials in the building and construction industries.
- In all the examples studied, wood has been found to have the lowest environmental impact compared to other materials.
- Timber from sustainable forestry practices is a renewable resource whereas the production of plastics and metals is not.
- The incineration of timber for energy production can be regarded as CO2 neutral.

The results obtained from the literature survey, as part of the Review, formed the basis of a compelling argument that the use of timber and timber products for the manufacture of furniture in fact leaves a smaller impact on the environment than other alternative materials such as metals and plastics. The Review concluded that this information can be used for advertising material highlighting the environmental benefits of wood to encourage the purchasing of wood-based furniture. It is clear that these same benefits can be attributed to the broader use of wood in building and construction projects.

In a recent review undertaken by Tasmanian Timber and the Centre for Sustainable Architecture with Wood, titled *Reducing the Carbon Footprint and Environmental Impacts of New Building*, the observation was made that buildings consume great quantities of materials, energy and other resources and generate significant greenhouse gas emissions and other environmental impacts during their life-cycle. Sustainable building design can reduce these emissions and impacts significantly, providing buildings that consume fewer resources, particularly fossil fuels, and produce less waste through their operational lives. The use of renewable materials and energy sources are fundamental to sustainable building. The Study concluded that Tasmania, like Gippsland, produces large amounts of renewable timber and wood products and these can be used more extensively in the State's public housing and other building types. The use of wood can reduce greenhouse gas emissions while maintaining performance at a comparable cost. The Study asserted that when compared to other building materials or built solutions:

- Timber has lower carbon and environmental impacts than comparable building materials.
- Timber production is a low energy and low impact process.
- Timber provides simple solutions that meet regulatory requirements.
- Timber buildings are attractive, comfortable, and high performance.
- Timber construction is efficient, economical, and locally supported.
- Local industry supports increased timber use

Furthermore the Study indicated that potential exists to increase timber's use in;

- Timber floors and floor systems in houses and other buildings,
- Timber framed structures in school halls and assembly buildings, and
- Fire and sound resistant timber walls, lining and cladding.

Clearly there are opportunities to further support and market the use of timber and wood related products, and the Association believes that Latrobe City Council is endorsing these important messages through the potential adoption of the proposed *Wood Encouragement Policy*.

The Association notes the heavy reliance that the Gippsland region has on the forestry sector and related industries for employment and investment. A study commissioned by Department of Primary Industries (DPI) examined the social and economic impact of the timber industry in Victoria (Schirmer 2010, Schirmer and Dunn 2010). Using data collected in 2006 and 2008-2009, the research underlined the

significance of the timber industry in Gippsland. For the Gippsland Statistical Division, it was estimated that the timber industry (excluding furniture manufacturing) employed 2145 people (2.7% of all workers), and that there was an increase of 12% in timber industry employment from 1996-2006, which was double the Victorian average for that period.

In the East Gippsland Statistical Division, it was estimated that the timber industry employed 1289 people (2.3% of all workers), but the East Gippsland timber industry was severely affected by a decreased native forest harvest, which was the main contributor to a decline of 23% in forest industry employment between 1996 and 2006, the largest of any Statistical Division in Victoria during that period (Schirmer and Dunn 2010).

Statewide, the Gippsland Statistical Division had the highest proportion of its employed people working in the timber industry, followed by the East Gippsland Statistical Division (Schirmer and Dunn 2010). Overall, timber industry workers have relatively secure jobs, with a high proportion having full-time, permanent jobs. The Report found that timber industry workers earned higher incomes than the average for the Victorian labour force. Within the timber industry, workers in the Gippsland, Melbourne and Ovens-Murray Statistical Divisions earned higher incomes than the timber industry average (Schirmer 2010).

A complementary report commissioned by DPI found that in Gippsland, there were many towns and cities that were either highly dependent or significantly dependent on the timber industry for direct employment and for expenditure by forestry businesses. The Report listed from most dependent urban centres or towns to least dependent, these were Heyfield, Cann River, Rosedale, Bruthen, Bendoc, Orbost, Swifts Creek, Marlo, Yarram, Nowa Nowa, Traralgon, Briagolong, Neerim South, Darnum, Glengarry, Morwell, Ensay, Toora, and Tyers. The data indicated that Gippsland's dependency on the timber industry was 'high' overall.

The Australian Forest Contractors Association notes that many of these urban centres or towns are part of the Latrobe municipality and believes that it is important that employment in the forestry and timber sectors is maintained and supported to ensure that these centres that are reliant upon the income derived from the sector remain vibrant and successful. The impact of indirect employment, generated from direct employment and investment in the forestry and timber sectors is significant and plays an important role in regional development. The Association believes that the draft *Policy* highlights the important role of the sector.

The Australian Forest Contractors Association believes that perhaps one modification to the *Policy* could be made to include a section or clause that relates to public art and street furniture. Local Government authorities have a significant role to play in the provision of public art in relation to cultural awareness and amenity.

The Association would welcome an additional reference within the *Wood Encouragement Policy* in relation to the creation and installation of public art and street furniture, the potential additional clause could read as follows;

- *Where practical and possible, Latrobe City Council will encourage the utilisation of wood and wood related products in the design and construction of all public art (including sculptures, memorials, plaques, and historical interpretation materials) as well as street furniture and signage, acknowledging the important role wood plays in the local economy and as part of the community*

With all of the above in mind, that the Australian Forest Contractors Association wishes to indicate its full support for the adoption of the *Wood Encouragement Policy* by the Latrobe City Council. The Association

recognises that the commitment by Latrobe City Council to implement a policy that will result in encouraging the utilization of wood related products in the Council's capital works program has the potential to support a sector that is currently providing significant employment and investment in the municipality.

The Association also believes that this innovative initiative highlights the competitive advantage that Latrobe City has over other regions in relation to capitalising on what could be seen as a "buy local campaign," recognising that much of the local timber and forestry resources have the potential to be used in capital works projects undertaken on behalf of Council by contractors.

The Association commends Latrobe City Council on both the development and potential implementation of the *Wood Encouragement Policy* and believes that this ground breaking policy may provide guidance to other local government authorities around Australia. Should you require further information or clarification, please do not hesitate to contact David Keenan, General Manager, Australian Forest Contractors Association on 0419 328 093 or david@afca.asn.au

Yours sincerely

Ian Reid
Chairperson
Australian Forest Contractors Association

Monday,

17

November

2014

Donna Taylor

From: Paul Griffin <paul.griffin40@gmail.com>
Sent: Thursday, 20 November 2014 4:38 PM
To: Donna Taylor
Subject: wood policy

Hi Donna,

Thank you for your letter detailing the "wood encouragement Policy"

- Agree with the concept - could this have been part of development policy within the Latrobe's planning yes – rather than potentially grandstanding the issue to the community and wasting public resources in doing so.
- To me this is not a public consultation item, this is a simple strategy undertaken within the building department of the council – simple decision and directive to use and source local building products for construction purposes.

Applaud your efforts, question your motivations...

The new Gippsland for me is not a bunch of report / policy writers – but a 'doing/action' community that leads and not follows the minority urban influenced shallow minded individuals that would have us focus on the minor issues of the day, rather than planning for the future of our children and ensuring that they have better prosperity than I do when it comes to employment and lifestyle.

IMAGINE Gippsland with the Port of hasting in full operation and the East West Link motoring away – this region would be number 1 in Australia.

Kind Regards

Paul Griffin
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 Weir Road Heyfield Victoria 3858
 AUSTRALIA
 Telephone: 03 5139 7000
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November 24, 2014

Donna Taylor
 Coordinator Business Development
 Latrobe City Council
 PO Box 264
 MORWELL 3840

RE: Latrobe City Council Wood Encouragement Policy

To the Latrobe City Council,
 Thank you for the opportunity to make a submission in regard to the Wood Encouragement Policy.

Australian Sustainable Hardwoods Pty Ltd (ASH) is the largest hardwood sawmill and timber processor in Australia. The operation is privately owned by Victorians and is entirely located at Heyfield. ASH directly employs over 200 people, some of whom live in the Latrobe City Council area. In addition to direct employees, ASH has a local procurement policy. Fourteen businesses in the Latrobe City Council area supply substantial goods and services to ASH every month, including Fishers Timber Preservation. Many other Latrobe based business supply goods and services on an intermittent basis.

ASH is also the largest supplier of high quality hardwood woodchips to Australian Paper used primarily in the premium reflex brand.

ASH has four factories working two shifts per day located on the Heyfield site using the kiln dried hardwood produced from the Heyfield sawmill and timber process facility to manufacture high quality timber products. These include window, door, staircase and furniture components, commercial fixtures including flooring, joinery, benchtops and screening, stadium flooring and laminated structural beams. Please view the gallery at www.vicash.com.au for further projects. Photos several recently completed projects are attached to this submission.

Too often wood products are not even considered as a preferred material in commercial projects, often because of the marketing strength of large multinational companies supplying alternative products or because of a lack of knowledge of wood products fit for purpose in the majority of commercial applications.



The benefit of the Latrobe City Council Wood Encouragement policy is the architects and specifiers engaged for projects and Latrobe City Council Officers are obliged to consider wood products in considering projects. This will be an advantage to the Council in more than just knowing the best environmental outcome is achieved. ASH has had involvement in many projects. Invariably ASH has found fit for purpose wood products are a more cost effective outcome both in cost of materials and time. If wood products are not considered in the first place, then the proponents of the project have locked themselves out of a solution that could be far superior in commercial as well as practical, environmental and social terms.

The Latrobe City Council Wood Encouragement Policy is a very positive step towards achieving better outcomes that are often not considered because of traditional thinking that hard products such as concrete and steel are the only available materials for commercial projects. Considering wood products will also enable people to be better informed about the environmental advantages of wood, rather than misinformation and rhetoric often portrayed in the media.

Through the submission period Latrobe City Council may come under pressure to reconsider the Wood Encouragement Policy. When the facts are properly researched, Latrobe City Council will be shown to be absolutely on the right path. Congratulations on the leadership shown that will ultimately produce better outcomes. ASH looks forward to the enactment of the policy.


Yours Sincerely



Vince Hurley
Chief Executive Officer
Australian Sustainable Hardwoods Pty Ltd.



Department of Environment and Primary Industries

Ref: DEPI10788
File: EP/10/3279-05




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Mr Phil Stone
General Manager Economic Sustainability
Latrobe City Council
PO Box 264
MORWELL VIC 3840

24 NOV 2014

Dear Mr Stone

WOOD ENCOURAGEMENT POLICY COMMUNITY CONSULTATION

I refer to your letter of 7 November 2014 to the Hon Ryan Smith MP, Minister for Environment and Climate Change regarding the draft Wood Encouragement Policy. The minister has asked me to respond on his behalf.

As you may be aware, the Victorian State Election will be held on Saturday 29 November 2014 and the government is currently in caretaker period.

Thank you for notifying the Victorian Government about this draft policy and the opportunity to comment. I would encourage you to write to the incoming government after the November election if you wish to pursue this matter further.

Yours sincerely

Kate Houghton
Executive Director, Environment Policy

Privacy Statement

Any personal information about you or a third party in your correspondence will be protected under the provisions of the Privacy and Data Protection Act 2014. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Privacy Coordinator, Department of Environment and Primary Industries, PO Box 500, East Melbourne, Victoria 8002.





**Frame & Truss Manufacturers
Association of Australia Ltd**

PO Box 703, Healesville Vic 3777

Telephone: 03 5962 3453

Mobile: 0418 226 242

Fax: 03 5962 3463

1st December, 2014

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840

Dear Ms Taylor

SUBMISSION TO LATROBE CITY COUNCIL'S WOOD ENCOURAGEMENT POLICY

The Frame & Truss Manufacturers Association of Australia Ltd is an independent, national organisation representing fabricators of and suppliers to the timber prefabricated timber truss and wall frame industry.

The major aims of the FTMA Australia is to provide a unified voice, to protect and advance our multi-billion dollar industry and to be involved in the setting of standards and guidelines that serve as benchmarks for all those who deal with our industry.

The Frame and Truss industry falls in to three industry sectors; the timber industry, the manufacturing industry and the building / construction industry. Nationally there are approximately 280 Frame and Truss Fabricators and close to 100 of these businesses are in Victoria employing thousands of people. The fabricators are spread over 44 Lower House Electorates and cover all Upper House Electorates with four businesses based in the Gippsland Region.

Rands Frame & Truss in Bairnsdale, Supa-Truss in Heyfield, Dahlsens Frame & Truss in Traralgon and Drouin West Truss & Timber in Drouin. Drouin West Truss & Timber are also leading the way in the Australian industry with the purposely built factory, under the name of DWTT Future Fit Panelised Building Systems to build prefabricated panels (floor and wall) where they have remarkably taken a domestic housing project from dirt to lock up within six days. For further information please visit <http://dwtt.com.au/> and click on the Future Fit logo.

Many fabricators, Australia wide depend on the amazing softwood and hardwood products grown within in the Gippsland region which supports many jobs both directly and indirectly.

The Commonwealth government, under the Gillard / Rudd period legislated a package of initiatives to address carbon dioxide emissions that gave no recognition to the fact that forestry is the only carbon positive sector, a fact which was verified by the Commonwealth's own State of the Forests Report.

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A.B.N. 31 117 340 986

The frame and truss manufacturers directly compete against carbon intensive building materials such as steel and concrete, which have been given explicit Government support at the Federal level; for example, the Department of Innovation, Industry, Science Research used to fund a “Steel Supplier Advocate.”

FTMA Australia is passionate about timber and believes that timber frames and trusses not only are a superior building product but are also the best environmental choice for builders. Whether at the supermarket or fuelling your car you can be assured you will always be faced with the challenge of purchasing the most environmentally friendly product. These are important but small steps in what you can do for the environment. However, choosing environmentally friendly building materials when you build your next house will be a generational benefit.

Wood is a natural, renewable material that can help tackle climate change. We all know that growing trees absorb carbon dioxide from the atmosphere and stores the carbon so efficiently that about half the dry weight of the tree is carbon. This carbon remains ‘locked up’ for the life of the wood – for example a 50kg wooden table usually contains more than 20kgs of carbon so imagine the carbon stored in a house built with timber frames and trusses.

Material	Carbon Released (kg/m ³)	Carbon Stored (kg/m ³)
Sawn timber	15	250
Steel	5320	0
Concrete	120	0
Aluminium	22000	0

(Sourced from Forest & Wood Products Research & Development Corporation, (1997) Environmental Properties of Timber, P5 Table 0.5)

As the table above demonstrates not only does wood store carbon which is great for the environment but timber only releases 15kg/m³ to produce sawn timber unlike other building materials which store no carbon and release up to 22,000kg/m³ during production. By choosing wood as your preferred building materials you not only have a sustainable, attractive and practical construction material, which has excellent durability, acoustic and fire performance but you are personally do your bit to tackle climate change.

The Forest and Wood Products Research and Development Corporation states by choosing sustainable wood products wherever possible in house construction, greenhouse gas emissions equivalent to up to 25 tonnes of carbon dioxide per house could be saved in Australia.

Besides the environmental benefits why should you use Timber Roof Trusses?

The environmental benefits are huge but there are plenty more reasons to use timber roof trusses such as cost, longer spans, lightweight, reliability of design and flexibility to name but a few benefits. Prefabricated roof trusses can be erected in one or two days saving the builder construction time and money which is a win for all. Not only is timber a cost effective building material but you also save on time and labour.

The lightweight of the prefabricated timber trusses also assists with today’s OHS manual handling issues as the typical roof truss can be lifted by two people. The technology that goes into the construction of pre-fabricated frames and trusses is without doubt world class.

Roof trusses are fully engineered to all relevant Australian Standards using the latest computer software which takes into account all the relevant loads including dead, live and wind loads.

World Wood Procurement Policies

Compared to other forward-thinking jurisdictions, it would appear that the timber industry in Australia is disadvantaged to non-renewable, carbon intensive building materials.

Studies have been conducted on several countries and/or provinces in the world that have recognised the need to Introduce Wood Procurement Policies or Wood First policies as a sensible and effective way in addressing climate change. Countries such as France, French Guiana and Canada and Provinces including British Columbia, Oregon & Washington have either introduced laws or are in the process of developing laws to address wood procurement policies.

The Latrobe City Council is leading the Australian charge and we thank you for your environmental foresight. Below are other examples of how different jurisdictions have ensured they can improve their environmental footprint, whilst protecting local jobs.

French Law requiring Wood to be used in construction

The French Government introduced Decree No. 2010-273 on the 15th March, 2010 on the use of wood in construction as a way of tackling climate change.

In the construction sector timber is more than biomass, it is a renewable material with many different applications that also reduces the carbon footprint of buildings. In its Climate Action Plan, France is promoting timber as a way towards a more sustainable and climate-friendly construction sector. From 2010 onwards, all public and private constructions have had to contain at least 10 percent timber. This share is currently being increased to 12.5 percent.

France plans to reach this goal by increasing its overall forest area, allowing the harvested timber to be used for construction as well as energy production. These steps will help to reduce France's overall CO2 emissions.

British Columbia, Canada—Wood First Act

A Wood First Act was introduced to the British Columbia Government in 2009 with the purpose to facilitate a culture of wood by requiring the use of wood as the primary building material in all new provincially funded buildings in a manner consistent with the British Columbia Building Code.

At the time of introducing the new law, the Province funded almost \$3 billion worth of capital investments in buildings such as hospitals, schools, and social housing. Putting a wood first lens on this spending is an effective way to generate demand for wood products, while promoting climate-friendly construction and supporting our forest-dependent communities. Following the success of the British Columbia Wood First Initiative a number of other provinces have passed resolutions or policies indicating their intent to adopt similar principles of the Wood First Initiative.

State of Washington, USA—maximising state's natural resources

The State of Washington, USA much like Australia developed an Act recognising the importance of Green Buildings with a focus on energy requirements. However in the State of Washington, unlike Australia realised they had made a fundamental error ignoring the environmental benefits of timber. An Act relating to maximising the use of the State's natural resources stated:

“The legislature finds that research has shown the importance of reducing environmental impacts through building design. The primary focus on building designs has been an attempt to reduce energy requirements, primarily heating and cooling, over the course of a building’s lifetime. However, what has been overlooked are opportunities to reduce greenhouse gas emissions and other environmental impacts at earlier stages in the building and construction design process. The selection of building materials and products, such as using wood and wood products in the design stage, provides substantial opportunities to reduce lifetime greenhouse gas emissions. A key component of life-cycle cost analysis is the energy expended in the extraction, transportation, manufacturing, and production of the building materials being considered in the construction of buildings”.

In Australia, concrete receives higher ratings than timber based on energy requirements yet Governments in Australia are happy to ignore the fact that concrete releases more carbon than timber and stores NO carbon whereas timber stores carbon for life. There are many other examples throughout the world of laws and / or regulations which recognise the use of timber as having the best environmental outcomes and as a tool to tackle climate change.

FTMA Australia calls on all Governments to review their Six Star Energy Ratings and conduct an assessment and determine the amount of embodied energy and carbon in building materials or greenhouse gas emissions avoided by using building materials with low-embodied energy or carbon.

Furthermore FTMA Australia has called on the Federal & State Government’s to stop discriminating against the timber industry by ensuring all Government funded buildings put out for tender are released with timber specifications, whereas at the moment they are released in steel specifications.

There is no disputing the facts that timber is a more environmentally friendly building material than steel, concrete or aluminum and the time has come for Governments to reduce their carbon footprint by encouraging more timber framed housing and building construction as the proposal from Latrobe City Council has done.

There is no doubt, even though the timber from your beautiful region is used Australia wide within the frame and truss sector the four Gippsland based businesses and the many businesses that provide frames and trusses for both domestic and commercial jobs within the Gippsland region appreciate the Latrobe City Council’s endeavors to become a champion of the forest and wood products industry.

Don’t let your imagination hold you back as there is no design your local FTMA Australia Fabricator can’t do. Surely the savings to your council, constituents and the benefits to the environment is enough of a reason to give timber prefabricated frames and trusses a go. For more information please contact me on 0418 226 242 or via email kersten@ftmaaustralia.com.au

Yours truly



KERSTEN GENTLE
Executive Officer
FTMA Australia

FTMA Australia thanks Andrew Dunn of the Timber Development Association for use of his research material on Government Laws that require wood to be used in Construction.

Wood Products Victoria Ltd

1st December 2014

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840

Email: donna.taylor@latrobe.vic.gov.au

Dear Ms Taylor,

Latrobe City Council – Wood Encouragement Policy

Wood Products Victoria (WPV) welcomes the opportunity by the Latrobe City Council (LCC) to submit comment on the new LCC draft 'Wood Encouragement Policy' (WEP). WPV is the forest and wood products industry's peak Victorian technical-promotional association. WPV's role fundamentally is to ensure that sustainable timber and wood products, grown, harvested, processed, manufactured or sold within Victoria, or by Victorian based businesses, are supported by informed research, technical publications, customer information, and product and market development.

Firstly, WPV would like to acknowledge the leadership and foresight of the Council in pursuing this policy and clearly state our endorsement of this excellent initiative that serves to recognise the significance and importance of the forest and wood products industry to both the Latrobe City Council area and the broader Gippsland region.

It is particularly apt that LCC become Australia's first council to pursue a Wood Encouragement Policy because as with other local and state government bodies globally that have introduced similar wood focussed policies the Latrobe Council area is particularly reliant on the forest and wood products sector and all the benefits it provides; perhaps more so being that the Latrobe Council area is not just an important 'fibre basket, but also a 'key energy generator'. Victorians, and indeed other Australian companies and citizens, are particularly fortunate to utilise and enjoy the cost effective energy produced through the Latrobe Region. A by-product of this process however is CO₂ generation, released to the atmosphere but eventually reabsorbed either by the oceans or the growing forests.

The sequestration of CO₂ by forests – naturally taking the solar energy of the sun, breaking down the CO₂ through photosynthesis, releasing the oxygen we breathe and storing the carbon in the woody trunk of the tree - is often overlooked in the discussion around sustainable production forest management, particularly by city dwellers; yet it is undoubtedly one of the prime arguments for growing trees, harvesting them (and re-growing them) and producing the beautiful wood products that consumers desire. It needs to be stressed that for the carbon to remain stored, then the trees needed to be harvested and manufactured into products that will continue to hold the carbon for the life of the product; if a forest is not harvested and regrown then the CO₂ stored, simply returns back to the atmosphere as the tree dies and biodegrades. So the policy goal of "*encouraging the use of wood in the construction and fit out of Council buildings and infrastructure*" is particularly apt because now the LCC region is not only producing CO₂, it is sequestering it and storing it within its own public buildings and infrastructure.

Wood Products Victoria Ltd
Level 2, 2 Market St, Melbourne Vic 3000
Ph: (03) 9611 9044

Latrobe City Council Wood Encouragement Policy Public Consultation - WPV Submission

The LCC draft policy implementation aims, to:

- *ensure that all briefs for new Council projects incorporate the requirement to use wood as the preferred material for both construction and fit out purposes, where wood is deemed a suitable material for the proposed application; and*
- *seek those who can find, practical, efficient, versatile and cost-effective building and design solutions using wood when sourcing design and architectural expertise;*

is also of particular importance as wood is not often well understood by designers and specifiers, particularly its use in structural applications in large scale structures and projects. The aim of the policy, that for new public building projects, that proponents examine a wood based option will certainly assist in making designers, specifiers and project developers far more aware of the wide range of new and exciting timber structural solutions now available globally and locally. These new wood construction solutions include: large section Glulam beams and columns, hybrid wood-concrete floor systems, pre and post tensioned steel/timber Glulam or Laminated Veneer Lumber (LVL) beams, post-tensioned timber frames and of course Cross Laminated Timber (CLT). Education of the design, procurement and construction teams will be key to successful future projects and Wood Products Victoria looks forward to assisting in this area through the Forest and Wood Products Australia funded 'WoodSolutions' program, whose specific aim is to educate, inspire and assist all building professionals in the specification and use of wood products.

It is noted that it is not unreasonable to expect that there may be some negative responses to the LCC's draft WEP initiative during the public consultation phase from alternative building product sectors such as concrete, steel, masonry, etc who might not fully appreciate the sound lifecycle impact and intent of this policy. However, we would suggest that these sectors really should not feel disenfranchised or threatened. The reality is that:

1. to date it is wood products that have been disadvantaged in the public building project development and tender process because proponents have not even chosen to investigate a wood solution; and
2. for any building project a range of materials will be needed, the ongoing discussion should rather be all about best material for application – steel, concrete, masonry, wood, whatever – however the fact is that wood products shouldn't be excluded simply because of the lack of knowledge or experience of the designer. It would also be suggested that this policy is likely to encourage a wide range of positive cross-material collaborative opportunities as the different sectors start to investigate the practical implementation of the policy.

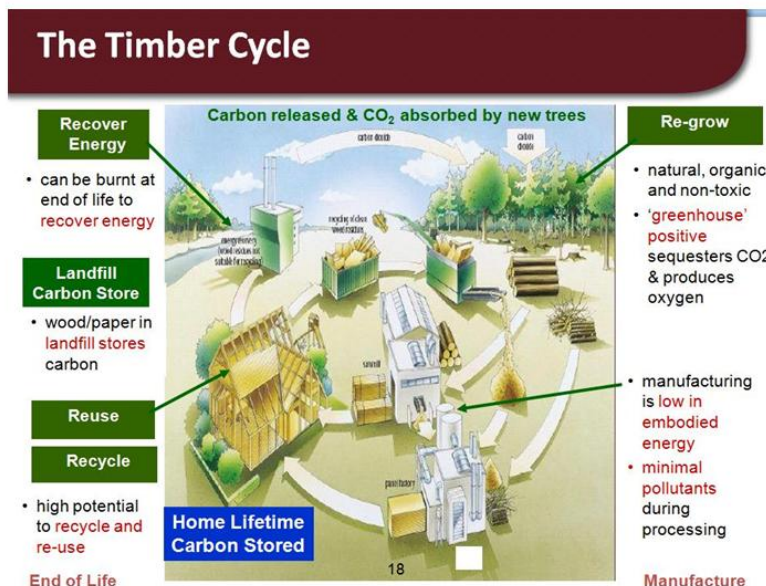
The policy goal "*to stimulate sustainable economic development within the Gippsland timber and wood products industry and encourage value adding products within the timber industry*" is also particularly important. The forest and wood products sector has a broad integrated supply chain much of it rural based or regionally engaged; the Gippsland area has one of the most established and mature wood products supply chains in the state. Generating development and growth in this sector ensures expanded and new potential flow-on commercial opportunities and local jobs right along this extended supply chain, in areas such as:

- Forest, growth and management
- Harvest and haulage
- Primary processing and sawmilling
- Paper manufacture
- Timber treatment
- Secondary processing: flooring, windows, doors, mouldings,
- Manufacturing: furniture, cabinetry, even possibly local Cross Laminated Timber (CLT) production,
- Fabrication: Frame & Truss Manufacture, Prefabricated and panelised construction elements, Steel Connections
- Building & Construction

Latrobe City Council Wood Encouragement Policy Public Consultation - WPV Submission

- Timber merchant and hardware retail
- End of Life product usage: direct product reuse, recycled wood products, and energy cogeneration.

Note: the final end-of-life opportunity 'cogeneration' is particularly important to the LCC region. Using wood waste, a sustainably grown resource, to assist in energy cogeneration alongside other non-renewable energy sources is a particularly positive environmental approach and from a lifecycle perspective – the newly growing trees absorbing the CO₂ released, completes the lifecycle loop.



WPV also fully supports all the remaining goals of LCC's draft policy and again extends the offer to assist however needed in supporting the LCC and its stakeholders in pursuit of its aims:

- To recognise all of the benefits that make wood a smart choice for Council buildings and infrastructure.
- To share information and encourage education regarding the benefits of using wood in construction and fit out of buildings and infrastructure.
- To demonstrate local and national leadership by enacting the Wood Encouragement Policy on Council buildings and infrastructure.
- To encourage the use of wood in demonstration projects across the municipality.
- To align with opportunities for state and federal funding.
- To reinforce Council's preference for quality wood buildings in the development of briefs for projects.
- To promote the industry as a renewable resource, capturing the environmental benefits of the resource.

WPV once again congratulates the Latrobe City Council on its foresight and leadership on this Australian first Wood Encouragement Policy initiative and looks forward to the formal enactment of the policy in December 2014, and the future emulation by other local Councils around Australia.

If you require any additional information please contact WPV on (03) 9611 9044.

Yours sincerely,

Mr Jack Bowen
Chairman, Wood Products Victoria

Donna Taylor

From: B Whelan Logging <bwhelanlogging@bigpond.com>
Sent: Monday, 1 December 2014 8:56 PM
To: Donna Taylor
Subject: Wood Encouragement Policy

1st December, 2014

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840
Email: donna.taylor@latrobe.vic.gov.au

Dear Ms Taylor,

Latrobe City Council - Wood Encouragement Policy

I Bryan Whelan, Director of B. Whelan Logging Pty. Ltd. wish to advise that I currently contract to HVP Plantations. HVP Plantations have plantations throughout Victoria, and in the Gippsland area, they manage approximately 80,000 hectares of plantation.

My Company contracts to HVP in silvicultural works, Fire Fighting, browsing animal control etc., My machines include two (2) 30 tonne excavators, a D7H bulldozer, 2 skidders, a D4 bulldozer, utilities, a John Deere gator and Kenworth Truck and Float.

Our Company supports 6 families in the Gippsland Area as direct employees of the Company.

We strongly support the Latrobe City Council's direction in introducing a draft Wood Encouragement Policy. It is an excellent initiative that demonstrates the Council's desire to stimulate sustainable economic development within the Gippsland timber and wood products industry and encourage value adding products within the timber industry; a key goal for all of us involved in this sector. It will also particularly gratifying to see more wood products used in the construction and fit out of own local Council buildings and infrastructure; after all wood is not only beautiful to look at and work with it is also arguably the most environmentally friendly material. We look forward to the draft policy being formally enacted in December.

Should you require further information, please do not hesitate to contact me.

Bryan Whelan.
B. Whelan Logging Pty. Ltd

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL 3840

Dear Donna,

The TMA would like to confirm its support for the La Trobe City Council's initiative that would see council

"Introduce a 'Wood Encouragement' Policy' (WEP) joining other nations driving 'wood' for social, environmental and industry development reasons."

It is our firm belief that this initiative will not only benefit the local community and merchants but position the Council as a leader in Australia by reflecting similar Wood First or Wood Encouragement policies already operate in countries including Canada, France, New Zealand, the Netherlands, Finland, Japan and the United Kingdom.

It is our collective view that the Council is correct in its position that there will be significant benefits, and importantly many merchants in the LLC will benefit from this policy. In particular we support the view that the benefit to the local community include (but not limited to):

- provide a more environmentally friendly, diverse and aesthetically pleasing offering of public building and infrastructure for the local community
- stimulate improved employment opportunities for trade's people who will be able to shift from existing residential construction to medium density and commercial construction
- encourage increased capital investment by the domestic wood manufacturing industry
- encourage other manufacturing sectors and building development to the local area
- allow the LCC to attract wood-related education and research into the community
- encourage other local Councils and State Government departments to also consider the introduction of similar or improved wood encouragement policies

While the benefit by encouraging the use of Forest & Wood Products

- From sustainably managed native forests or plantations defends the fact that wood is arguably the only true renewable major building material.

- Recognises that wood products comes from trees which during their growth absorb CO2 out of the atmosphere, provide oxygen that we breathe, and store carbon in a functional and beneficial manner.
- Provides a wide range of efficient and effective wood construction systems now exist for mid-rise apartment and hotel construction (up to 10+ storeys) and commercial and public buildings; as well as residential construction, including: lightweight timber framing and fire & sound rated plasterboard systems, mass timber systems (ie CLT), engineered wood products, prefabricated truss assemblies, amongst others. These buildings also include a wide range of other appearance wood products including: flooring, lining, cabinetry, joinery, windows, doors, furniture and paper products; and externally, decks, screens, posts, pergolas, fences and landscaping products.
- Delivers wood based construction systems that are versatile, affordable, high quality, lightweight and they can be delivered more quickly, efficiently and in an environmentally positive manner that provides key products that are easily for merchants to build business models that encourage business profitability and growth.
- Supports the premise that wood products as a serious construction material, along with steel and concrete, provides increased construction material choice and opportunity for more innovative and diverse design and therefore a broader and more competitive environment for consumers.

The Timber Merchants Association fully endorses the Latrobe City Council in its bid to deliver the WEP as a policy.

Sincerely,



Eric Siegers

LAW SOMERVILLE INDUSTRIES PTY LTD

ABN 76 007 373 515 ACN 007 373 515
90-92 MOORE STREET, MOE VIC 3825
TELEPHONE: (03) 5127 7066
FAX: (03) 5127 4649
E-MAIL ADDRESS: lawsomer@sympac.com.au

1st December, 2014

Donna Taylor,
Latrobe City Council
Coordinator Business Development
Commercial Road
MORWELL 3840

Via email: Donna.Taylor@latrobe.vic.gov.au

Dear Madam,

Law Somerville Industries supports, very strongly, the use of wood products in Council buildings especially from the Australian and local sustainable renewable hardwood and pine sectors.

All wood products give a more natural feel and look, make the aesthetics of these buildings far more comfortable and enjoyable to work in.

Yours faithfully,
LAW-SOMERVILLE INDUSTRIES PTY LTD

PER.....

BL/JW

Donna Taylor

From: Rob Benson <rbenson@bensonshardware.com.au>
Sent: Tuesday, 2 December 2014 11:35 AM
To: Donna Taylor
Subject: Timber promo

Good Morning Donna,

This Email is to let you know how supportive of the timber promotion by the LCC We are at Bensons Hardware, Our family has been involved in providing many different types of timber around this area For over fifty years,it has always been a big part of our sales with hardware up and down a little There has always been so many different needs for timber as framing, treated for outdoors Or many different features as in walls floors and ceilings, timber has always had a lovely Natural appearance, even today our timber sales still grow and is one of our main strengths Helping to employ around fifteen people. We do see our timber sales as one of our main Assets into the future. Thanks to yourself and the LCC for your interests.

Regards.
Rob Benson.



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

332 Albert Street
East Melbourne, VIC 3002

GPO Box 544
Melbourne, VIC 3001

Tel: 03 9411 4555
Fax: 03 9411 4591
www.mbv.com.au

3 December 2014

Ms Donna Taylor
Coordinator – Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840

Dear Ms Taylor

Wood Encouragement Policy

Thank you for the opportunity to respond to Latrobe City Council's draft *Wood Encouragement Policy*.

Master Builders Association of Victoria is the peak body representing employers in Victoria's building and construction industry. Our membership consists of more than 9000 builders, subcontractors, manufacturers, suppliers and students.

We support Latrobe City Council's aim to encourage the use of wood as the preferred material in the construction and fit-out of Council buildings and infrastructure, where it is practicable.

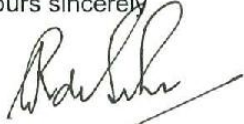
The winner of Master Builders Best Sustainable Energy Project at our 2014 Excellence in Construction Awards was the Melton Library and Learning Hub, which was a hybrid build utilising wood as a key feature, and we are increasingly seeing timber incorporated into building projects across the state. For example, the Australand five-storey timber apartments at Parkville Green and the new library at Docklands have been constructed primarily from wood products. Lend Lease has also recently made use of timber at its Forte Building in Docklands, which reduced the size and requirement of the building foundations.

The environmental benefits of using timber in construction are well-documented. Encouraging the use of wood will reduce the amount of carbon dioxide in the atmosphere, as carbon is captured and stored over the life of the product. Being a locally grown and supplied resource will see transport emissions reduced, and by specifying that the wood used meets Australian Forestry Standards, you will be ensuring the product is sourced from well-managed, renewable plantations.

Finally, using locally sourced products will continue to support jobs and stimulate economic growth in the Gippsland region.

Please contact Dr Phil Alviano, Sustainable Building Adviser, on (03) 9411 4577 if you would like to discuss further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Radley de Silva', with a long horizontal stroke extending to the right.

Radley de Silva
Chief Executive Officer



Value Adding



A.B.N. 38 078 347 645

P.O. Box 109, Bairnsdale,
Victoria 3875, Australia
Phone: (03) 5152 4510
Fax: (03) 5152 6023

Attention: Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL 3840

4th December 2014

RE: Wood Encouragement Policy

Dear Latrobe City Council,

Fenning Bairnsdale Pty Ltd located in Bairnsdale would like to congratulate the Latrobe City Council on their initiative to encourage the use of wood in the construction and fit out of public buildings and infrastructure in the Latrobe Shire.

Fenning Bairnsdale fully supports the Wood Encouragement Policy and sees it as a positive step towards the use of forest products, and stimulating an increased economic development in the wood products sector.

I am hoping other councils throughout Victoria can follow your positive lead and initiative to help employment and growth within our industry in Victoria.

Regards,

A handwritten signature in black ink, appearing to read 'R. Natty'.

Rodney Natty
General Manager
Fenning Bairnsdale



Ms Donna Taylor
Thursday 4 December 2014
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840
donna.taylor@latrobe.vic.gov.au

Dear Ms Taylor,

Re: Latrobe City Council – Wood Encouragement Policy

Planet Ark writes in response to Latrobe City Council's (LCC) invitation to stakeholders to submit comment on a draft 'Wood Encouragement' policy.

Planet Ark Environmental Foundation is an Australian not-for-profit organisation with a vision of a world where people live in balance with nature. Established in 1992, we are one of Australia's leading environmental behaviour change organisations with a focus on working collaboratively and positively. We help people, governments and businesses reduce their impact on the environment in three key areas: sustainable resource use, low carbon lifestyles and connecting people with nature. We promote and create simple, positive environmental actions - for everyone.

Planet Ark has been promoting the use of certified, responsibly sourced wood as a building material through its 'Make It Wood – Do Your World Some Good' campaign since October 2011. The motivation for choosing wood over other materials such as steel and concrete is that it uses less energy to produce in turn reducing the amount of carbon emitted during construction. Wood also stores carbon - 50% of the dry weight of wood is carbon. Additionally wood buildings can be quicker to build and when completed result in aesthetically pleasing structures with a whole range of health benefits.

On 5 November 2014, LCC councillors voted unanimously to move forward on a 'Wood Encouragement' policy. LCC's first step is to commence a public consultation process on the draft policy, before an expected final ratification of the policy in December 2014. Planet Ark appreciates the policy's key goal is to drive the construction of wooden buildings in the region delivering a positive environmental outcome.

Planet Ark notes and supports LCC's stated policy goals being:

- To stimulate sustainable economic development within the Gippsland timber and wood products industry and encourage value adding products within the timber industry.
- To encourage the use of wood in the construction and fit out of Council buildings and infrastructure.
- To recognise all of the benefits that make wood a smart choice for Council buildings and infrastructure.
- To share information and encourage education regarding the benefits of using wood in construction and fit out of buildings and infrastructure.

-
- To demonstrate local and national leadership by enacting the Wood Encouragement policy on Council buildings and infrastructure.
 - To encourage the use of wood in demonstration projects across the municipality.
 - To align with opportunities for state and federal funding.
 - To reinforce Council's preference for quality wood buildings in the development of briefs for projects.
 - To promote the industry as a renewable resource, capturing the environmental benefits of the resource.

LCC's 'Wood Encouragement' policy would require all submissions for LCC construction to pay adequate regard to wood, and acknowledge LCC's strong preference for quality wood buildings, where suitable. This is a tangible demonstration to your local community of your environmental commitment.

There is a growing understanding in many countries, including the UK, New Zealand, Canada, France and Finland, that using wood for local government offices and public buildings such as schools, hospitals, libraries, police stations etc has considerable environmental outcomes and many governments are introducing policies to reflect this.

Planet Ark supports the adoption of the Wood Encouragement policy and congratulates the Latrobe City Council for leading our nation on this important initiative.

Kind regards,



Paul Klymenko
Chief Executive Officer
paul@planetark.org
02 8484 7201



Friday 5th December 2014

To Whom It May Concern

**Latrobe City Council – Wood Encouragement Policy
Carter Holt Harvey Woodproducts Australia – Submission**

Carter Holt Harvey Woodproducts Australia (CHHWPA) is Australia's most comprehensive wood manufacturing, distribution and sales business.

The Latrobe Valley region is home to two of our major production facilities, located in Morwell and Yarram, making CHHWPA a significant contributor to the region's economic activity and a large employer of skilled labour with a workforce of approximately 230 staff. In addition to our direct workforce, many other in-direct jobs are supported within the region through forestry, transport, service and trade related industries.

CHHWPA sources all wood fibre from forest suppliers that are certified under Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification Schemes (PEFC). CHHWPA Timber Products produced at our sawmill operations located in the Latrobe Valley are currently not available with Chain Of Custody (CoC) certification as requests from the specifiers within the construction industry for CoC products is almost non-existent, mainly because domestic softwood products are solely produced from plantation grown timber.

Softwood timber products produced at CHHWPA's sawmills within the Latrobe Valley region are heavily used in the construction of residential detached dwellings, however are rarely used in medium density or commercial construction. In recent years the timber industry has focused heavily on research and development and can now offer an extensive range of efficient and effective wood construction systems for medium density housing, commercial and public building developments that have traditionally been dominated by the less environmentally sensitive steel and concrete building systems.

The Wood Encouragement Policy would greatly assist in unlocking new opportunities for wood products and in return could delivery tangible benefits to both CHHWPA and the communities that it supports. This would include potential new job creation, job security for our current workforce and re-investment within the local economy.

CHHWPA is supportive Latrobe City Council's Wood Encouragement Policy and would like to see the proposed policy adopted.

Yours sincerely

Geoff Harris | General Manager – Sales & Marketing
Carter Holt Harvey Woodproducts Australia



Forest and Wood Products Australia
Level 4, 10-16 Queen Street
Melbourne VIC 3000
Tel: (03) 9614 7544
Fax: (03) 9614 6822
Email: info@fwpa.com.au
Web: www.fwpa.com.au

ABN: 75 127 114 185

4th December, 2014

Attention Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840

Dear Donna,

Draft Wood Encouragement Policy

Forest and Wood Products Australia Ltd (FWPA) is an industry owned, not-for-profit company, and is nominated as the Industry Services Company under the provisions of the Commonwealth's *Forestry Marketing and Research and Development Services Act 2007*.

FWPA's vision is to ensure that forest and wood products are the preferred, sustainable material that meets the Australian market needs. This vision will be achieved by working with stakeholders to identify and deliver collaborative programs that improve the competitiveness, and market and community acceptance, of forest and wood products.

The company manages and resources programs in the areas of: marketing and promotion; research, development and extension; education and skills; building codes and standards; and industry statistics and economics. We maintain strong partnerships with a wide range of organisations such as Planet Ark, Australian Institute of Architects, Building Designers of Australia and other professional bodies.

It should be noted that our contract with the Commonwealth Government specifically prevents FWPA from representing the forest and wood products industry or undertaking any agri-political activity.

It is clear that the Council's draft wood encouragement policy is consistent with the vision and mission of FWPA and so we would like to provide support and encouragement to the Council for taking this initiative.

Globally, there is increased recognition of the environmental and economic benefits of using wood in construction to replace more energy intensive materials. The draft policy seeks to find an appropriate balance between choosing materials that are fit-for-purpose but also consider the full lifecycle impact of the materials including ongoing maintenance.

In relation to life cycle assessment, FWPA has funded a number of key research projects including the development of a comprehensive lifecycle inventory database, a review of standard house designs under a range of material scenarios and climatic conditions, and an assessment of Lend Lease's Forte building. All these research reports are published on our website (www.fwpa.com.au).

Under our WoodSolutions program, we aim to ensure that building specifiers (architects, engineers, etc.) have the appropriate information and tools to better use wood in construction. We also aim to provide inspiration through keynote speakers, awards and case studies. These activities can be viewed at our website (www.woodsolutions.com.au), which is now the most highly visited wood promotion website in the English speaking world.

If the Council decides to adopt the draft wood encouragement policy, FWPA would be keen to provide the following proactive and practical support to assist in the successful implementation of the policy:

- Technical support during the scoping and design of council buildings to ensure that wood is used in an appropriate and cost-effective manner based on the most up-to-date and factual information available.
- Support for an objective life-cycle assessment of a completed council building that can be used to validate the environmental benefits of using wood.
- Evaluate the potential of using any proposed council buildings as subjects of subsequent FWPA supported research projects relating to building design and performance, which could provide additional independent scientific support for the council's policy.
- Develop case studies for use on the WoodSolutions website for any council buildings completed in accordance with the policy.

I would like to commend the Latrobe City Council, both councillors and staff, for the work undertaken to date in developing this draft policy. This is a great initiative and will hopefully be followed by other local governments around the country.

If the policy is adopted, then I look forward to working with the Council to assist in its successful implementation.

Kind regards,



Ric Sinclair
Managing Director

Donna Taylor

From: Office <office@fisherspallets.com.au>
Sent: Friday, 5 December 2014 3:43 PM
To: Donna Taylor
Cc: Alastair Woodard (woodard@tpcsolutions.com.au)
Subject: LCC WEP Stakeholder Engagement
Attachments: Latrobe City Council Wood Encouragement Policy - Fisher's overview.docx

Dear Donna & LCC

Fishers Group of companies, which incorporates Fisher's (Latrobe Valley) Pty Ltd and Fisher's Timber Preservation Pty Ltd, strongly support Latrobe City Council's Wood Encouragement Policy.

Fisher's Timber Preservation Pty Ltd have recently transitioned from solvent based LOSP treatment processes (with substantial emissions) to our new water based, environmentally friendly Tru-Core treatment. Our timber preservation business originated when it was decided the company needed to diversify from the old-style, heavy-metal CCA timber treatment. This service is unique in Victoria and has experienced substantial growth over the last 16 years. The plant was designed to treat material up to 17m in length. This capability enables the company to treat LVL long length beams. We treat material from the west coast of USA and New Zealand in semi-load lots, delivered from Brisbane and Melbourne direct from the port to the Latrobe Valley.

We currently treat to H2 and H3 levels for softwood, hardwood, Glulam beams, LVL and plywood. The products we treat are used for framing, truss assemblies,; and externally, decks, pergolas, etc. We are currently awaiting approval of a clear treatment from APVMA, which means we will be able to use Australian timber for window frames – as opposed to historically using imported timber. Our new style of treatment will expand the market dramatically for some of our customers, eg. Auswest & Ash – they are very excited about the developments coming forward. We will also be treating Karri from Western Australia, which is susceptible to termite attack, using our unique dry treatment.

Over the past three years we have made serious investment to future-proof the company and enhance & expand employment with the company – providing a wash-on effect to local businesses. This upgrade is ongoing, but to date we have spent over \$1,000,000 on new equipment and upgrades.

Fisher's (Latrobe Valley) Pty Ltd have manufactured pallets on this site for 20 years. Our production has grown from 20,000 pallets per annum to approximately 300,000 per annum. This has necessitated serious investment. We now operate 2 automated European pallet production lines.

Fishers also provide ISPM15 heat treatment of pallets and crates. This is a compliance requirement for the export market.

Fishers supply chain involves the principal saw-mill operators in Australia. The dominant supplier is Carter Holt Harvey, Morwell saw-mill, with back-up from other Carter Holt Harvey mills in Mt Gambier and Tumut. Our supply network is more than capable of handling expanding requirements.

The primary customer base for our pallets is Australian Paper Maryvale, followed by IKEA who use the Euro (EPAL) 1200x800 pallet. This pallet is an export grade pallet and is widely used in Europe. (The European pallet pool has 400 million pallets in circulation in Europe.) We are supplying the Euro pallets to exporters.

Fishers are the only licensed manufacturer in Australia of EPAL pallets. We opened our new Euro pallet line in 2008 after enquiries about EPAL pallets from a local exporter – Australian Char.

Some of our customers have been trading with us for over 20 years. We supply pallets to Burra Foods, Longwarry Food Park, Safetech, Gippsland Aeronautics, Snowy Hydro, Modra Technologies and Australian Char.

We have 29 full-time permanent staff and several contractors that collectively have more than 100 years experience in different aspects of the timber industry. The teams all contain a diverse range of skills focused on Fisher's customers. Many employees have over 5 years of service with several up to 15 years. This is a unique achievement in this industry and something we are very proud of. Our staff comes from a wide range of different backgrounds, including people of Filipino, Italian, Tongan and African descent, which reflects the multi-cultural community in the Latrobe Valley. We are looking to safeguard those employment levels and grow them into the future.

As a company heavily involved with timber – from protecting timber through our Tru-Core dry timber treatment process to using timber in our pallet production, we are very supportive of LCC introducing a Wood Encouragement Policy.

Please find attached a Fisher's overview for your reference.

Regards

Catherine Fisher


GROUP
30 Swan Road Morwell, VIC 3840
P: (03) 5134 5155
F: (03) 5133 7398
E: office@fisherspallets.com.au
W: www.fisherspallets.com.au

Our primary mission is to provide innovative solutions, quality products, and reliable service to our customers.


Wood for Life®


ANTI-SAPSTAIN CHEMICAL




Licensed Manufacturer

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Telephone +61 3 9611 9000
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info@vafi.org.au
www.vafi.org.au
www.twitter.com/VAFIOnline



5 December 2014

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL 3840

Via email: Donna.Taylor@latrobe.vic.gov.au

Dear Ms Taylor,

Thank you for the opportunity to comment on the Latrobe City Council's draft Wood Encouragement Policy.

The Victorian Association of Forest Industries (VAFI) is the peak employer representative body for the Victorian forest and wood products industry. Our members include forest growers and managers, harvest and haulage businesses, timber and paper processors, secondary processors and sellers, and associated businesses and organisations.

VAFI is committed to promoting an economically robust, socially responsible and environmentally sustainable forest and wood products industry.

On behalf of all VAFI members and the industry more broadly, I write to congratulate the Council on putting forward Australia's first Wood Encouragement Policy. The leadership role the Council has played in understanding and supporting the local forest and wood products industry plays in the Latrobe Valley and broader Gippsland region is to be commended. Creating a policy that supports job creation, economic sustainability and diversity is greatly welcome, and is particularly timely as we move towards a carbon constrained world.

The forest and wood products industry in Victoria is a dynamic sector of the economy that grows and processes timber — a renewable, biodegradable, recyclable product — to manufacture products to meet the needs and demands of consumers for new homes, buildings, furniture, paper and fuel for green energy.

It directly employs more than 21,000 workers in the process, and indirectly supports another 40,000 to 50,000 jobs. Through the employment and economic activity it generates, the industry helps create sustainable futures for suburban, rural and regional communities across Victoria, including in the Latrobe Valley.

Many of VAFI's members operate throughout the Latrobe Valley area, including Australian Paper with a mill at Maryvale which directly employs more than 900 people and is the largest private employer in the Latrobe Valley. Australian Paper's operations also indirectly support approximately \$750 million dollars in economic activity across Australia, and through this 6,000 indirect jobs.¹



¹ Australian Paper (2013) *Sustainability Report 2012* p. 20

Level 2, 2 Market Street
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HVP Plantations, one of the largest private plantation companies in Australia, has a significant presence in the region, with a local office situated in Churchill. In nearby Heyfield, home to Australian Sustainable Hardwoods, more than half of all the town's jobs are in the forest and wood products industry.

There are also a large number of harvest and haul businesses and timber processors who are employed in the Gippsland region, and who are very supportive of this draft policy. Utilising these local businesses through the whole supply chain would help achieve the Council's aim of encouraging the industry's development and servicing the local economy.

There are countless opportunities for the Victoria's forest and wood products industry. These include state-of-the-art plastics and carbon fibres from the nano-crystalline cellulose derived from wood fibres, smart packaging made from paper that is able to tell if a temperature has been exceeded, and renewable energy from wood waste. Wood encouragement policies, and support from local stakeholders such as Latrobe City Council, will help to take advantage of these opportunities and build momentum for further research and development at the local level.

It should also be noted that although this draft Wood Encouragement Policy is targeted at council buildings and infrastructure, Latrobe City Council could further utilise and encourage the local forest and wood products industry by introducing a procurement policy, ensuring that Council's purchasing decisions factor in local products, such as locally made paper.

The production of paper also plays an integral role in the forest and wood products value-chain, using a large portion of the lower grade wood that is a by-product of sawlog harvesting, and turning this into a range of high-value paper products.

Increased government support for locally produced wood and paper products — which take into account the wider benefits for Australia accrued when they are procured locally rather than imported substitutes — would help ensure local forest and wood products manufacturing remains viable, and that the thousands of jobs and communities it supports have sustainable futures.

Wood is the material of the twenty-first century. It is renewable, biodegradable and its sustainability make it a clear choice when planning new or amended council buildings and infrastructure.

VAFI is keen to keep in touch on the progress of the Wood Encouragement Policy, and hopes it acts as a catalyst for neighbouring councils in Victoria to apply a similar policy and acknowledge the positive benefits the forest and wood products industry have for their local economy and wellbeing.

If you have any queries about this letter or would like further information, please don't hesitate to contact me.

Yours sincerely,

Tim Johnston
Chief Executive Officer





TIMBER TOWNS VICTORIA
A Local Government Association

Timber Towns Victoria

Level 12, 60 Collins Street, Melbourne
3000 | GPO Box 4326, Melbourne 3001
Ph: (03) 9667 5586

Email: agodina@mav.asn.au
www.timbertownsvictoria.org.au

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL VIC 3840

Dear Ms Taylor,

I am writing on behalf of Timber Towns Victoria, to give our association's support for the implementation of your Wood Encouragement Policy.

Timber Towns Victoria is an incorporated local government association representing the interests of municipal councils in relation to forestry on both public and private land. The Association's primary function is to provide a forum for local government to address the management of forests and forest industries and their impact on local communities.

The Wood Encouragement Policy is an innovative and promising policy mechanism of which Latrobe City Council is the first council in Australia to explore. The success of the policy would be ground-breaking for local government and give Latrobe City Council a leading role in this policy space.

Such a policy will provide a triple bottom line benefit; improving social, economic, and environmental outcomes.

Environmentally, wood has lower environmental impacts than concrete, steel, aluminium and other building materials. The carbon stored in growing trees is retained for the life of the timber and the amount of energy needed for the production of the timber is negligible compared to other building materials.

Socio-economically, the Wood Encouragement Policy will also help bolster local industry and businesses, opening the door for economic growth and the creation of much needed jobs in rural and regional areas. This policy will support the procurement of locally sourced and produced timber products, developing the industry and communities supported by this. Furthermore, new products and technological advances such as prefabricated wooden panels will also open the door for greater local investment and jobs.

Timber Towns Victoria supports the implementation of the Wood Encourage Policy and applaud Latrobe City Council on its innovative leadership in this space.

Yours sincerely,

Cr Jan Vonarx
President, Timber Towns Victoria

Latrobe City Council Wood Encouragement Policy

Submission

ForestWorks Ltd is the national workforce development organisation for the forest, wood, paper and timber products industry. ForestWorks Ltd thanks Latrobe City Council for providing this opportunity to comment on the Wood Encouragement Policy.

Contact Information

Name of Organisation:	ForestWorks
Category of Stakeholder:	Industry Organisation supporting skills development opportunities
Contact person if clarification is required:	Michael Hartman
Contact person's phone number:	03 9321 3500
Contact person's email address:	mhartman@forestworks.com.au

Introduction

ForestWorks is pleased to have the opportunity to respond to the draft Latrobe City Council Wood Encouragement Policy.

At ForestWorks, we believe the forest, wood, paper and timber products industry has much to offer our communities. From many and varied uses of a truly natural resource, to creating value for enterprises and meaningful employment and opportunities for workers in our industry.

We believe workforce development can lift job skills and increase the industry's productivity and value. Innovation will also underpin the industry's future value growth. New types of jobs and new job skills will emerge from innovation and indeed drive innovation and ForestWorks plays a key role in enabling the industry to adapt to change.

We are unique in being able to bring together enterprise, industry associations, unions, government, the VET sector and training providers around workforce development to support industry development and *create meaningful workforce development outcomes*.

With workforce development expertise we connect with industry to understand their future job requirements which we reflect in the skills standards and qualifications we develop. We communicate these needs to government and support industry to develop its workforce and to also support the training industry to deliver the right training to employees within the industry.

At ForestWorks, collaborating with enterprise, industry associations, government, unions and the training sector is key. We connect enterprises to skills development opportunities. We connect with government on a range of initiatives to support workforce development. We connect with the training education and delivery sector to ensure the standards are reflected in how employees receive new job skills. All this is done to ensure the opportunity for right job skills are in place for enterprises in our industry.

Our role allows us to uniquely bring all parties together and we are respectful and determined in using our networks to influence outcomes for a more skilled workforce. We work closely with all parties when workers are displaced, focusing on opportunities to retain and re-skill.

As strong advocates of workforce development, we are a catalyst to a more skilled workforce and greater industry development opportunities.

The forestry sector is a significant employer of people in regional and remote areas, employing people with both high levels of skills and qualifications and providing access to all people who work in the industry to ongoing opportunities to improve their skills and learn on the job. Often this sort of skills development – at the workplace - is the only opportunity people have to develop their capacities to participate in the ever increasing complexity of our society.

In addition to the ongoing employment and investment in people, the forestry and timber processing sectors facilitates large amounts of investment in regional economies by purchasing processing facilities, plant and equipment, and the everyday consumables that contribute to demand and income for other local business supplying supporting products and services.

Obviously the council is aware of the benefits of supporting an industry that has an economic model based on growing trees and forests in a sustainable manner and then converting this carbon based wonder called wood into a wide range of renewable and energy efficient products for use by our society.

As ForestWorks staff travel around Australia carrying out our skills development services for industry and government, and meet a wide range of people, we draw attention to the unique qualities of wood, and

encourage people to look around their living environments, whether public, at work or home and imagine what they would look like without the products created from wood.

We think that this policy represents a very important step forward in that it will be encouraging people throughout your region to think 'what could our public spaces look like with more wood used?'

We are absolutely convinced, and the view is supported by a wide range of research from across the globe, that a straightforward, immediate and significant improvement to our climate challenges can be made by growing more trees and using more wood in our society. Emerging research is beginning to demonstrate that people are healthier when they are living in environments with plenty of trees and in homes, offices and learning institutions created from wood.

The council should be commended for being a first mover in Australia in encouraging more wood being used by the community.

We do also want to point out that increasing demand for timber and wood products in your region will also assist the businesses based on our industry to become more sustainable in the short and longer term. This is important from our perspective as it will assist the enterprises in our industry to invest in further development of employees, with important benefits for the community.

In a period where governments, both state and federal, are seeking to wind back their contribution towards people development, particularly for people who already have a job, businesses need all the support they can get in order to replace the traditional government investment in skills and training with their own.

A focus on investing in schools, universities and TAFE often neglects the critical role that work based learning has for improving the capabilities of Australians. Your policy will have the effect of supporting businesses that have a proud and ongoing culture of skilling people in the workplace, skills that are used in other activities outside of work, in our communities and at home.

These issues are also a reason why we believe your policy is a significant and important development for Australia, and we fully support this direction and will be encouraging other councils to follow in your footsteps.

True leadership in public life is a not easy and this policy is an example of truly innovative and ground breaking leadership in Australia.

We commend you for your role in supporting a better environment for all.

Should you require further information or clarification, please do not hesitate to contact me, we are always happy to discuss the positive role our industry plays in society and in development of people.

Yours sincerely

Michael Hartman
CEO

December 2014





**LATROBE CITY COUNCIL
WOOD ENCOURAGEMENT POLICY**

Submission from Australian Paper

December 5th 2014

Attention: Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL 3840

Phone: +61 3 5128 5460
Donna.Taylor@latrobe.vic.gov.au



Introduction

- Australian Paper is Australia's only manufacturer of copy, printing and packaging papers and is owned by Nippon Paper Group which is the world's 6th largest paper manufacturer, based in Japan.
- Australian Paper operates the Maryvale Mill located near Traralgon in Victoria's Latrobe Valley. Maryvale has been a part of the Latrobe Valley community since 1937.
- Maryvale Mill is one of the largest private employers in the Latrobe Valley directly providing close to 900 Full Time Equivalent (FTE) jobs.
- Maryvale also generates \$360 million of Gippsland's Gross Regional Product, \$192 million of the region's Household Income and supports close to 2,700 FTE jobs in Gippsland when flow-on effects are taken into account.¹
- Australian Paper Maryvale is a cornerstone of Victoria's forest industries; using around 1.8 million tonnes of Victorian wood per annum which equates to between 25 to 30% of the state's annual wood production.²
- 57% of our fibre is sourced from plantations, 29% from native regrowth forests, 9% from recycled wastepaper and 5% is native regrowth sawmill waste.
- Other major local businesses in Latrobe City; Hancock Victorian Plantations and Carter Holt Harvey, are important wood suppliers to Australian Paper Maryvale.

Further comments

- Australian Paper congratulates Latrobe City Council on its visionary 'Wood Encouragement Policy'.
- This policy is welcome, formal recognition by Council of the importance of the local timber industry to Latrobe City and more broadly, to the Gippsland region.
- The policy reinforces that Latrobe City Council understands the integrated nature of the industry with low grade wood from harvesting operations being utilised for value added local paper manufacturing and high grade wood flowing to a wide range of mostly building related timber products.
- Due to this integration, a healthy timber industry requires strong local markets for both paper and solid wood products. Latrobe City Council's 'Wood Encouragement Policy' joins its earlier resolution to support procurement of Australian made Reflex 50% Recycled paper as

¹ Western Research Institute, *Economic Impact Report Australian Paper*, 11th September 2012, p. 13

² Australian Government Department of Agriculture, ABARES, Victorian log production 2011/12

confirmation that Council is willing to show practical leadership in creating opportunities for the full timber related, local value chain.

- Wood products including paper also play a vital role in the long term storage of carbon. 50% of every tree is sequestered carbon and the Council's policy recognises the importance of timber as a fully renewable, greenhouse gas positive building material.
- The Wood Encouragement Policy sets a positive example for the Latrobe City community and other local Governments throughout Australia. Wood is one of our only truly sustainable building materials and will be foundational to the emerging green economy.
- Latrobe City's policy is an endorsement of Australia's world class, sustainable forestry practises. With one of the highest rates of forest certification anywhere in the world, Australia is a leader in timber sustainability. Users of locally produced paper and timber products are also supporting an industry which is dedicated to the pursuit of social, economic and environmental excellence.

Australian Paper would welcome the opportunity to expand on this submission if this will be of assistance to Latrobe City Council's formal implementation of the Wood Encouragement Policy.

Submitted by:

Mr Craig Dunn

Australian Paper

Senior Marketing Manager Sustainability

craig.dunn@australianpaper.com.au

Ph. 03 9487 8855



Building Designers
Association Victoria

5 December 2014

Ms Donna Taylor
Coordinator Business Development
Latrobe City Council
PO Box 264
MORWELL 3840

Dear Ms Taylor

Latrobe City Council Draft Wood Encouragement Policy

The Building Designers Association of Victoria (BDAV) is a strong supporter of the need for streamlining and standardising local government planning process, procedures and mechanisms across the state to minimise delays and costs. That is, the BDAV does not support the introduction of local government policies within the planning scheme.

However, the BDAV does support the inclusion of timber finishes as materials for consideration in public buildings so that it is up to the designer and/or developer and/or client to nominate the materials of preference, rather than have under the counter policies excluding certain materials.

Yours sincerely

A handwritten signature in blue ink that reads 'K Bell'.

Kate Bell
Executive Officer

bdav.org.au

PO Box 174
Carlton South VIC 3053
Email: info@bdav.org.au
Website: www.bdav.org.au

Telephone: (03) 9416 0227
Facsimile: (03) 9416 0115

Building Designers Association of Victoria Inc. A&N 36 982 485 577

Latrobe City Council

4th Dec 2014

Wood Encouragement Policy Submission

Dear Councillors, LCC Staff and others,

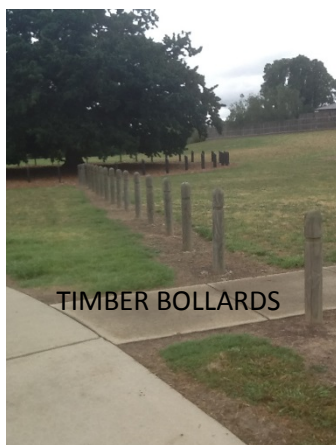
Congratulations on the initiative shown in the development of this draft document. I fully support the draft and the sentiment of supporting documentation.

I submit the following information (some of which is sensitive) on the opportunities that I see.

Whilst most locals are aware of the big timber players such as Australian Paper, Carter Holt Harvey, and Australian Sustainable Hardwoods in Heyfield, very few people are aware of Jelfor Timbers contribution to the local economy. Located in Eastern Road Traralgon, Jelfor currently has 20 employees and indirectly employs many others, from highly skilled electrical automation contractors to the logging contractors supplying Jelfor approximately 30,000 tonne of raw log per annum for processing. All pine logs are sourced from local Hancock Victorian Plantations. Jelfor Timbers specialises in the manufacture of treated pine posts and poles which are primarily sold to major farm supply outlets in Victoria, NSW, South Australia and Tasmania. Whilst almost all staff live in the Latrobe Valley, 95% of all wood manufactured is sold outside of the Valley, which essentially means that many millions of dollars are brought into the Latrobe Valley each year and largely stays here.

Opportunities exist for increasing Jelfors customer base in the sale of posts to the rural sector as outlined above, however other opportunities could also be created by the new Latrobe City Council Policy initiative.

1. Timber bollards have been manufactured and sold by Jelfor Timbers to various Councils for decades. In recent times however there has been a change to plastic or metal bollards despite them being a substantially higher price. If the change was made due to appearance, I am sure that we could produce a primed, stained or fully painted bollard that would still be cheaper than the alternatives.



2. Paling fences in the Latrobe Valley are primarily constructed using concrete posts. There is absolutely no reason why they couldn't be built using round wooden posts. This may sound a bit odd at first, however in Northern NSW and a large amount of municipalities in Queensland, round posts are used extensively for domestic paling fencing. A flat side is machined on one side of the post to assist in fixing the timber rails

I personally erected a number of these fences in various parts of Traralgon 8 – 10 years ago and they can be inspected at any time (with the owners' permission of course).



Wirilda Cres. Traralgon



High St. Traralgon



Avon Close, Traralgon

3. Adoption and promotion of the use of both timber bollards and in particular the round fence posts to other areas of Victoria could create a huge new market for Jelfor Timbers. For example if there were approximately 100,000 dwellings built in Victoria last year, with each one requiring 20 fence posts, this in turn would equate to 2 million posts. Whilst the round post market obviously would not achieve the full market share, it is plausible that sales could be substantial and in turn would create more jobs and revenue in the Latrobe Valley.
4. Plastic coated wooden posts are a new product currently gaining acceptance in the aquaculture and organic vineyard industries. Jelfor Timbers currently supplies lathed posts to this innovative plastic manufacturing company located in Melbourne whereby the finished product is sold both locally and exported overseas. I have had preliminary discussions with them about relocating their manufacturing facility to Traralgon. Logistically it makes sense for them to be located closer to the timber source, however the cost of moving plant and equipment is significant. Assistance from LCC could help in encouraging this company to relocate to the Latrobe Valley thus creating additional jobs here.
5. Playgrounds represent another opportunity whereby many have gone from timber to powder coated steel and plastic. A change back to wood would be nice.

In summary the opportunities mentioned are real and could come to fruition with a united approach. I have given only a very brief outline and more detail can obviously be provided upon request. Additional opportunities also exist within my current business to expand production and sales through increased investment in R&D, increased automation, new capital investment and improved sales marketing. All of which cost time and money of course.

Best wishes on the implementation of this policy.

Kind regards,

Max Jelleff
Managing Director
Jelfor Timbers

COMMUNITY INFRASTRUCTURE & RECREATION

14. COMMUNITY INFRASTRUCTURE & RECREATION

14.1 MOE GOLF CLUB PETITION REQUESTING REMOVAL OF
TREES ON LINKS ROAD

General Manager

Community Infrastructure &
Recreation

For Decision

PURPOSE

The purpose of this report is to present Council with a further update on a petition received from the Moe Golf Club in relation to the impacts of pine trees along Links Road, Newborough on the operations of the golf club. The petition requested that Council remove the pine trees along the eastern road reserve of Links Road.

EXECUTIVE SUMMARY

This report is to provide an update to Council in relation to a petition received from the Moe Golf Club seeking the removal of a stand of Radiata Pine trees located in the road reserve of Links Road, Newborough.

The petition stated that

“We the undersigned members and users of the Moe golf Club, ask the Latrobe City Council to remove the pine trees situated along the adjoining roadside verge of Golf Links Road, Newborough. These trees and tree roots are adversely impacting the adjoining fairway as well as creating safety issues for staff and volunteers working and golfers playing the same fairway.

In recent years the Moe Golf Club have invested significantly in replacing previous fairway grasses with drought tolerant varieties. The club believe that the effects associated with the trees have negatively impacted the standard of the course and therefore the revenue of the club from visitors.

Council officers have now met with the president of Moe Golf Club in relation to the petition and the club’s concerns with information included in this report.

RECOMMENDATION

1. That Council note this report regarding the petition from the Moe Golf Club requesting removal of the Pine Trees on Links Road abutting the Moe golf course.
2. That a further report in relation to the request be presented to Council at the first Ordinary Council Meeting in 2015 detailing full costings for any tree removals and the results of consultation with the residents of Links Road, Newborough.
3. That Council advise the head petitioner of this decision.

Moved: Cr Gibbons
Seconded: Cr Middlemiss

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

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 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.

Latrobe City Council Plan 2013 - 2017

Theme and Objectives

Theme 1: Job creation and economic sustainability

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

Theme 5: Planning for the future

Strategic Direction 2 – To promote and support a healthy, active and connected community. To provide facilities and services that are accessible and meet the needs of our diverse community. To enhance the visual attractiveness and liveability of Latrobe City

BACKGROUND

Moe Golf Club presented a petition to Latrobe City Council on 21 August 2014 on behalf of members and users of the club.

The covering letter outlined Moe Golf Club's concerns regarding the roadside verge on Links Road, Newborough that directly abuts the second hole fairway, stating that it is planted with mature pine trees and is unsightly with weeds; and that the pine trees inhibit the growth of indigenous trees and grass in that area.

The letter also stated that representatives of the club have had numerous discussions with Latrobe City Council officers about the negative impact that the tree roots and the tree canopy have on establishing and maintaining an acceptable coverage of grass along the tree affected part of the fairway.

At the Ordinary Council Meeting of 13 October 2014 petition was tabled and Council resolved the following:

- 1. That Council receive the petition from the Moe Golf Club requesting removal of the Pine Trees on Golf Links Road abutting the Moe golf course.*
- 2. That a report in relation to the request be presented to the 24 November Council meeting.*
- 3. That Council Officers meet with Moe Golf Club representatives prior to preparing the report detailed in point 2.*
- 4. That the head petitioner be advised of this decision.*

A further report was tabled at the Ordinary Council Meeting of 24 November 2014 providing detail of a meeting held onsite with the president of Moe Golf Club on 31 October 2014. At this meeting Council did not adopt the officer recommendation and considered the alternative motion below which was also subsequently not adopted.

**ORDINARY COUNCIL MEETING MINUTES
15 DECEMBER 2014 (CM454)**MOE GOLF CLUBALTERNATE MOTION

1. That Council agree to the removal and replacement of the stand of pine trees adjacent to the Moe Golf Club on Links Road, Newborough subject to the following conditions.
2. Development of a Council approved landscape replanting plan.
3. Support from adjoining landowners to the removal and replacement of the trees.
4. Moe Golf Club is responsible for funding and undertaking the works.

The following procedural motion was adopted by Council at the Ordinary Council Meeting of 24 November 2014

MOE GOLF CLUBPROCEDURAL MOTION

1. *That Council defer consideration of this matter to a future Council Meeting to enable officers to undertake further investigation.*

Council requested further information in relation other examples of tree removals close to sporting facilities, in particular the Latrobe City Sports Stadium, Morwell (Council property) and Morwell Recreation Reserve (Council property).

Major removals of Cypress Pine trees were carried out in 2011 and 2012 at the Latrobe City Sports Stadium, Morwell. The 2011 tree works were carried out on Council land and involved the removal of a number of trees adjacent to Practice Pitch Number 4 at the site. In this instance the trees were adversely affecting the playing surface in summer as the pitch became hard and rough due to lack of water as a result of the trees' root systems and in winter when the pitch became unplayable at times as it was continually waterlogged due to intense shading from the trees.

Further trees were removed in 2012 from Morwell Golf Club land, with their consultation and agreement, adjacent to the main oval at the stadium for reasons similar to those discussed above.

A series of pine tree removals was carried out between 10 and 15 years ago at the Morwell Recreation Reserve and were as the result of the overall deteriorating health of the trees and their increasing danger to the public.

KEY POINTS/ISSUES

In recent years the Moe Golf Club have invested significantly in replacing previous fairway grasses with drought tolerant varieties. The pine trees that bound the second hole inhibit the ability of grass growth in that area and have prevented the Moe Golf Club from providing fairways to the standard they require. The standard of fairways contribute to the overall condition of the golf course and the Club have advised that their visitor numbers have been negatively impacted due to the inability of the club to establish drought tolerant grass due to the pine trees.

The Moe Golf Club seek removal of the pine trees so that the club can return to being a favoured summertime golf destination and improve the overall financial position of the club.

Council's Manager Infrastructure Operations and Supervisor Arborist met with the president of Moe Golf Club on Friday 31 October to discuss the club's concerns on site. At this meeting it was agreed that the stand of Radiata Pine trees does cast shadow over the fairway of the second hole of Moe Golf course inhibiting grass growth to an extent. Radiata pines also drop cone litter and this stand of trees is at full maturity with the majority being over 20 metres in height.

The cost of removing this stand of mature Radiata pines, over twenty trees, would be significant and is further dependent on whether the trees could be stacked and burned onsite or would have to be removed from site and burned or mulched elsewhere (this would significantly increase the cost of any removal works).

The president of Moe Golf Club also stated at the 31 October meeting that any removal works would have to be at Council's expense as the club could not afford to fund any works but they could provide a suitable stack site on the grounds of the golf course for the removed tree branches and debris. Officers asked that this be put in writing to Council (not received to date).

There are two residents on Links Road where the trees are situated and the removal of any trees would significantly affect the visual amenity of one resident. Any proposed works would require consultation with these residents seeking their agreement.

All of the works discussed above in the background of this report, and carried out at Latrobe City Sports Stadium, Morwell and Morwell Recreation Reserve, were delivered at Council cost as they were on Council property or the works were required on private land as the trees removed adversely affected Council property.

RISK IMPLICATIONS

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

FINANCIAL AND RESOURCES IMPLICATIONS

Indicative figures provided by Council's Supervisor Arborist state that felling and burning the stand of pine trees at the site discussed in the petition would be the cheapest option should Council go ahead with the works and would cost up to \$20,000. If the trees cannot be burned onsite and removed to an appropriate stack site the cost would rise significantly and would then be in the region of \$30,000 to \$35,000.

The site would also have to be revegetated after any works and cost for this exercise is not known at this time.

A full costing exercise as per Council's procurement process would have to be undertaken to present the true cost of the proposed tree removals and revegetation of the site at a future Council meeting.

INTERNAL/EXTERNAL CONSULTATION

Officers met with the president of Moe Golf Club on 31 October 2014 to discuss the concerns in relation to the pine trees.

Consultation will have to be undertaken with the residents of Links Road, Newborough seeking their opinion on the proposed tree removals and the findings presented to Council.

OPTIONS

Council's local law requires that the petition be presented to Council and this was received at the Ordinary Council meeting of 13 October 2014. A further report will be presented to Council on the matter at the first Council meeting of 2015.

CONCLUSION

A petition has been received from Moe Golf Club in relation to the impacts of pine trees along Links Road on the operations of the golf club. The petition requests that Council remove the pine trees along the roadside verge so that the Club can replace fairway grass with drought tolerant varieties.

It is recommended that Council note this report and a further report in relation to full financial impact on Council resources and results of community consultation is presented at a future Council meeting.

SUPPORTING DOCUMENTS

NIL

Attachments

1. Petition
2. Proposed tree removal

14.1

Moe Golf Club Petition requesting removal of trees on Links Road

1	Petition	601
2	Proposed tree removal.....	605



moe golf club

ABN 75 656 343 443

Inc No A0008670S



P.O Box 260, MOE 3825
Telephone (03) 5127 2731
Facsimile (03) 5126 4023

Councillor Gibson
Mayor
Latrobe City Council
141 Commercial Road
Morwell

LATROBE CITY COUNCIL	
INFORMATION MANAGEMENT	
RECEIVED	
21 AUG 2014	
R/O:	Doc No:
Comments/Copies Circulated to:	
<input type="checkbox"/> Copy registered in DataWorks	<input type="checkbox"/> Invoice forwarded to accounts

Dear Councillor Gibson,

I present the attached petitions on behalf of members and users of the Moe Golf Club. The Club's golf course is in part bounded by Golf Links Road Newborough. The roadside verge that directly bounds our second hole is infested with mature pine trees that are nothing more than unsightly weeds, inhibiting the growth of both adjacent indigenous trees and the adjoining fairway grasses. The petition requests the Council remove the pine trees from the roadside verge so that the Club can finalise establishing drought tolerant grass along the fairway.

Overtime, representatives of the Club have had numerous discussions with officers of the Council about the negative impact of the tree roots and the tree canopy on our ability to establish and maintain an acceptable coverage of grass along the tree affected part of the fairway. Those discussions conclude the trees do significantly impact the adjoining fairway but that any tree removal has not been a priority to the works program. In response to this petition we request that the tree removal be included in the current year work program.

In recent years the Club has invested significantly in replacing previous fairway grasses drought tolerant varieties. Our inability to finalise this program because of the pine trees have negatively impacted on visiting golf player numbers in the most recent 2013-14 session. It is essential for the Clubs finances that the trees be removed so that the club can return to being a favoured summertime golf destination.

In consideration of this petition, I invite councillors to view the impact first hand. This can be arranged by contacting the Club during opening hours or by leaving a voice message at other times.

I hope for your early and favourable response.

Best regards,

Peter Foster
President

We the undersigned members and users of the Moe Golf Club, ask the Latrobe City Council to remove the pine trees situated along the adjoining roadside verge of Golf Links Road, Newborough. These trees and tree roots are adversely impacting the adjoining fairway as well as creating safety issue for staff and volunteers working and golfers playing the same fairway.

Peter Foster, President, Moe Golf Club, 31 Thompson Road Newborough.

NAME	RESIDENTIAL ADDRESS	SIGNATURE
K. Bays	75 Sullivan's Tpk N'borough	K Bays
K Middlemass	114 Cross St Newborough	K Middlemass
C. Weir	7 OVERTON AVE, NEWBOROUGH,	C Weir
G. Wilson	25 Southwell Ave Newborough	G Wilson
W YEOMAN	51 SHANAHAN PDE NEWBOROUGH	W Yeoman
J. JOHNSON	24 BURNSIDE ST MOE	J Johnson
T. FOSTER	2 KOORNALLA ST NEWBOROUGH	T Foster
STEVE NYKO	36 EASTERN AVE NEWBOROUGH	Steve Nyko
A. CAMERON	146 SOUTHWELL AVE NEWBOROUGH	A Cameron
A. DE VENT	4 LEONIS CRT MOE	A De Vent
K. JENNINGS	63 COALBROKE RD MOE	K Jennings
D Henderson	lot 11 Kings W TRARALGON	D Henderson
CHRIS PEARCE	5 PATRICK COURT TRARALGON	Chris Pearce
RUSSELL DENT	8 MAIN ST YINNAR	Russell Dent
DARREN WHITE	9 CLAREMONT CL TRARALGON	Darren White
RODNEY WILLIAMS	3 FORD AVE NEWBOROUGH	Rodney Williams
PETER RODAUGHAN	19 HARRISON BOULEVARD NEWBOROUGH	Peter Rodaughan
JOHN PISA	1243 McDONALDS TRACK NARRACAN	John Pisa
TOM M'ALPINE	29 RUBERY ST MOE	Tom M'Alpine
N SKIOTO	13 Rowan Walk Drouin	N Skioto
S. HALL	6 PHYLIS ST MORWELL	S Hall
Sharelyce	PO BOX 281 CHURCHILL	Sharelyce
JUSTIN HARKETT	18 WILLIAM ST, NEWBOROUGH	Justin Harkett
ANDREW PEARCE	5 JAWAY COURT NEWBOROUGH	Andrew Pearce
Gwen Young	4 Kerin St. Moe.	Gwen Young
AARON ROGERS	16 WILLIAM ST MEOB	Aaron Rogers
Sandy Tate	15 Pausley St. Newborough	Sandy Tate
ANTHONY GAUCI	150 Peaches Tpk, Hems Oak	Anthony Gauci
HAROLD YOUNG	21 CROSS ST, NEWBOROUGH	Harold Young
Maurice Gould	38/5 OVERTON AVE MOE	Maurice Gould

We the undersigned members and users of the Moe Golf Club, ask the Latrobe City Council to remove the pine trees situated along the adjoining roadside verge of Golf Links Road, Newborough. These trees and tree roots are adversely impacting the adjoining fairway as well as creating safety issue for staff and volunteers working and golfers playing the same fairway.

Peter Foster, President, Moe Golf Club, 31 Thompson Road Newborough.

NAME	RESIDENTIAL ADDRESS	SIGNATURE
Mrs Margaret Young	21 CROSS ST NEWBOROUGH	Margaret Young
Alexis MAY	3815 OLLERTON AVE MOE	Alexis May
Dorothy Wood	11/5 Ollerton Ave Newborough	D Wood
GRAHAM GEBLER	1 FRANCIS ST MOE	Graham Gebler
DALE COLLINGS	27 OLLERTON AVE NEWBOROUGH	Dale Collings
GEOFF SHAW	6 CATANI COURT NEWBOROUGH	Geoff Shaw
CRAIG AUSTIN	17 MONTANE BLVD NEWBOROUGH	Craig Austin
C. BRIEN	39 - FOWLER ST MOE	C. Brien
IL SKINNER	44 MURRAY ST TRARALGON	Il Skinner
K. BEATH	24 HAIGH ST MOE	K Beath
F. ROCK	19 HYLAND ST MOE	F Rock
J. CONDON	35 TWO MILE RD MOE	J Condon
L. SHAW	Catani CRT	L Shaw
Suzanne Smith	Po Box 1125 24 Verner St Geelong	Suzanne Smith
J. SHAW	12 Hunter Rd Traralgon	J Shaw
D. HARKET	18 William St Newborough	D Harket
RON TOMLINSON	11 BROWNBILL ST MOE	Ron Tomlinson
A. MOOREHEAD	213 Ollerton Ave Newborough	A Moorehead
R. J. COLE	UNIT 1/4 JUBILEE ST MOE	R J Cole
Neale Houston	71 COALVILLE RD MOE SOUTH	Neale Houston
PAUL SPHERI	29-31 Kyne st Glengarry	Paul Spheri
D. SMITH	8 DOY ST MORWELL	D Smith
J. GALLOS	15 SIMONX CRT MOE STA	J Gallos
C. JENKES	13 MENA ST MOE	C Jenkes
P. STEPHENS	7 ABBOTT ST MOE	P Stephens
FFAZZOPARDI	179 Coalville Rd Moe	F Fazzopardi
DAVID FRAZER	34 SUMNERHILL BLVD DROUW	David Fraser
Mrs M. Magee	1 Nelson Rd Traralgon	Mrs M Magee
G. PANIZZO	41 WESTERN AVE MOE	G Panizzo
B. MEAD	33 CHAMBERLAIN HILLS	B Mead
A. MEAD	33 Chamberlain rd Newb	A Mead



Proposed Tree Removal
Moe Golf Club

**14.2 2014/15 RECREATION PROJECTS LINKED TO THE SALE OF
COUNCIL ASSETS**

General Manager

**Community Infrastructure &
Recreation**

For Decision

This matter has been withdrawn.

URGENT BUSINESS

URGENT BUSINESS**REQUEST FROM THE MORWELL FIRE BRIGADE**

1. That Council adopt to hear an item of urgent business in relation to the following matter:

MORWELL FIRE BRIGADE

1. That Council adopt to hear an item of urgent business in relation to the following matter:

MORWELL FIRE BRIGADE

Moved: Cr White
Seconded: Cr Middlemiss

That the Motion be adopted.

CARRIED UNANIMOUSLY

That Council agree to the request from the Morwell Fire Brigade as contained in the letter in regards to a Civic Reception on Saturday the 24th January 2015.

Moved: Cr White
Seconded: Cr Middlemiss

That the Motion be adopted.

CARRIED UNANIMOUSLY

COMMUNITY LIVEABILITY

15. COMMUNITY LIVEABILITY

Nil reports

CORPORATE SERVICES

16. CORPORATE SERVICES

Nil reports

MEETING CLOSED TO THE PUBLIC

ORDINARY COUNCIL MEETING MINUTES 15 DECEMBER 2014 (CM454)

17. 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:

17.1 ADOPTION OF MINUTES

Agenda item 17.1 *Adoption of Minutes* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

17.2 CONFIDENTIAL ITEMS

Agenda item 17.2 *Confidential Items* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

17.3 INSTRUMENT OF DELEGATION - ACTING CHIEF EXECUTIVE OFFICER

Agenda item 17.3 *Instrument of Delegation - Acting Chief Executive Officer* is designated as confidential as it relates to personnel matters (s89 2a)

17.4 EXPENSES OF THE CHIEF EXECUTIVE OFFICER

Agenda item 17.4 *Expenses of the Chief Executive Officer* is designated as confidential as it relates to personnel matters (s89 2a)

17.5 E-WASTE DISPOSAL

Agenda item 17.5 *E-waste Disposal* is designated as confidential as it relates to contractual matters (s89 2d)

17.6 FUTURE MORWELL PROJECT

Agenda item 17.6 *Future Morwell Project* is designated as confidential as it relates to a matter which the Council or special

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committee considers would prejudice the Council or any person (s89 2h)

17.7 2014/15 COMMUNITY GRANTS PROGRAM - SIX APPLICATIONS HELD OVER FOR FURTHER CONSIDERATION

Agenda item 17.7 *2014/15 Community Grants Program - six applications held over for further consideration* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

17.8 SPONSORSHIP REQUEST - GIPPSLAND COMMUNITY LEADERSHIP PROGRAM

Agenda item 17.8 *Sponsorship Request - Gippsland Community Leadership Program* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

17.9 NOMINATIONS FOR THE 2014 SPORTING HALL OF FAME

Agenda item 17.9 *Nominations for the 2014 Sporting Hall of Fame* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

17.10 FORMER MOE EARLY LEARNING CENTRE, 38 FOWLER STREET MOE

Agenda item 17.10 *Former Moe Early Learning Centre, 38 Fowler Street Moe* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

17.11 LATROBE CITY INDUSTRY FORUM MEMBERSHIP

Agenda item 17.11 *Latrobe City Industry Forum Membership* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

17.12 APPROVAL OF CEO DELEGATION TO APPROVE PURCHASE ORDERS FOR CONTRACTS OVER \$150,000.00

Agenda item 17.12 *APPROVAL OF CEO DELEGATION TO APPROVE PURCHASE ORDERS FOR CONTRACTS OVER \$150,000.00* is designated as confidential as it relates to contractual matters (s89 2d)

17.13 LCC-227 PROVISION OF LEGAL SERVICES

Agenda item 17.13 *LCC-227 PROVISION OF LEGAL SERVICES* is designated as confidential as it relates to contractual matters (s89 2d)

17.14 LCC-230 SERVICE OF GITA (GEOTECHNICAL TESTING) AND TPCC (QUALITY ASSURANCE) FOR THE HYLAND HIGHWAY LANDFILL CELL 4 CONSTRUCTION

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Agenda item 17.14 *LCC-230 SERVICE OF GITA (Geotechnical Testing) AND TPCC (Quality Assurance) FOR THE HYLAND HIGHWAY LANDFILL CELL 4 CONSTRUCTION* is designated as confidential as it relates to contractual matters (s89 2d)

17.15 LCC-231 SUPPLY, DELIVERY AND INSTALLATION OF GUARDRAIL AND TEMPORARY BARRIERS

Agenda item 17.15 *LCC-231 SUPPLY, DELIVERY AND INSTALLATION OF GUARDRAIL AND TEMPORARY BARRIERS* is designated as confidential as it relates to contractual matters (s89 2d)

17.16 LCC-233 PROVISION OF EMPLOYEE ASSISTANCE PROGRAM SERVICES PROVIDER

Agenda item 17.16 *LCC-233 PROVISION OF EMPLOYEE ASSISTANCE PROGRAM SERVICES PROVIDER* is designated as confidential as it relates to contractual matters (s89 2d)

17.17 LCC-234 PROVISION OF PRINTING SERVICES

Agenda item 17.17 *LCC-234 PROVISION OF PRINTING SERVICES* is designated as confidential as it relates to contractual matters (s89 2d)

17.18 LCC-238 PROVISION OF RECRUITMENT SERVICES

Agenda item 17.18 *LCC-238 PROVISION OF RECRUITMENT SERVICES* is designated as confidential as it relates to contractual matters (s89 2d)

17.19 LCC-239 REFURBISHMENT OF AGNES BRERETON RESERVE PAVILION, TRARALGON

Agenda item 17.19 *LCC-239 REFURBISHMENT OF AGNES BRERETON RESERVE PAVILION, TRARALGON* is designated as confidential as it relates to contractual matters (s89 2d)

17.20 LCC-240 RECONSTRUCTION OF SPRY STREET AT MORWELL

Agenda item 17.20 *LCC-240 RECONSTRUCTION OF SPRY STREET AT MORWELL* is designated as confidential as it relates to contractual matters (s89 2d)

17.21 LCC-242 CONSTRUCTION OF A FLOODWAY AT CRINIGAN ROAD, MORWELL

Agenda item 17.21 *LCC-242 CONSTRUCTION OF A FLOODWAY AT CRINIGAN ROAD, MORWELL* is designated as confidential as it relates to contractual matters (s89 2d)

17.22 LCC-243 INFORMATION TECHNOLOGY SERVICES PANEL

Agenda item 17.22 *LCC-243 INFORMATION TECHNOLOGY SERVICES PANEL* is designated as confidential as it relates to contractual matters (s89 2d)

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The Meeting closed to the public at 9.33 pm.

Moved: Cr White
Seconded: Cr Middlemiss

That the Recommendation be adopted.

CARRIED UNANIMOUSLY

Adjournment 9.12 pm
Resumption 9.26 pm

**Cr Kam left the Council Chamber at 9.48 pm.
Cr Rossiter left the Council Chamber at 9.48 pm.
Cr Gibson left the Council Chamber at 9.50 pm.**

**Cr Kam returned to the Council Chamber at 9.48 pm.
Cr Rossiter returned to the Council Chamber at 9.48 pm.
Cr Gibson returned to the Council Chamber at 9.52 pm.**