



# LATROBE CITY COUNCIL

## MINUTES FOR THE ORDINARY COUNCIL

HELD IN NAMBUR WARIGA MEETING ROOM  
CORPORATE HEADQUARTERS, MORWELL  
AT 5.30PM ON  
17 FEBRUARY 2014

CM430

**PRESENT:**

<b>Councillors:</b>	Cr Sharon Gibson, Mayor	West Ward
	Cr Dale Harriman, Deputy Mayor	East Ward
	Cr Peter Gibbons	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
<b>Officers:</b>	John Mitchell	Acting Chief Executive Officer
	David Elder	Acting General Manager Community Liveability
	Chris Wightman	Acting General Manager Governance
	Jamey Mullen	Acting General Manager Organisational Excellence
	Tom McQualter	Manager Council Operations & Legal Counsel

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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 White declared an Indirect Interest under Section 78 of the *Local Government Act 1989*, in Item 18.9 - Sporting Sponsorship Application.

5. **ADOPTION OF MINUTES**

**RECOMMENDATION**

**That the minutes of the Special Council Meeting held on 28 January 2014 and the minutes of the Ordinary Council Meeting held on 3 February 2014 be confirmed.**

**Moved:** Cr Middlemiss  
**Seconded:** Cr White

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

6. **PUBLIC QUESTION TIME**

**Suspension Of Standing Orders**

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

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

**CARRIED UNANIMOUSLY**

**Standing Orders were suspended at 5.32 PM.**

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Mr Peter Dell addressed Council in relation to Item 16.1 - Planning Permit Application 2013/10 - 2 Lot Subdivision At 475 Old Melbourne Road, Traralgon

Ms Ruth Mcfarlene addressed Council in relation to Item 16.1 - Planning Permit Application 2013/10 - 2 Lot Subdivision At 475 Old Melbourne Road, Traralgon

Ms Kate Keppitipola addressed Council in relation to Item 16.3 - Planning Permit Application 2013/224 - Liquor Licence Associated With An Existing Food And Drink Premises (Star Cafe And Larder) On Part Of George Street Traralgon And Part Of Crown Allotment 22. Section 18, Township Of Traralgon

Mr Gino Tripodi addressed Council in relation to Item 9.1 - Proposed Public Highway Declaration - Deakin Lane, Traralgon.

**Moved:** Cr Gibbons  
**Seconded:** Cr Rossiter

**That Standing Orders be resumed.**

**CARRIED UNANIMOUSLY**

**Standing Orders were resumed at 5:59 PM.**

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

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

Council Meeting Date	Item	Status	Responsible Officer
19/09/11	Traralgon Activity Centre Plan Key Directions Report	That having considered all submissions received in respect to the Stage 2 Key Directions Report September 2011, Council resolves the following: 1. To defer the endorsement of the Stage 2 Key Directions Report September 2011 until: (a) Council has been presented with the Traralgon Growth Area Review (b) Council has received information on the results of the Latrobe Valley Bus Review 2. That Council writes to the State Government asking them what their commitment to Latrobe City in respect to providing an efficient public transport system and that the response be tabled at a Council Meeting. 3. That Council proceeds with the Parking Precinct Plan and investigate integrated public parking solutions. 4. That the Communication Strategy be amended to take into consideration that the November/December timelines are inappropriate to concerned stakeholders and that the revised Communication Strategy be presented to Council for approval. 5. That in recognition of community concern regarding car parking in Traralgon the Chief Executive Officer establish a Traralgon Parking Precinct Plan Working Party comprising key stakeholders and to be chaired by the Dunbar Ward Councillor. Activities of the Traralgon Parking Precinct Plan Working Party to be informed by the Communication Strategy for the Traralgon Activity Centre Plan Stage 2 Final Reports (Attachment 3).	General Manager Planning and Governance
5/12/11	Investigation into Mechanisms Restricting the sale of Hubert Osborne Park Traralgon	That a draft policy be prepared relating to Hubert Osborne Park and be presented to Council for consideration.	General Manager Planning and Governance
19/12/11	Traralgon Greyhound Racing Club – Proposed Development and Request for Alterations to Lease	That a further report be presented to Council following negotiations with the Latrobe Valley Racing Club, Robert Lont and the Traralgon Greyhound Club seeking Council approval to the new lease arrangements at Glenview Park.	General Manager Recreational and Community Infrastructure

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

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<b>Council Meeting Date</b>	<b>Item</b>	<b>Status</b>	<b>Responsible Officer</b>
3/12/12	Geotechnical Investigation and Detailed Design Remediation Treatments of Landslips	<ol style="list-style-type: none"> <li>1. That Council resolve that the geotechnical investigations and detailed design for the remediation treatment of landslips meets the requirements of Section 186 of the <i>Local Government Act 1989</i> and that the contract must be entered into because of an emergency.</li> <li>2. That Council resolves to enter into a schedule of rates contract with GHD Pty Ltd for the geotechnical investigations and detailed design for the remediation treatment of landslips due to it being an emergency.</li> <li>3. That a report be presented to a future Council meeting at the completion of the geotechnical investigations and detailed design for the remediation treatment of landslips outlining the actual costs incurred.</li> <li>4. That Council authorise the Chief Executive Officer to advise those residents impacted by landslips of Council's process and timelines for remediating landslips throughout the municipality.</li> </ol>	General Manager Recreation, and Community Infrastructure
18/02/13	Affordable Housing Project – Our future our place	<ol style="list-style-type: none"> <li>1. That Council proceeds to publically call for Expressions of Interest as a mechanism to assess the viability and interest in developing an affordable housing project on land known as the Kingsford Reserve in Moe.</li> <li>2. That a further report be presented to Council for consideration on the outcome of the Expression of Interest process for the development of an affordable housing project on land known as the Kingsford Reserve in Moe.</li> </ol>	General Manager Recreation, and Community Infrastructure
6/05/13	Latrobe City International Relations Advisory Committee - Amended Terms of Reference	That the item be deferred pending further discussion by Councillors relating to the Terms of Reference.	General Manager Recreation and Infrastructure
6/05/13	Latrobe City International Relations Advisory Committee - Motion Re: Monash University	That the item be deferred until after the amended Terms of Reference for the Latrobe City International Relations Advisory Committee have been considered by Council.	General Manager Recreation and Community Infrastructure

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Council Meeting Date	Item	Status	Responsible Officer
6/05/13	Former Moe Early Learning Centre	<ol style="list-style-type: none"> <li>1. That a community engagement process be undertaken to inform a potential Expression of Interest for funding from the State Government's <i>Putting Locals First Program</i> to redevelop the former Moe Early Learning Centre as a centre for community organisations, addressing the stated funding criteria.</li> <li>2. That subject to the community engagement process identifying a community need meeting the funding criteria, that an Expression of Interest for funding from the State Governments Putting Locals First Program be prepared and submitted.</li> <li>3. That a further report be presented to Council for consideration outlining the draft design of the former Moe Early Learning Centre based on feedback received during the community engagement process.</li> </ol>	General Manager Community Liveability
01/07/13	Traffic Investigation At Finlayson Crescent Traralgon	<ol style="list-style-type: none"> <li>1. That Council install temporary traffic calming devices in Finlayson Crescent, Traralgon for a period of six months.</li> <li>2. That a review of traffic flow during this six month period in Finlayson Crescent and adjoining cross streets be undertaken and reported back to Council.</li> <li>3. That a final determination be made by Council on review of these figures.</li> <li>4. That Council write to the head petitioner and all other residents who were invited to express their views informing them of Council's decision.</li> </ol>	General Manager Recreation and Community Infrastructure
16/09/13	2013/20 - Notice Of Motion - Adam View Court, Tanjil South	That a report be provided to Council on options available for the mitigation of flooding at 25 Adam View Court, Tanjil South.	General Manager Recreation and Community Infrastructure

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<b>Council Meeting Date</b>	<b>Item</b>	<b>Status</b>	<b>Responsible Officer</b>
16/09/13	14.3 Hazelwood Pondage Waterway And Caravan Park Lease	<p>1. That Council authorise the Chief Executive Officer to commence negotiations with IPH GDF Suez for the lease of the caravan park, southern boat ramp and surrounds, northern boat ramp and surrounds and management of the waterway for recreational purposes, ensuring the following principals are addressed:</p> <ul style="list-style-type: none"> <li>•GDF SUEZ to retain full accountability for Blue Green Algae and water quality testing;</li> <li>•GDF SUEZ to remain fully accountable for the pondage integrity;</li> <li>•Fair and equitable termination clauses should the power station close earlier than 2025;</li> <li>•Clarify risk, release and indemnity conditions;</li> <li>•Liquidated damages;</li> <li>•Clarify the end of lease conditions;</li> <li>•Clarify the early termination conditions</li> </ul> <p>2. That a further report be presented to Council following negotiations with IPH GDF SUEZ seeking Council approval of the new lease arrangements at Hazelwood Pondage.</p> <p>3. That Council write to the Minister for Regional &amp; Rural Development and advise of Council's resolution to commence negotiations with IPH GDF SUEZ .</p>	General Manager Recreation and Community Infrastructure
6/11/13	Latrobe Regional Motorsport Complex	<p>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.</p> <p>2. That Council officers meet with Energy Australia to discuss other possible sites for a motorsports complex on their land.</p> <p>3. That a further report be presented to Council at such time that site options have been investigated.</p>	General Manager Recreation and Community Infrastructure
18/11/13	2013/26 – Notice Of Motion Car Parking At Traralgon, Morwell And Moe Train Stations	<p>1. That the Mayor write to the appropriate authorities and request an update, which includes timelines, on when improved car parking will be provided at the Traralgon, Morwell and Moe train stations</p> <p>2. That the response be tabled at an Ordinary Council meeting</p>	General Manger Planning and Governance



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<b>Council Meeting Date</b>	<b>Item</b>	<b>Status</b>	<b>Responsible Officer</b>
2/12/13	Presentation Of Petition For The Proposed Removal Of 15 Corymbia Maculata Spotted Gum Street Trees Growing In Nature Strips In Fowler Street, Moe	<ol style="list-style-type: none"> <li>1. That Council lay the petition requesting the removal of gum trees in Fowler Street, Moe on the table.</li> <li>2. That Council initiate a consultation process with all residents of Fowler Street, Moe and the broader local community to determine public opinion in relation to the proposed removal of the gum trees.</li> <li>3. That a further report be presented to Council detailing the results of the community consultation.</li> </ol>	General Manager Recreation and Community Infrastructure
17/02/14	Review of Local Law No. 1	<ol style="list-style-type: none"> <li>1. That Council defer consideration of this matter until the next ordinary Council meeting.</li> </ol>	General Manager Planning and Governance

# **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 PROPOSED PUBLIC HIGHWAY DECLARATION - DEAKIN LANE, TRARALGON**

**General Manager**

**Planning and Governance**

**For Decision**

**PURPOSE**

The purpose of this report is to consider public submissions received relating to Councils intention to consider declaring Deakin Lane Traralgon a public highway and recent developments concerning this matter.

**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*

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

*Strategic Direction*

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

*Legislation*

Local Government Act 1989

Section 204 of the *Local Government Act 1989* gives Council the power to declare a road a public highway or to be open to the public:

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- (1) A Council may, by notice published in the Victoria Government Gazette, declare a road in its municipal district to be a public highway for the purposes of this Act.
- (2) A Council may, by resolution, declare a road that is reasonably required for public use to be open to public traffic.
- (3) A road does not become a public highway by virtue of a Council resolution made under sub-section(2).

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

Schedules 10 and 11 of the *Local Government Act 1989* provide Council with the powers to maintain public access to a road. Clause 5 of schedule 11 provides:

“A Council may –

- (a) move any thing that encroaches on or obstructs the free use of a road or that reduces the breadth, or confines the limits, of a road (including any thing placed on a road under clause 9,10 or 11);
- (b) require any person responsible for, or in control of, the thing to move it.”

Road Management Act 2004

The *Road Management Act 2004* defines a public highway as “any area of land that is a highway for the purposes of the common law”.

Schedule 4 Clause 1(5) states that a “public highway vests in the municipal council free of all mortgages, charges, leases and sub-leases”.

### *Policy*

Council does not have an adopted policy relating to the discontinuance of roads or public highway declarations.

### **BACKGROUND**

Council initially received a request from the owners of 2 Deakin Street, Traralgon, for the discontinuance of Deakin Lane as shown on the attached plan (Attachment 1).

Deakin Lane was originally created in 1957 on LP 41285 as *land appropriated or set apart for easements of way and drainage*. The lane is now described on Certificate of Title Volume 10246 Folio 309 as “*Road R1 on Plan of Subdivision 041285*”. The registered proprietors of the road are also the owners of 2 Deakin Street, Traralgon. (Attachment 2)

Deakin Lane is fully constructed being four metres wide on the east/west alignment with a total length of 48 metres terminating at the southern boundary of 5-7 Church Street.

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The laneway is listed on the 2013 Register of Public Roads as a 'Road Not Maintained by Latrobe City Council'. Council also has drainage assets contained with the road reserve.

As the owners of 2 Deakin Street are the registered proprietors of the road reserve they were of the opinion that Council should discontinue the road and transfer the land back to them for a nominal consideration where it would be retained as a private access laneway.

In examining this request, it was found that there is an expressed entitlement on the respective Certificates of Title for each of the four lots created on LP 41285 to use Deakin Lane. Three of these lots comprise 2 Deakin Street with the fourth lot being 1 Church Street which is owned by Petroleum Property Holdings Pty Ltd.

It was also noted that the laneway provides access to off-street parking at the rear of the office complex at 3 Church Street. This off-street car park was a requirement of Planning Permit 93/745/PO issued by the former City of Traralgon on the 7 September 1993 and an amended plan that was endorsed on the 10 May 1994.

In view of the above mentioned expressed entitlement for the use of Deakin Lane by the tenants of 3 Church Street officers reached agreement with the owners of 2 Deakin Street to amend their request from discontinuance of the road to the placement of permanent barriers, in the form of gates, across the entrance from Deakin Street.

Council initially considered the request to discontinue the laneway at the Ordinary Council Meeting held on Monday 17 December 2012 and resolved the following:

1. *That Council gives public notice of its intention to consider the placement of permanent barriers over Deakin Lane, Traralgon, pursuant to Section 207 and Schedule 11 Clause 9 of the Local Government Act 1989.*
2. *That Council considers any submissions received in relation to the proposed placement of permanent barriers over Deakin Lane, Traralgon, at the Ordinary Council Meeting to be held on Monday 18 February 2013.*

At the Ordinary Council Meeting held on Monday 18 February 2013 Council considered an objection on behalf of two adjoining property owners to this proposal and a request from the owner of 2 Deakin Street that Council defer consideration of this matter for another month pending the provision of additional information. Council subsequently resolved:

*That Council defer this item for one month.*

Council again considered this matter at the Ordinary Council Meeting held on Monday 18 March 2013 and resolved:

1. *That Council defers consideration of the proposed placement of permanent barriers over Deakin Lane, Traralgon, to the Ordinary Council meeting to be held on Monday 22 April 2013 pending assessment of additional information to be provided by the applicant.*

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2. *The Beveridge Williams, acting on behalf of Petroleum Property Holdings Pty Lt and Parody Glade Pty Ltd, and the applicant be advised accordingly.*

At the Ordinary Council meeting held 22 April 2013, Council considered legal advice provided by the owner of 2 Deakin Street in support of their application. The legal advice obtained by the owner of 2 Deakin Street is summarised as follows:

- Deakin Lane is not a public road as it was privately created and no Council funds have been spent on the laneway.
- Deakin Lane was created as an “easement of way” and was only intended to benefit specified parties being the owners of the titles that abut the easement and have rights to it.
- Deakin Lane is a “private road” defined in the Local Government Act 1958 as “a carriage-way accessible to the public from a public street or forming common access to lands and premises separately occupied, but not being a public highway”.
- No declaration of Deakin Lane as a public highway has been made.

Based upon these points the owner of 2 Deakin Street has concluded that Deakin Lane is not a public road and they are therefore justified in restricting access and placing a fence across the boundary with 3 Church Street.

Receiving this advice Council, at the Ordinary Council meeting held on Monday 22 April 2013, resolved the following:

*That this matter be deferred to allow for consideration to be given to information tabled by Mr Tripodi at this Council meeting.*

On 31 May 2013 the applicants’ solicitor, John Morrow, wrote to both the Victorian Ombudsman and the Minister for Local Government, a copy of which was provided to Council, seeking their intervention in this matter.

On 2 June 2013 the owner of 2 Deakin Street erected a temporary fence on the boundary of Deakin Lane and 3 Church Street, Traralgon, thereby removing any access to the rear of this property via the laneway. This temporary fence was replaced in July 2013 with a substantial steel and colour bond fence, refer attachment 3.

Maddocks Lawyers have written to John Morrow, representing the owners of 2 Deakin Street, on behalf of Council on 28 June 2013 and 5 July 2013 formally requesting removal of the fence however these requests were not complied with.

At the Ordinary Council meeting held on 3 June 2013 Council considered a report recommending, in part, that it commence the statutory process to declare Deakin Lane a public highway and resolved the following:

*That the matter be deferred pending the outcome of the Ombudsman’s investigation of this matter.*

Council officers subsequently received confirmation that neither the Victorian Ombudsman nor the Office of Local Government would be taking



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any action in this matter. The latter advised that it is at Council's discretion to declare a public highway and it would not intervene in what it considers to be a Council decision.

A further report was considered that the Ordinary Council meeting held on 6 November 2013, again recommending that Council commence the statutory process to declare Deakin Lane a public highway however this recommendation was not adopted.

Following the 6 November 2013 Council decision, a letter was received from Paul McDonough & Co Solicitors on behalf of Parody Glade Pty Ltd. This letter requested Council either restore access by commencing the statutory process to declare Deakin Lane a public highway or take action to remove the fence to provide access to the parking at the rear of 3 Church Street. Council considered this request at the Ordinary Council Meeting held 16 December 2013 and subsequently resolved:

1. *That Council gives public notice of its intention to declare Deakin Lane, Traralgon, a public highway pursuant to Section 204 of the Local Government Act 1989.*
2. *That Council considers any submissions in relation to the proposed declaration of Deakin Lane, Traralgon, as a public highway at the Ordinary Council Meeting to be held on Monday 17 February 2014.*
3. *That all adjoining property owners be advised of Councils intention to commence the statutory process to declare Deakin Lane, Traralgon, a public highway pursuant to Section 204 of the Local Government Act 1989 and invited to make a submission.*
4. *That McDonough & Co, acting on behalf of Parody Glade Pty Ltd, be advised accordingly.*

In subsequent developments, between Council adopting the above resolution on the 16 December 2013 and prior to Monday 20 January 2014 (the date officer were notified), two substantial steel gates (Attachment 4) have been erected across the entrance of Deakin Lane preventing access. When the photograph was taken the gates were locked closed with a chain and padlock.

**ISSUES**

Since the erection of the fence across the eastern end of Deakin Lane in June 2013, the occupiers of 3 Church Street have not been able to gain direct access to the rear of the property. As a temporary solution the occupiers have been forced to park in Church Street or access has been gained across the neighbouring property, 5-7 Church Street, as a short term yet impractical solution.

It has previously been noted that the former City of Traralgon issued a Planning Permit, 93/745/PO, on the 8 September 1993, later amended in May 1994, for the office complex at 3 Church Street. This permit recognised that the off street car park at the rear of the property would be accessed via Deakin Lane. A condition of this Planning Permit required that the land owner would transfer a 1.7 metre wide section of land abutting the eastern length of the laneway would be transferred to Council.

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This requirement was recently brought to the attention of owner of 3 Church Street and officers have been given an undertaking that the land will be transferred to Council.

Deakin Lane is considered a public highway as it satisfies the common law doctrine of dedication and acceptance. The land has been set aside as an easement of way (Dedication) in 1957 on LP 41285, is shown as a road on Certificate of Title Volume 10246 Folio 309, and the laneway has been used by the public, adjoining property owners and occupiers for a substantial period of time (Acceptance).

The assessment that Deakin Lane is a public highway is supported by legal advice previously obtained from Council's solicitors in relation to two similar matters and more recently relating to this specific lane. Relevant sections of this advice are summarised below:

### **Right of Access**

*At common law, an owner or occupier of land adjoining a public highway (road) has a right to access the road from their land.*

### **A Public Highway is vested in Council**

*A road is a public highway at common law because there has been:*

- *Dedication of the road to the public when it was constructed; and*
- *Subsequent acceptance of the Road, by the public, through public use of the Road.*

As Deakin Lane is marked as a "road" on title this is a clear indication that the road is a public highway at common law. In addition, Clause 1 of Schedule 5 of the *Road Management Act 2004 (RMA)* also has the effect of vesting in Council particular roads (including Deakin Lane).

The effect of this public highway classification is that the road remains open for the public to use, regardless of who owns the land underneath, and the road is vested in Council.

### **Council has responsibility for use and control over a Road**

*The general public's right to use a road (including a public highway) is confirmed by section 8 of the RMA. The RMA also places Council in control of roads because:*

- *By operation of section 37 of the RMA and division 2 of Part 9 of the Local Government Act 1989 (LGA) as well as Schedules 10 and 11 of the LGA; and*
- *The road is on Council's register of public roads.*

In light of the above, only Council is entitled to control access to a road by virtue of the powers conferred in both the RMA and LGA. Therefore, despite holding title to the land over which a road is constructed, the registered proprietor does not enjoy exclusive possession with respect to the road (as opposed to ordinary parcels of land). It follows that Council maintains control and responsibility for a road, regardless of whether Council or another party holds title to the land over which the road is located.

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

Following Council's decision at the Ordinary Council Meeting held on 22 April 2013 officers sought legal advice from Maddocks Lawyers on the status of Deakin Lane and, in particular, the information provided by the owner of 2 Deakin Street.

Maddocks advice is summarised as follows:

- Deakin Lane is a public highway at common law and also, therefore, a public highway for the purposes of the Road Management Act 2004;
- Ownership of Deakin Lane is likely to have vested in Council, by virtue of the Road Management Act 2004, even though it is located on privately owned land.
- If Council wishes, it can declare Deakin Lane to be a 'public highway' under the Local Government Act 1989.
- Rights of access to Deakin Lane are secured for the owners of the properties adjoining Deakin Lane, namely 1-3 Church Street, Traralgon, and Lot 4 on LP 41285 fronting Princes Street, under common law and the Road Management Act 2004.; and
- Council is under no obligation to pay compensation to the registered proprietors who own the land traversed by Deakin Lane.

A copy of this confidential legal advice has previously been provided to all Councillors.

Deakin Lane satisfies the criteria of a public highway, a position supported by professional and legal advice that has been obtained. Undertaking the statutory process and formally declaring its status will remove any doubt or confusion in the future.

A recent relevant example of Council exercising this power occurred in 2010 when part of Wilmot Court, Traralgon East, was declared a public highway to preserve public access to 37 properties in Turnbull Drive, Varney Crescent, Kings Way and Tait Court.

The first 400 metres of Wilmot Court from the Princes Highway were created in 1979 as road on LP 130953 however the remaining 300 metres was constructed within an easement of way and drainage over two properties including 49 Turnbull Drive, Traralgon East.

This section of Wilmot Court was declared a public highway via a notice placed in the Victoria Government Gazette thereby vesting the land in Council.

No compensation was payable to the owners of 49 Turnbull Drive as the declaration of the road as a public highway would not have a negative impact financially as neither the current nor preceding owners of the property ever had free use of the land given its long standing and intended use as a road.

Likewise, since the owners of 2 Deakin Street (Tripodi Family) acquired the property in 1995, after the plan of subdivision creating the road reserve and the issue of the planning permit for the development of 3 Church

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

Street, the land that is contained in Certificate of Title Volume 10246 Folio 349 has always been used as a laneway and at no time did they seek to prevent such access, refer photo in attachment 5.

The declaration of the road as a public highway will therefore not change the physical characteristics of the land other than ensuring the public right to use the road, an ongoing use that only became an issue following the objection to the proposed gates by Parody Glade Pty Ltd.

For the information of Council, the property owners whilst knowing that Council intended to consider public submissions relating to the declaration of a public highway, erected substantial locked gates across the entrance of the laneway. The concrete works and steel foundation were undertaken on the 16 December 2013 and the gates (refer Attachment 4) were erected on or before Monday 20 January 2014, post Council decision to commence the statutory process and giving public notice of its intention to consider declaring Deakin Lane a public Highway.

Council can use its powers under the *Local Government Act 1989* to remove any obstruction, such as the recently erected gates and the fence erected in June 2013 that encroach on or restricting access to a road.

To do so Council would again need to write to the owners of 2 Deakin Street requesting that the fence and gates be removed within a reasonable time frame.

If the owners of 2 Deakin Street refuse to do so the fence and gates can be removed by Council and impounded. The owners will then be required to pay any costs incurred by Council as part of this process to have the impounded fencing released.

### **Recent developments**

The Acting Chief Executive Officer has had discussions with Mr Gino Tripodi and the Director of Parody Glade Pty Ltd and subject to Council endorsement has proposed as a way forward the following:

- Council, Mr Gino Tripodi and Parody Glade Pty Ltd (the parties) agree to engage an independent barrister in order to obtain a non-binding legal opinion regarding the status of Deakin Lane.
- Costs of the independent barrister up to a total cost of \$10,000 will be split between the parties (Council \$5,000, Tripodi Family \$2,500 and Parody Glade \$2,500) with Council covering all costs greater than \$10,000.
- The legal opinion obtained from the independent barrister is non-binding on the parties and the respective parties may take further legal action or withdraw from the proposal at any time.

A copy of the Acting Chief Executive Officer correspondence confirming the above proposal, a qualified response from John Morrow, legal representative for the Tripodi Family generally agreeing to the proposal and a response from Parody Glade Pty Ltd agreeing to contribute \$2,500 is provided for information, refer attachment 10.

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)****FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

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

The cost of undertaking the statutory process to declare Deakin Lane a public highway are minimal being the cost of public notices in the Latrobe Valley Express and a notice in the Victoria Government Gazette.

Council may incur costs associated with physical removal of the gates and fence, and if the matter proceeds to litigation additional legal costs may become payable.

As indicated above, there is no obligation for Council to provide compensation to the owners of 2 Deakin Street as part of this process as was the case with the declaration of part of Wilmot Court as a public highway.

Given that a large majority of the laneways in Traralgon are comprised of pieces of land in private ownership making an exception in the case of Deakin Lane would set a costly precedent for any similar actions in the future.

It is possible that Parody Glade Pty Ltd may take legal action and possibly seek compensation from Council if access to the rear of the property is not restored to the rear car park as required by the former City of Traralgon as part of planning permit 93/745/PO.

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

- Public notices in the Latrobe Valley Express on Monday 23 December 2013, and Thursday 9 January 2014.
- Letters to property owners of 1 Church Street, 3 Church Street, 72 Princes Street and Paul McDonough & Co Solicitors inviting written submissions concerning Council's intention to consider declaring Deakin Lane a public highway.

*Details of Community Consultation / Results of Engagement:*

In response to the public notices and correspondence, 3 written submissions and 50 form letters were received.

The written submissions are summarised below:

Supporting Submission - Paul McDonough Solicitors on behalf of Parody Glade Pty Ltd, 3 Church Street Traralgon, refer attachment 6.

Deakin Lane has been a public highway for a period in excess of fifty years and provides access to the rear of their client's property at 3 Church Street, Traralgon.

Access via Deakin Lane is in accordance with the planning permit issued by the Traralgon City Council on the 8th September, 1993.

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

“The wrongful installation of barricades on Deakin Lane has caused a disruption to our client, and our client’s tenants at 3 Church Street, Traralgon.”

Objecting Submission - S & C Tripodi, refer attachment 7

Owners of the land in dispute and adjoining building, purchased 19 years ago.

Long term residents of Traralgon having established a business in the town and their sons now run a business in transport.

Their legal advice supports that “we own the title and there is no privileges, rights or special treatments stated on this for the rear title holder. Really this is a disagreement that is better left for those that are part of the dispute to work out between themselves, without council intervention.”

Objecting Submission - Gino Tripodi, refer attachment 8 –

Registered proprietor of Deakin Lane,

Grounds for the submission-

- :Council would be confiscating private property without compensation;
- There is no need for Deakin Lane to be declared a public highway, and
- It would be a misuse of Council’s powers under the Local Government Act to do so.”

Extracts from the submission that are highlight in bold type and accompany text are provided for information –

- “a. Deakin Lane was created over private land by private owners in 1957 for private use. ...
- b. Because Deakin Lane is a private road, Council has never spent a cent on making or maintaining the lane. ...
- e. All the neighbouring easement holders, who have private easement rights of access over Deakin Lane, continue to have rights of access to the lane without obstruction or difficulty. ...
- g. All other properties abutting the lane have alternative, perfectly acceptable and usable street access to their properties (from Church Street, Princes Highway or Deakin Street). ...
- h. No public purpose would be served by making a declaration of the lane as a public highway. The only person who would benefit by a declaration is the owner of 3 Church Street. ...
- i. ... However, there is no moral or legal basis for the owner of 3 Church Street to claim assistance of Council: since 1993-1994, the owner has flouted the conditions on which the predecessor Council granted them a planning permit by refusing to transfer land to the Council. Latrobe City Council has no obligation to the owner of 3 Church Street now.”



## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

Objecting Form Letters – 50 Objections, refer sample attachment 9 –

... “of the opinion that declaring the lane a public highway would have no benefit to the people of Traralgon and can see no reason why this should change. ...the ‘lane’ is a ‘dead end’ and therefore can see no relevance as to why it should or how it could be of benefit to those require unnecessary access.”

### OPTIONS

Council having considered submissions received may now:

1. Form the opinion that Deakin Lane is reasonably required as a road for public use and resolves to declare Deakin Lane, Traralgon, a public highway under section 204 of the *Local Government Act 1989* and publish a notice in the Government Gazette, or
2. Form the opinion that Deakin Lane is not reasonably required as a road for public use and resolve not to take any further action regarding this matter, or
3. Support the proposal put forward by the Acting Chief Executive Officer to engage an independent barrister in order to obtain a non-binding legal opinion regarding the status of Deakin Lane.

### CONCLUSION

Council has committed considerable time, finances and staff resources since December 2012 to the deliberation of this matter.

The Acting Chief Executive Officer has negotiated a way forward that may result in a resolution of this matter. Council’s endorsement of this proposal to engage an independent barrister in order to obtain a non-binding legal opinion regarding the status of Deakin Lane is required to allow this matter to proceed.

#### **Attachments**

1. Location Plan & Aerial Image - Deakin Lane Traralgon
2. Plan of Subdivision LP 41285 showing Deakin Lane as Road R1
3. Deakin Lane - Photos of Tempory Fence June 2013 & Permanent Fence July 2013
4. Deakin Lane - Photo of Gates Erected January 2014
5. Photo of Deakin Lane date 24 July 1999
6. Supporting Submission - Paul McDonough Solicitors on behalf of Parody Glade Pty Ltd
7. Objecting Submission - S & C Tripodi
8. Objecting Submission - Gino Tripodi & Sample of Form Letter
9. Objection - Sample of 50 Form Letters
10. Independent Barrister Proposes and Responses from the TRipodi Family and Parody Glade Pty Ltd.

**RECOMMENDATION**

1. That Council notes the written submissions received in relation a proposal to declare Deakin Lane a public highway.
2. That Council resolves to support the proposal that Council, Mr Gino Tripodi and Parody Glade Pty Ltd (the parties) agree to engage an independent barrister in order to obtain a non-binding legal opinion regarding the status of Deakin Lane.
3. That the costs of the independent barrister up to a total cost of \$10,000 be split between the parties on the following basis, Council \$5,000, Tripodi Family \$2,500 and Parody Glade \$2,500 with Council covering all costs greater than \$10,000.
4. Council acknowledges that the legal opinion obtained from the independent barrister is non-binding on the parties and the respective parties may take further legal action or withdraw from the proposal at any time.
5. Those persons who submitted a written submission and property owners adjoining Deakin Lane be advised of the above Council decisions.



**ALTERNATE MOTION**

- 1. That Council defer consideration of this matter until the next Ordinary Council meeting.**

**Moved:** Cr O'Callaghan

**Seconded:** Cr Sindt

**That the Motion be adopted.**

**For the Motion**

Councillor/s Rossiter, Middlemiss, Kam, Sindt, O'Callaghan, White, Harriman.

**Against the Motion**

Councillor/s Gibbons, Gibson.

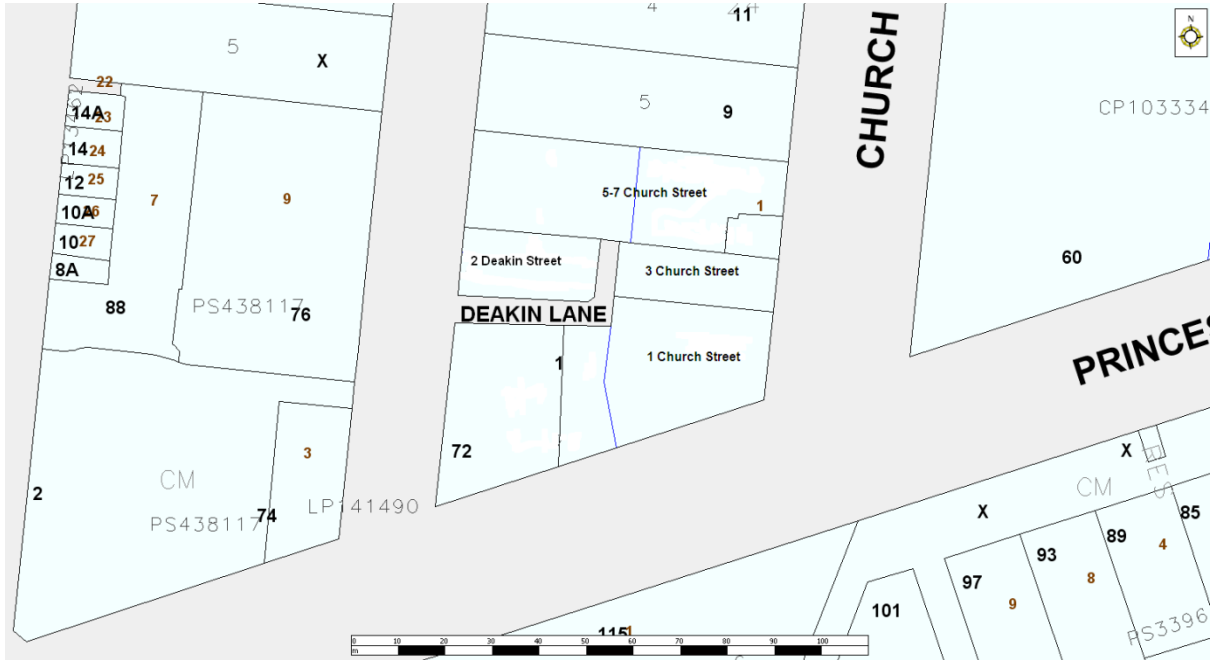
**The Mayor confirmed that the Motion had been CARRIED**

## 9.1

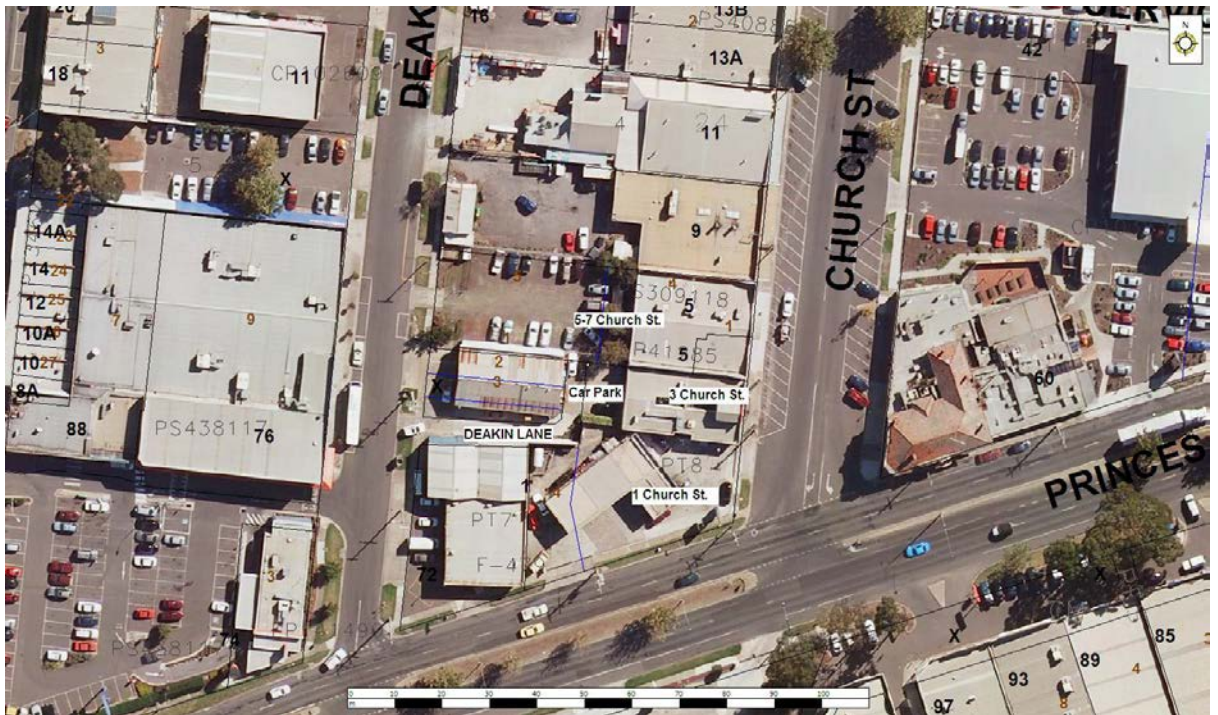
### PROPOSED PUBLIC HIGHWAY DECLARATION - DEAKIN LANE, TRARALGON

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Location Plan – Deakin Lane Traralgon



Aerial Image – Deakin Lane Traralgon



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LP 41285

EDITION 1  
PLAN MAY BE LODGED 5/9/57

PLAN OF SUBDIVISION OF  
PART OF CROWN ALLOTMENTS 7 & 8, SECTION 24  
TOWNSHIP OF TRARALGON  
PARISH OF TRARALGON  
COUNTY OF BULN BULN

Measurements are in Feet & Inches

Conversion Factor  
FEET X 0.3048 = METRES

- ✓ 4583 F 536
- ✓ 6343 F 795
- ✓ 7551 F 028

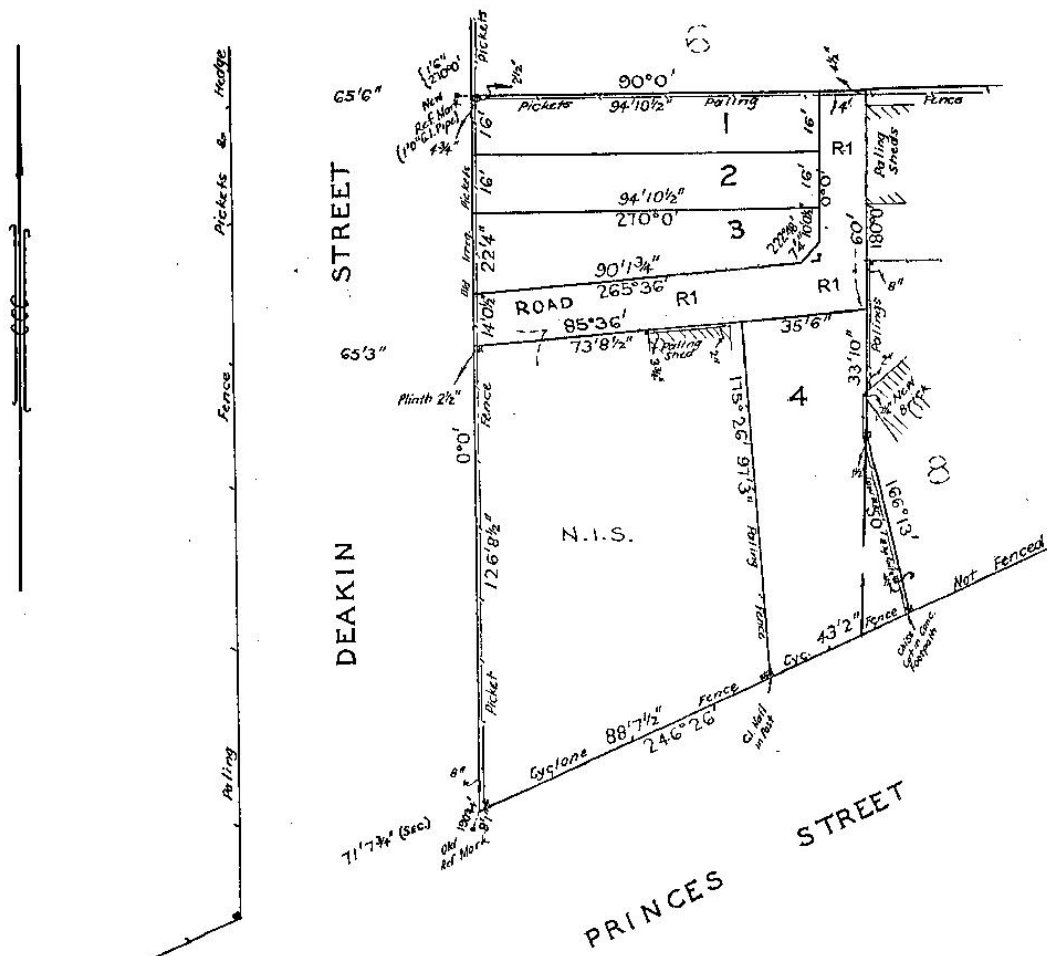
COLOUR CONVERSION

BROWN = R1

APPROPRIATIONS

THE LAND COLOURED BROWN IS APPROPRIATED OR SET APART FOR EASEMENTS OF WAY AND DRAINAGE.

~~PARISH/TOWNSHIP~~



WARNING: THE IMAGE OF THIS DOCUMENT OF THE REGISTER HAS BEEN DIGITALLY AMENDED. NO FURTHER AMENDMENTS ARE TO BE MADE TO THE ORIGINAL DOCUMENT OF THE REGISTER.



Temporary Fence Erected June 2013



Permanent Fence Erected July 2013







**PHOTO AT THE ENTRANCE OF THE UNCONSTRUCTED EAST/WEST  
SECTION OF DEAKIN LANE.  
PHOTO DATED 24 JULY 1999.**







McDonough Legal Pty Ltd  
ABN 93 117 567 692

## SOLICITORS

Paul McDonough  
B. Bus., LL.B.  
Accredited Business Law &  
Property Law Specialist

Vivienne Petts-Jones  
LL.B (Hons)

Our Ref: PMD:FT:27099

Your Ref:

TRARALGON  
68 Seymour Street, 3844  
PO Box 580  
DX 84411  
Ph: (03) 5176 1000  
Fax: (03) 5176 1020  
Email: law@mcdonough.com.au

ROSEDALE  
40 Princes Street, 3847  
Ph: (03) 5199 2400

16 January 2014

Mr Peter Schulz  
Property & Statute Officer  
Latrobe City Council  
DX 217733  
MORWELL

LATROBE CITY COUNCIL  
INFORMATION MANAGEMENT

RECEIVED

20 JAN 2014

R/O:	Doc No:
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Dear Sir

**Parody Glade Pty Ltd**  
**Deakin Lane, Traralgon**

We refer to our letter of the 21<sup>st</sup> November, 2013 and Council's reply of the 18<sup>th</sup> December, 2013.

We note that Council now proposes to declare Deakin Lane, Traralgon as a public highway.

On behalf of Parody Glade Pty Ltd, we write to support the Council's proposed declaration.

As stated in our earlier correspondence:

- (a) Deakin Lane has been a public highway for a period in excess of fifty years and access to the rear of our client's property at 3 Church Street, Traralgon is obtained via Deakin Lane.
- (b) Access via Deakin Lane is in accordance with the planning permit issued by the Traralgon City Council on the 8<sup>th</sup> September, 1993.

The wrongful installation of barricades on Deakin Lane has caused a disruption to our client, and our client's tenants at 3 Church Street, Traralgon.

Yours faithfully,  
**McDonough & Co.**

Per:

Liability limited by a scheme approved under Professional Standards Legislation

Latrobe City Council  
PO Box 264  
Morwell VIC 3840

To Mr. John Mitchell

LATROBE CITY COUNCIL INFORMATION MANAGEMENT	
RECEIVED 23 JAN 2014	
R/O:	Doc No:
Comments/Copies Circulated to:	
<input type="checkbox"/> Copy registered in DataWorks	<input type="checkbox"/> Invoice forwarded to account:

**Declaration of Deakin lane – Public Highway**

As owners of the land in dispute we, Stefano and Concetta Tripodi wish to submit this letter as an objection to the 'declaration of Deakin lane as a Public Highway'

We have been part of the Traralgon community for well over 50 years now and in this time we have worked hard to now have a name and reputation that is high regard too many in the township.

We came to Traralgon with little knowledge of Australia, but worked hard to be part of the community and in time established a business's (S&C Tripodi & Sons) that has been a part of Traralgon for more than 57 years and although we retired recently our boys have continued being part industry.

We started our family in Traralgon, raising two boys that have stayed in Traralgon, who also have developed a reputation that is of good nature, caring and very supportive to those in need. Damian and his wife are now raising their two boys here, while Gino (with Damian) continue to run a business in transport, moving local produce from local farms to Melbourne Fruit Market.

We have never had any trouble within our community, we have kept to ourselves as a family, but have shared many good times and bad with customers that have become lifelong friends.


Now in our retirement we have had to put up the biggest fight of our lives and that is to save what is ours!! We have to watch our boys stand up to people that have now decided that because the title that we brought 19 years ago doesn't suit our rear neighbour. Tell us, How is this fair? We have ran a very successful family business from this building for many years and now we have to protect this with legal advice, from continuous council meetings and demands from people that think they are better than the law itself. Please we have never asked for anything from Latrobe City, but, with all the facts from our Lawyer Mr. John R Morrow and Barrister Mr. Peter G Willis is this a matter that needs to be disputed to such great lengths. As stated time and time again the law is the law and what evidence we have bought to the attention of Latrobe City shows there is no grey area, we own the title and there are no privileges, rights or special treatments stated on this for the rear title holder. Really this is a disagreement that is better left for those that are a part of the dispute to work out between themselves, without council intervention.

So why should we allow the council to come and take our land, when it would serve no purpose to any other persons of the community, there is access for those that may need to attend to the easement, (Gippsland water) but this parcel of land is used for the purpose of a business that runs from the building, built on this title. But more importantly it is what we brought, it is ours and we intend for it to stay that way.

Stefano Tripodi



Concetta Tripodi



LATROBE CITY COUNCIL  
INFORMATION MANAGEMENT

RECEIVED

23 JAN 2014

**SUBMISSION TO CITY OF LATROBE****AGAINST PROPOSED DECLARATION OF PUBLIC HIGHWAY, DEAKIN LANE, TRARALGON**

BY OWNERS OF DEAKIN LANE

Doc No:	
Comments/Copies Circulated to	
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1. This submission is lodged in response to a public notice under s 223 of the *Local Government Act 1989* calling for submissions in respect of a proposal to declare Deakin Lane, Traralgon to be a public highway.
2. As registered proprietors of the affected area (Deakin Lane), we respectfully submit Council should not proceed with the declaration.
3. The grounds for this submission are that:
  - Council would be confiscating private property without compensation;
  - there is no need for Deakin Lane to be declared a public highway, and
  - it would be a misuse of Council's powers under the Local Government Act to do so.
4. Relevantly:
  - a. Deakin Lane was **created over private land by private owners in 1957 for the private use** of the adjoining properties (Lots 1 – 4 on Lodged Plan 41285, being 2 Deakin St and 1 Church Street). Rights of access to the lane were granted by an easement only in favour of four specific landowners. This means that the lane is different from other roads and laneways laid out in Crown surveys. Those other roads vest in Council automatically by operation of law. Deakin Lane does not.
  - b. **Because Deakin Lane is a private road, Council has never spent a cent on making or maintaining the lane.** Council will be taking on new financial obligations for the upkeep of the road, whereas historically and at present, it is a private responsibility of the owners.
  - c. Council does not own the land of a private road and will be taking private property. Council will be taking the benefit of the expense laid out by the owners of Deakin Lane in forming and maintaining the lane (for their own use) over many years, with no compensation. This will be a very bad precedent to set and is likely to increase demands on Council's engineering and roads department and budget.

- d. Separately, Council has drainage assets in the lane. These are intact and undisturbed and are not affected by the lane being private property. There is no need to declare a public highway in order to continue to have the benefit of those assets. They are fully protected by legal rights as things stand.
  - e. **All the neighbouring easement holders, who have private easement rights of access over Deakin Lane, continue to have rights of access to the lane without obstruction or difficulty. The private easement gives all the necessary rights of access to the lane.**
  - f. The lane is a cul-de-sac. It leads nowhere and simply provides access to warehouses on the easement-holders' properties. The lane has no official name but has been referred to in Council correspondence as "Deakin Lane".
  - g. **All other properties abutting the lane have alternative, perfectly acceptable and useable street access to their properties (from Church Street, Princes Highway or Deakin Street). The owners on Princes Highway and on Deakin Street (5 - 7 Church St) have never used the lane.**
  - h. **No public purpose would be served by making a declaration of the lane as a public highway. The only person who would benefit by a declaration is the owner of 3 Church Street. This owner is trying to make use of the lane without permission of the owners of the lane. The owner of 3 Church Street relies on an erroneous assumption by the predecessor Council when in 1993 it granted a planning permit for redevelopment of 3 Church Street. As a condition of permitting the use of the back of their property for off street parking, the then Council required that the owner of 3 Church Street transfer land at the back of their property to the Council.**
  - i. The council of 1993 made a mistake in thinking that public access to 3 Church Street could be allowed from the lane, without consulting the owners of Deakin Lane. It would compound this mistake for Council to declare the lane a public highway. **However, there is no moral or legal basis for the owner of 3 Church Street to claim the assistance of Council: since 1993 – 1994, the owner has flouted the conditions on which the predecessor Council granted them a planning permit by refusing to transfer land to the Council. Latrobe City Council has no obligation to the owner of 3 Church Street now.**
5. Council has received conflicting legal opinions about the status of Deakin Lane – advice from our lawyers and advice from Council's solicitors. There is no disagreement about the basic legal principles, but stark differences about the

application of the principle to the facts at hand. Because the facts are different in every case, it is a mistake to rely on advice obtained about different roads in other parts of the City. The registered owners of Deakin Lane have never dedicated the lane as a public road. Our advice is very clear – Deakin Lane is a private road and is not a public highway. The alternative advice assumes, without any proof, that the road has been dedicated to the public by the owners and has been accepted by public use. Victorian Courts and Victorian legislation state that the description of a lane on a private plan of subdivision as a “road” on private land (as in this case) does not amount to a dedication of the lane as a public road.

6. In any case, this dispute about the common law is irrelevant to the proposed exercise by Council of the power in section 204 of the Local Government Act. By proposing to use this power, Council is acknowledging that Deakin Lane is not already a public highway. This confirms that the Council’s powers under the *Road Management Act* and *Local Government Act* do not extend to the lane at present: they only apply to roads on Crown land and roads declared to be public highways.
7. The questions for Council then in this case are:
  - **why** is it proposed to declare this little private lane to be a “public highway”?
  - How will the public benefit??
  - How is it reasonably necessary for the public for the lane to be a public highway?
  - What contribution to the economic development of the City will be added by turning this dead-end private lane into a public highway?
  - How can one person be said to be “the public” for the purpose of exercising Council’s powers
8. The answer is that there is no need in the public interest to make this private road a public highway. The lane leads nowhere; contrary to the bluster of a solicitor’s letter, no business will be affected by it staying as it is. Naturally, these solicitors not mention a major weakness in their clients position, namely his refusal to satisfy the condition upon which the planning permit was granted, namely the requirement to transfer 1.7 meters of land to the Council.
9. Council is simply being asked to become involved in a private disagreement between two neighbours. It is a waste of public resources and unnecessary to exercise public power over private land simply to benefit one other landowner, who has perfectly adequate access to his property from an existing public highway – Church St - as

well as having private rights arranged with its associate, the owner of 5-7 Church St, which has a large car park on the abutting block to the north.

10. Like all statutory powers, the power in section 204 of the Local Government Act may only be used reasonably and for a proper purpose. Otherwise, the declaration would be invalid and ineffective.
11. Council would be acting invalidly if it proceeds with the declaration of Deakin Lane as a public highway.
12. Rather than have the matter litigated in the Supreme Court with Council as the defendant, Council should take no further action and leave Deakin Lane as a private road and the neighbours to sort things out between themselves.
13. For these reasons, we respectfully urge Council to take no further action with respect to the declaration of Deakin Lane as a public highway.



GINO TRIPODI

For 23 January 2013

January 2014



Latrobe City Council  
PO Box 264  
Morwell VIC 3840

Please find enclosed:- 50 OBJECTION LETTERS.

Written Submission in regard to  
Proposed Public Highway Declaration *Deakin Lane, Traralgon*

*Addressed to*

*Mr. John Mitchell  
Chief Executive Officer,  
Latrobe City Council.*

Latrobe City Council  
PO Box 264,  
Morwell VIC 3840

Re; Deakin Lane – Public Highway.

To John Mitchell,

I Claire Turnbull, wish to submit an objection in regards to Latrobe City Council wanting to declare Deakin Lane a public highway.

I feel that as a member of the community who has resided in Traralgon for many years and in those years has shopped at Tripodi's Fruit & Vegetable Market at 2 Deakin Street Traralgon, so I am very aware of the "Lane" in dispute, I am of the opinion that declaring this lane a public highway would have no benefits to the people of Traralgon and can see no reason why this should change. To me the 'lane' is a 'dead end' and therefore can see no relevance as to why it should or how it could be of any benefit to those who require unnecessary access.

I hope this issue can be resolved in a dignified way and businesses and families can get on with their livelihoods without any disruption.

Thank you for your time.

  
Claire Turnbull

Our Ref:  
JM

13 February 2014

Mr G Tripodi  
**HAND DELIVERED**

Dear Mr Tripodi

**DISPUTE REGARDING STATUS OF DEAKIN LANE TRARALGON**

I refer to our telephone conversation and meeting on 13 February 2014 in relation to the above.

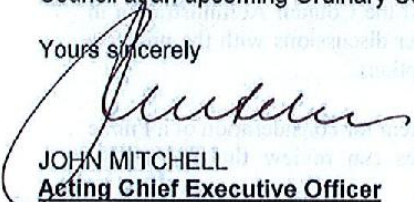
The status of Deakin Lane, Traralgon has been the subject of disagreement between yourself and Latrobe City Council. Subject to the formal approval of Council I propose that we attempt to resolve the dispute regarding the status of Deakin Lane as follows:

- Latrobe City Council and you, representing the owners of the disputed Deakin Lane, Traralgon will jointly brief an independent barrister in order to obtain an independent legal opinion regarding the status of Deakin Lane, Traralgon.
- The independent barrister will be agreed to between Council and yourself.
- Costs of the independent barrister will be split evenly between the parties up to a total cost of \$10,000 (\$5,000 each). Council will cover all costs greater than \$10,000.
- The legal opinion obtained from the independent barrister is non-binding on the parties. Either party may take further legal action should they feel the need to.
- This proposal is non-binding upon the respective parties and either party may withdraw at any time.

I am hopeful that an independent advice obtained from a senior barrister will provide yourself and us with a greater level of certainty as to the status of the road whilst avoiding the need for a drawn out dispute in the Victorian court system.

Please feel free to contact me if you wish to discuss this further or alternately, if you are happy to the above, please sign and return the duplicate copy of this letter and return it to my office. Should this be acceptable to you I will present the proposal to Council at an upcoming Ordinary Council Meeting.

Yours sincerely

  
**JOHN MITCHELL**  
**Acting Chief Executive Officer**



**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



  
**JOHN MORROW** LL.B.  
COMMERCIAL CONSULTANT  
BARRISTER & SOLICITOR

MAIL TO: P.O. BOX 385  
CLIFTON HILL 3068 AUSTRALIA

PHONE OFFICE: (03) 9483 4214  
MOBILE: (0418) 362 744  
AFTER HOURS: (03) 9482 2316  
FAX: (03) 9482 1032  
Email: [jnmorrow@bigpond.com](mailto:jnmorrow@bigpond.com)  
ADDRESS: 173 QUEENS PARADE,  
CLIFTON HILL 3068 AUSTRALIA

Liability limited by a scheme approved under Professional Standards Legislation

14 February 2014

Latrobe City  
34-38 Kay Street  
Traralgon VIC 3844

Attention: Mr John Mitchell

Dear Mr Mitchell

**Re: Proposed Public Highway Declaration – Deakin Lane, Traralgon**

I refer to your letter addressed to Gino Tripodi of 13 February 2014 and Mr Shultz's letter to me of 20 December 2013, which includes an invitation for me to discuss this matter directly with Mr Schultz by telephone or email. In the circumstances, I am writing this letter to you on the assumption that, at this point in time, the Council is not using the services of Maddocks Lawyers, on its behalf, in relation to the above matter. (For the sake of caution I am forwarding a copy of this letter directly to Maddocks Lawyers.)

I am instructed by my clients to inform you that they would be willing to proceed with the proposal to obtain a non binding opinion from independent Senior Counsel, subject to my clients' agreement on the procedure to be adopted for providing instructions to Senior Counsel.

While my clients also agree with the principle of sharing costs, up to an aggregate amount of \$10,000, and Council covering any excess, we consider that a more appropriate split would be for the contending private parties (Tripodi and Parody Glade) each to contribute 25%, and Council 50% of the initial \$10,000.00. I accordingly seek your response to this aspect of the proposal.

My clients further agree to those recommendations of the Council Administration in the current Agenda notes, that the ACEO have further discussions with the property owners including the potential to explore mediation options.

In the meantime my clients propose that the Agenda item for consideration of a Public Road Declaration be withdrawn, so that all parties can review their respective positions after a Senior Counsel's opinion is obtained.

In the circumstances I would be pleased if you would confirm by return email that while the reference to Senior Counsel and the Administration's recommendations are pursued, the current agenda item scheduled for Monday, 17 February 2014 will be withdrawn.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J.R. Morrow', written in a cursive style.

J.R. Morrow  
Solicitor

**Peter Schulz**

---

**From:** LEO DIFABRIZIO <ldf2@me.com>  
**Sent:** Monday, 17 February 2014 8:31 AM  
**To:** Peter Schulz  
**Subject:** Parody Glade Pty Ltd

Hi Peter,

I wish to confirm that Parody Glade Pty Ltd as owner of the property known as 3 Church Street, Traralgon is prepared to commit the sum of \$2500. towards the proposed legal assessment of the Deakin Lane ,Traralgon,issue currently before Latrobe City Council.

Regards,

Leo Di Fabrizio  
Director  
Parody Glade Pty Ltd

**Leo DiFabrizio**  
Director



# CORRESPONDENCE

**10. CORRESPONDENCE**

Nil reports

# PRESENTATION OF PETITIONS

**11. PRESENTATION OF PETITIONS**

Nil reports

# CHIEF EXECUTIVE OFFICER

**12. CHIEF EXECUTIVE OFFICER**

Nil reports



# ECONOMIC SUSTAINABILITY

13. ECONOMIC SUSTAINABILITY

**13.1 EMISSIONS REDUCTION FUND GREEN PAPER- LATROBE CITY COUNCIL SUBMISSION**

General Manager

Economic Sustainability

For Decision

**PURPOSE**

The purpose of this report is to seek Council consideration of a draft submission to the Australian Government's *Emission Reduction Fund Green Paper*.

**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 City Council Plan 2013-17*

**Theme 01. Job Creation & Economic Sustainability**

*Objectives*

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

*Relevant Strategic Directions*

- 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.
- 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 resources of the Latrobe Valley.

**Theme 04. Advocacy for & consultation with our community**

*Objectives*

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

- Work in partnership with all levels of governments to ensure Latrobe City is well supported, resourced and recognised as one of Victoria's four major regional cities.
- To advocate for and support cooperative relationships between business, industry and the community.

### *Relevant Strategic Directions*

- Strengthen relationships with the Victorian and Australian governments to ensure Latrobe City is positioned to maximise benefits from regional policy and funding opportunities.
- Advocate for an appropriate financial return to the community for mining activities associated with Latrobe Valley's coal resources.
- Establish a strong image and brand for Latrobe City as one of Victoria's four major regional cities.
- Strengthen our region by actively leading and encouraging partnerships with other local governments, industry and community agencies.

### *Strategy & Plans –*

#### *Strategy 1- Economic Sustainability Strategy*

#### *Strategy 2- Positioning Latrobe City for a Low Carbon Emission Future*

#### *Strategy 4- Securing Our Future 2013*

### **BACKGROUND**

The Australian Government released the *Emissions Reduction Fund Green Paper (attachment 2)* on 20 December 2013 and has invited comment by Friday, 21 February 2014. The *Emissions Reduction Fund* is the centrepiece of the Australian Government's *Direct Action Plan* aimed at reducing Australia's domestic emissions. The *Emissions Reduction Fund* provides incentives for abatement activities within the Australian economy.

The consultation on the *Emissions Reduction Fund Green Paper* is being undertaken separately to the carbon tax repeal bills and the Australian Government's commitment to repeal the carbon tax from 1 July 2014.

The *Emissions Reduction Fund Green Paper*:

- Acknowledges the science of climate change; supports national and global efforts to reduce greenhouse gas emissions, and commits to the reduction of Australia's emissions to five percent below 2000 by 2020 with a review on the position in 2015.
- Sets out the Government's preferred options for design of the *Emissions Reduction Fund* including potential sources of low cost abatement, and key features such as auctions, baselines and contract arrangements.
- Will have an initial allocation of \$300 million, \$500 million and \$750 million over the forward estimates period.

Latrobe City Council has been at the forefront of carbon emission reduction policy strongly lobbying and advocating on behalf of our community for recognition and support. Council has developed a comprehensive policy designed to assist our community to successfully transition to a low carbon future. The development of *Positioning Latrobe City Council for a Low Carbon Emission Future (2010)* has allowed Council to identify the expected implications of Government greenhouse gas emission mitigation policies on the City. The policy proposes transition arrangements, including interventions and support mechanisms to enable Latrobe City to optimise its transition. More recently Council has completed the development of *Securing Our Future 2013 (attachment 4)* which outlines Latrobe City Council's key priorities for local projects that can create real and sustainable growth and jobs within our municipality. Council's goal is to ensure that our community is strongly positioned to take advantage of structural adjustment funding opportunities and other initiatives.

A draft submission to the *Emissions Reduction Fund Green Paper* has been prepared for Council consideration (*attachment 1*). The draft submission reflects Latrobe City Council's preparation and identification of potential impacts and opportunities of changes since 2009 and is consistent with Latrobe City Council's policy *Positioning Latrobe City for a Low Carbon Emissions Future (attachment 3)*.

### **ISSUES**

Latrobe City Council has for a number of years recognised that international and Australian policies are being developed to reduce greenhouse gas emissions in response to growing concern about climate change. Latrobe City Council supports international and Australian efforts to address climate change.

Council's submission reaffirms Council's view that a successful transition relies on proactive transitional assistance from the Australian Government through engagement with our community and industry and the sustainable employment creation ahead of the transition. The submission seeks to ensure that our economy and community continue to prosper and, with the appropriate transition mechanisms in place. The submission provides an overview of Council's policy and historical context and a response to a range of aspects contained in *the Emissions Reduction Fund Green Paper*.

The draft submission includes the following:

- A high level geographical and demographic context for Latrobe City.
- An overview of the policy work that Council has undertaken to date in relation to low carbon transition including a brief summary of the historical context for Council's involvement in this area.
- A summary of Council's position which is to support international and Australian efforts to address climate change whilst seeking to ensure that our economy and community continue to prosper.
- A request to engage with the Australian Government more broadly on the impacts and opportunities of upcoming and related White

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

Papers including the *Agricultural Competitiveness White Paper* and the *Energy White Paper* (both due for release during 2014).

- More specific comment/feedback on the Green Paper including:
  - Council's desire to work closely with the Australian Government in a partnership approach to greenhouse gas reduction.
  - Request for an ongoing community awareness program in order to engage our community on the *Emissions Reduction Fund* and the broader *Direct Action Plan*.
  - Encouragement to the Australian Government to ensure that new investments in efficient, commercially viable technology continue to be facilitated.
  - The importance of education and engagement with landowners and the agribusiness sector in relation to participation in the Carbon Farming Initiative.

Should Council endorse the draft submission, copies of *Positioning Latrobe City for a Low Carbon Emission Future (2010)* and *Securing Our Future (2013)* will also be included.

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

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

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

### **INTERNAL/EXTERNAL CONSULTATION**

#### *Engagement Method Used:*

Preparation of this submission has been undertaken utilising Council's existing strategies and policies, which included significant consultation, engagement and discussion with over 1000 members of our community from 2009 until now. Officers have also contacted stakeholders from the energy sector, wood and paper sector and the agribusiness sector to gain an understanding of preliminary views and likely submissions. Initial feedback from stakeholders has been mixed in response to the likely impacts of the *Emissions Reduction Fund Green Paper* on their sector and operations. Final submissions from all stakeholders will be available at [www.environment.gov.au](http://www.environment.gov.au)

### **OPTIONS**

Council has the following options:

1. Endorse the draft submission to the *Emissions Reduction Fund Green Paper*.
2. Not endorse the draft submission to the *Emissions Reduction Fund Green Paper* and seek further information
3. Not provide a draft submission to the *Emissions Reduction Fund Green Paper*.

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)****CONCLUSION**

Latrobe City Council officers have prepared a draft submission to the Australian Government *Emission Reduction Fund Green Paper*.

The draft submission reflects Council's position and wish to transition to a low carbon future as stated in *Positioning Latrobe City for a Low Carbon Emissions Future (2010)*.

Submissions to the *Emission Reduction Fund Green Paper* close on 21 February 2014.

**Attachments**

1. Latrobe City Submission Reduction Fund Green Paper Feb 2014
2. Emissions Reduction Fund Green Paper
3. Positioning Latrobe City for a low carbon future 6 April 2010
4. Securing our Future 2013
5. Economic Sustainability Strategy June 2011

**RECOMMENDATION**

**That Council endorse the submission to the Australian Government's Emission Reduction Fund Green Paper.**

**Moved:** Cr Gibbons  
**Seconded:** Cr Middlemiss

**That the Recommendation be adopted.**

**For the Motion**

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

**Against the Motion**

Councillor/s Sindt

**The Mayor confirmed that the Recommendation had been CARRIED**

## **13.1**

### **Emissions Reduction Fund Green Paper- Latrobe City Council Submission**

<b>1</b>	<b>Latrobe City Submission Reduction Fund Green Paper Feb 2014 .....</b>	<b>67</b>
<b>2</b>	<b>Emissions Reduction Fund Green Paper .....</b>	<b>79</b>
<b>3</b>	<b>Positioning Latrobe City for a low carbon future 6 April 2010.....</b>	<b>147</b>
<b>4</b>	<b>Securing our Future 2013.....</b>	<b>169</b>
<b>5</b>	<b>Economic Sustainability Strategy June 2011 .....</b>	<b>197</b>



# Latrobe City Council Submission

*Emissions Reduction Fund Green Paper February 2014*



For further information in relation to this submission please contact  
Allison Jones  
General Manager Economic Sustainability  
Latrobe City Council, 141 Commercial Road, Morwell 3840.  
Telephone: (03) 5128 5446  
Email: [allison.jones@latrobe.vic.gov.au](mailto:allison.jones@latrobe.vic.gov.au)





## Latrobe City Council

Latrobe City is made up of four major urban centres: Churchill, Moe/Newborough, Morwell and Traralgon, and smaller townships of Boolarra, Glengarry, Toongabbie, Tyers, Traralgon South, Yallourn North, and Yinnar. With a population of approximately 76,000, the beautiful and highly productive Latrobe Valley is located at the gateway to Gippsland in the South East corner of the state of Victoria.

***Low Carbon  
Transformation not  
just transition....***

Latrobe City currently supplies over 90% of Victoria's electricity generation requirements and extensive electricity distribution infrastructure links the existing generation facilities to Melbourne. The low cost electricity generated in the Latrobe Valley from brown coal resources has contributed to Victoria's economic prosperity over the last 90 years. However, the high moisture content of brown coal means that the greenhouse gas emissions produced per unit of electricity produced are high relative to other forms of electricity generation. The electricity generation sector dominates the economic profile of Latrobe City. A study by Compelling Economics found that electricity generation accounted for around 21% of Latrobe City Gross Regional Product. Employment in Latrobe City is heavily reliant upon the income obtained from electricity generation and coal mining activities, with about 3,100 (or 11%) jobs linked directly to these sectors. Furthermore, an additional eight jobs are sustained in the local economy for every ten jobs in the electricity sector (Compelling Economics 2008). Therefore, there are approximately 2,500 additional jobs sustained due to electricity sector activities giving a total of 5,600 (approximately 20%) jobs related to the sector.

Latrobe City is transitioning towards a low carbon future. Technology advances, the ageing workforce, globalisation together with carbon emission reduction strategies 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.

Latrobe City supports international and Australian efforts to address climate change. Council seeks to ensure that the region's economy and community continue to prosper and, with the appropriate transition mechanisms in place, it believes that climate change adaptation, mitigation and economic growth can be achieved. Council's submission is predicated on our low carbon policy position and the extensive work and community engagement that we have undertaken since 2009. Council has engaged with over 1000 members of our community as well as business and industry in order to facilitate a smooth transition to a low carbon future.





## Latrobe City Council Submission

Latrobe City Council has for a number of years recognised that international and Australian policies are being developed to reduce greenhouse gas emissions in response to growing concern about climate change. These policies, and the likely future constraints on carbon based emissions that will arise from their implementation, potentially have significant implications for the ongoing sustainability, vitality and wellbeing of the Latrobe City community. Latrobe City Council supports international and Australian efforts to address climate change.

Council is unwavering in its view that a successful transition relies on proactive transitional assistance from the Australian Government in the area of sustainable employment creation ahead of the transition. Latrobe City seeks to ensure that its economy and community continue to prosper and, with the appropriate transition mechanisms in place, it believes that climate change adaptation, mitigation and economic growth can be achieved. This submission provides an overview of Council's policy and historical context and a response to a range of aspects contained in *the Emissions Reduction Fund Green Paper*.

Latrobe City Council welcomes the opportunity to provide a submission to the *Emissions Reduction Green Paper* and appreciates the commitment of the Australian Government to consult with both businesses and communities. Council also welcomes the Government's intention, as stated in the Green Paper to work with communities and business to ensure that the *Emissions Reduction Fund* is designed and implemented effectively. Council would be pleased to facilitate an Emissions Reduction Fund roundtable to assist the Australian Government to engage directly with our industry and community. Another option to engage with partners locally is to host a series of community conversations to facilitate education and awareness in the region.

Council understands that during 2014 the Australian Government will release an *Energy White Paper* and an *Agricultural Competitiveness White Paper* and seeks to have early discussions with the Australian Government on the potential opportunities and impacts of these, combined with the *Emissions Reduction Fund Green Paper* on our local economy and community.



## ***Latrobe City Council Policy Context***

### *Council Plan 2013-2017*

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

### *Positioning Latrobe City for a Low Carbon Emission Future (2010)*

Latrobe City Council has developed a comprehensive policy designed to assist our community to successfully transition to a low carbon future. The development of *Positioning Latrobe City Council for a Low Carbon Emission Future (2010)* (included as attachment 1) has allowed Council to identify the expected implications of Government greenhouse gas emission mitigation policies on the City. The policy proposes transition arrangements, including interventions and support mechanisms, to enable Latrobe City to optimise its transition.

### *Economic Sustainability Strategy 2011-2015*

Council's Economic Sustainability Strategy (attachment 2) aims 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 by:

- Facilitating sustainable economic development in Latrobe City.
- Diversifying the economic base.
- Capturing opportunities arising from a low carbon economy.
- Delivering growth in employment opportunities and job security for the Latrobe City community.



### *Securing Our Future 2013*

Council has recently completed the development of *Securing Our Future 2013* (included as attachment 3) which outlines Latrobe City Council's key priorities for local projects that can create real and sustainable growth and jobs within our municipality. Council's goal is to ensure that our community is well positioned to take advantage of structural adjustment funding opportunities and other initiatives. 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.
- Liveability - Gippsland's regional city.

### ***Latrobe City Council Low Carbon Transition Historical Context***

Latrobe City has long been identified as a community likely to be exposed to significant structural adjustment pressures as a result of the introduction of greenhouse gas mitigation schemes. A successful transition to a low carbon future is critical to Latrobe City as the municipality currently supplies over 90% of Victoria's electricity generation requirements and extensive electricity distribution infrastructure links the existing generation facilities to Melbourne. The low cost electricity generated in the Latrobe Valley from brown coal resources has contributed to Victoria's, and indeed Australia's, economic prosperity over the last 90 years. However, the high moisture content of brown coal, used for electricity generation, means that the greenhouse gas emissions currently produced using existing technology are high relative to other forms of electricity generation.

Latrobe City Council has been preparing for the introduction of greenhouse mitigation schemes since 2009 through the development of a comprehensive strategy and plan to assist our community and economy to transition smoothly to a low carbon future. In more recent times Council has formalised a list of projects for funding and assistance that will create real and sustainable jobs for the municipality. Council has worked tirelessly to inform the community as to what is expected to occur and to advocate for a smooth transition where our economy is not adversely and disproportionately impacted. An influence and key driver of Council's work in the area of transition has been the lessons learned from the privatisation of the former State Electricity Commission of Victoria. The post privatisation era saw long periods of poor investment in community infrastructure and planning. These impacts are still fresh in the minds of many of our community as they face the transition to a low carbon future.





**Emissions Reduction Fund Green Paper**

<b>Emissions Reduction Fund</b>	<b>Latrobe City Council Submission</b>
<p>Government commitment to reduce Australia's emissions to five per cent below 2000 levels by 2020.</p>	<p>Council supports international and Australian efforts to address climate change.</p>
<p><b>1.3 Sources of Low-Cost Emissions Reductions</b></p> <p>Climateworks bottom-up modelling to develop an emissions reduction cost curve to estimate size and cost of emissions reduction opportunities across Australia for the year 2020.</p>	<p>That the Australian Government provides early assistance to the Gippsland region to utilise the work already completed for the Gippsland region through the "Low Carbon Growth Plan for Gippsland". The Plan demonstrates that Gippsland could save almost \$100 million a year across the regional economy while reducing greenhouse gas emissions by up to 10% below 2000 levels by 2020 (excluding the power sector).</p>
<p><b>1.4 Direction Action</b></p> <p>The Government will work in partnership with businesses to meet Australia's emissions reduction challenge.</p>	<p>Council supports this approach and advocates that a smooth and successful transition for the Latrobe Valley and broader Gippsland region will require a partnership approach between community, business and industry, Council and the State and Federal Government.</p> <p>Council requests that the Australian Government consider piloting, in the Gippsland region, a community education and awareness component of the Direct Action Plan and the <i>Emissions Reductions Fund</i> (once finalised). The rationale for this pilot would be the impact that a range of proposed schemes has had on the confidence of our local community. Council would be pleased to facilitate a roundtable with industry and community leaders to further scope this approach.</p>





	<p>The extent to which businesses will be able to minimise costs, identify opportunities that flow from the Australian policies to reduce carbon emissions and implement these opportunities will depend on their understanding of the workings of the scheme and their capacity to respond. A well informed, well-resourced business community is a necessary precursor to delivery of business innovation in the context of a carbon constrained economy.</p> <p>As outlined in Council's adopted policy <i>Positioning Latrobe City for a Low Carbon Emission Future</i>, funding is sought for a number of full time "Carbon Assist" positions over three years, and located in the Latrobe City Council offices to provide support for businesses under an <i>Emissions Reduction Fund</i>. The proposed model is similar to that used to manage the GST transition process and Latrobe City could potentially support an early pilot of the concept prior to a broader roll-out of the scheme. The Carbon Assist positions could focus specifically on households, community groups, and small to medium enterprises. The positions would work with local households and industries to:</p> <ul style="list-style-type: none"><li>• keep them up to date with developments in the roll-out of Australian Government emissions reduction policies as well as new policy initiatives;</li><li>• provide training on energy and carbon management and methods to minimise their costs; and</li><li>• assist businesses and individuals to identify and capture opportunities arising from Australian Government emissions reduction policies.</li></ul>
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<p><b>1.7 Consultation and Review</b></p> <p>The Government will work with communities and businesses to ensure that the Emissions Reduction Fund is designed and implemented effectively.</p> <p>A review of the Emissions Reduction Fund will commence towards the end of 2015.</p>	<p>There remains in the local community a variable awareness and understanding of the potential implications of policies to reduce carbon emissions. Additionally, the extent to which businesses will be able to minimise costs, identify opportunities that flow from the <i>Emissions Reduction Fund</i> to reduce carbon emissions and implement these opportunities will depend on their understanding of the workings of the Fund and their capacity to respond.</p> <p>Latrobe City Council continues to advocate for the delivery of an ongoing community awareness program in order to adequately engage our community on this issue.</p> <p>Council supports continuous review of policies and programs but seeks confirmation from the Australian Government that the 2015 review will be undertaken in a manner which will minimise community and business uncertainty and confidence levels.</p>
<p><b>3.2 Contracting for Successful Projects</b></p> <p><b>3.2.2 Duration of Contract</b></p> <p>The duration of the contract is the period over which the Government will guarantee to purchase emissions reductions at a price awarded through the auction process. Contracts would have a maximum duration of five years from their date of effect.</p>	<p>Council's view is that a five year timeframe for major projects and investments is insufficient. Council requests that the Australian Government undertake further consultation on the payback period that firms require when making investments. Council submits that the period is more aligned to a 15-20 year timeframe to provide commercial viability of proposed investments in the region.</p>



#### 4.4 New Investments

New investments will typically be made in the most efficient, commercially viable technology available. *The Emissions Reduction Fund* would put in place a framework that supports new facilities or significant expansions at best practice.

A carbon constrained world presents opportunities for Latrobe City to diversify its economy by attracting new industries as well as capitalising on existing businesses, services and skills in the region. Low emission serviced based industries such as health and education provide opportunities to enhance Latrobe City's reputation as the service hub in Gippsland.

The significant brown coal resource in the Latrobe Valley presents coal based manufacturing opportunities in:

- Liquid fuel production
- Fertiliser manufacture
- Biodegradable plastic manufacture
- Petrochemical manufacture.

In addition to these opportunities Council is highly supportive of the manufacturing sector which has seen significant investment in Latrobe City in recent years including:

- Australian Paper Recycling Plant \$90 million.
- National Foods Expansion \$55 million.
- Mahindra investment for majority ownership of Gipps Aero \$22 million.
- Safetech Expansion \$39 million.

In order for such investment to continue, Council's position is that it is vital that *Emissions Reduction Fund* provides investors with long term investment certainty and confidence. Council requests that the Australian Government consider the development of communication strategies to ensure that investor confidence is maintained.

Latrobe City Council notes the Australian Government position of welcoming and supporting growth in new economic



	<p>activities and facilities. Council would welcome the opportunity to engage with the Australian Government on the potential impacts of the <i>Emissions Reduction Fund</i>, to ensure current and future investment decisions are not adversely affected.</p>
<p><b>4.6 Electricity Generation</b></p> <p>The Government will review the Renewable Energy Target in 2014 to ensure it is operating efficiently and effectively. The review will be an open and transparent process and will consider the impact of the Renewable Energy Target on electricity prices and the needs and future of the Australian manufacturing sector.</p>	<p>Latrobe City currently supplies over 90% of Victoria's electricity generation requirements and extensive electricity distribution infrastructure links the existing generation facilities to Melbourne. The low cost electricity generated in the Latrobe Valley from brown coal resources has contributed to Victoria's economic prosperity over the last 90 years. Council supports the retention of existing brown coal related jobs within the municipality and encourages investment in alternative uses and markets for coal.</p> <p>Latrobe City Council submits that the brown coal resource continues to have strong role to play in the provision of low cost generation which will facilitate manufacturing in Victoria.</p> <p>Latrobe City Council supports the balanced use of brown coal as an energy source and supports low emission coal technology research efforts and the development of pilot plants and research facilities in the Latrobe Valley.</p> <p>With the vast brown coal resource, existing electricity generation infrastructure and a university campus based locally, Latrobe City is well positioned to accommodate research and development initiatives.</p> <p>Council acknowledges the 50% of funding contribution by the Australian Government for the \$90 million Advanced Lignite Demonstration Fund to support projects to</p>





	<p>develop pre-commercial demonstration scale, coal upgrading processes for raw lignite in the Latrobe Valley.</p> <p>Council would welcome the opportunity to engage with the Australian Government on the opportunities presented by the <i>Emissions Reduction Fund</i>, to attract investment in research and development.</p>
<p><b>5.1 Carbon Farming Initiative</b></p> <p>The <i>Emissions Reduction Fund</i> will build on and streamline the existing architecture of the Carbon Farming Initiative. Views are sought on:</p> <ul style="list-style-type: none"> <li>Options for streamlining the Carbon Farming Initiative</li> <li>How to best encourage the uptake of land sector activities</li> </ul>	<p>Latrobe City Council is committed to managing and 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.</p> <p>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 <i>Emissions Reduction Fund</i> is finalised, to outline the risks and benefits of participation and to provide pragmatic advice on how to progress initiatives.</p> <p>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.</p> <p>A productive timber and forestry industry operates from the Gippsland region, producing softwood, value-added hardwood and paper products. Council advocates for the establishment of research facilities in the Latrobe City to enable development of innovative technology for the forestry, wood and paper sector.</p>



#### 6. Administration

Management of the *Emissions Reduction Fund* processes by a single agency from project start to finish would:

- Provide a one-stop-shop for businesses
- Help to streamline processes and minimise implementation costs, risks and timeframes
- Facilitate participation in the *Emissions Reduction Fund*

Latrobe City Council is committed to proactively working with the Australian Government to raise community awareness of the details of the *Emissions Reduction Fund*.

Council is seeking to maintain strong partnerships with both the Australian and Victorian Governments to ensure that our community is well informed of the expected impacts and opportunities of the finalised *Emissions Reduction Fund*.

Council supports processes that are streamlined and reduce implementation costs, risks and timeframes for the business community.

Council advocates that the optimal way to facilitate participation in the *Emissions Reduction Fund* is through education programs to businesses and communities well ahead of implementation.





**Australian Government**  
**Department of the Environment**

# Emissions Reduction Fund Green Paper



## Disclaimer

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## MINISTERIAL FOREWORD

The Government's Plan for a Cleaner Environment will reduce Australia's greenhouse gas emissions by creating positive incentives to adopt better technologies and practices to reduce emissions. It will provide a lasting and stable policy framework for investment, underpinned by strong partnerships with businesses and the community.

Rather than a punitive carbon tax, the Australian Government will employ its Direct Action Plan to reduce Australia's domestic emissions. At the heart of that plan is the Emissions Reduction Fund.

The Emissions Reduction Fund is a classic market mechanism. It is a reverse auction to buy back the lowest-cost abatement. This is, for example, the same approach used for buying back water.

At a global level, the world has two major approaches to emissions reductions. The first is a carbon tax, or an emissions trading scheme (ETS). There has been considerable uncertainty and policy instability within many of these schemes around the world.

In addition, as the Productivity Commission has noted:

*no country currently imposes an economy wide tax on greenhouse emissions or has in place an economy-wide ETS.<sup>1</sup>*

A significant distinction can be drawn between the Australian carbon tax/ETS and other models, because of the unique breadth, depth and impact of the Australian carbon tax. The previous Government's carbon tax, whether in its fixed or floating form, essentially relies on driving up the cost of electricity and gas as its primary mechanism.

The alternative global model is purchasing abatement. Instead of a heavy punitive tax, a buy-back model focuses on activities that reduce emissions. This is the basis of the largest and arguably the most effective system in the world, the United Nations Clean Development Mechanism, which to date has generated approximately 1.4 billion tonnes of emissions reductions.

It is this model, supported by a carbon buy-back or Emissions Reduction Fund, which the Government proposes for Australia. The Emissions Reduction Fund will be designed to provide a powerful and direct incentive for businesses across the Australian economy to work with the Government to reduce their emissions.

As set out in the Direct Action Plan, the Emissions Reduction Fund will extend from 1 July 2014 to 2020 and will include initial allocations of \$300 million, \$500 million and \$750 million over the forward estimates.

The Emissions Reduction Fund will provide a pool of capital to purchase the lowest cost abatement through a reverse auction, and this will be a far more effective means of reducing Australia's emissions than the carbon tax.

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<sup>1</sup> Productivity Commission, *Carbon Emission Policies in Key Economies*, 2011.

The Government's preferred design is presented in this Emissions Reduction Fund Green Paper, and reflects feedback from the community and business. Appendix A of this paper provides the full list of the Government's preferred positions.

We want to recognise low-cost, effective abatement opportunities.

The lowest-cost abatement projects might be projects to clean up waste coal mine gas, clean up power stations or to capture landfill gas. Projects may be for improving energy efficiency in commercial buildings, replanting marginal lands, improving soil productivity or reforestation.

I would like to extend my thanks to the organisations, businesses and individuals who have taken the time so far to contribute their expertise and ideas on the design of the Emissions Reduction Fund.

I look forward to working with businesses and the community to further refine the design of the Emissions Reduction Fund for the release of the White Paper in early 2014.

Our goal is to conserve our natural environment while ensuring strong economic growth.

Greg Hunt  
Minister for the Environment



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## EXECUTIVE SUMMARY

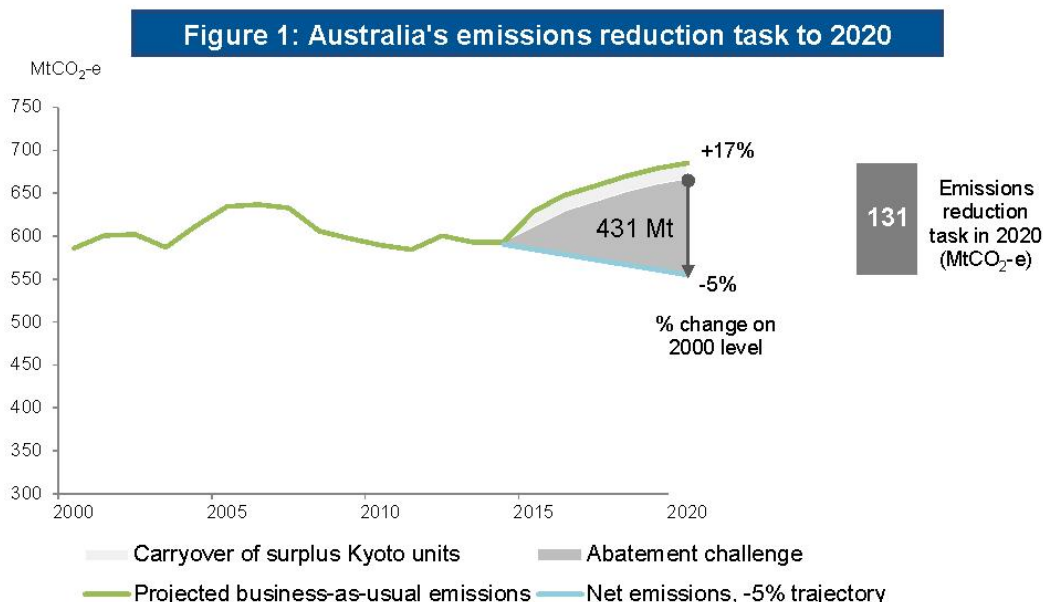
The Australian Government acknowledges the science of climate change and supports national and global efforts to reduce greenhouse gas emissions.

The Government has committed to reduce Australia's emissions to five per cent below 2000 levels by 2020 and to review our position in 2015 as part of the global negotiations regarding international commitments both pre- and post-2020. This target poses a significant challenge. Without positive and direct action by the Government, industry and community, Australia's national emissions will grow strongly to 2020 as the economy grows.

The Government will introduce a mix of policies to promote the adoption of better technologies and practices that will allow Australia to enjoy the benefits of economic growth without an accompanying rise in greenhouse gas emissions. Actions to reduce greenhouse gas emissions have valuable co-benefits. For example, households and businesses can save money by improving their energy efficiency, and revegetation can improve water quality, and reduce erosion and salinity.

Australia's emissions growth is already being offset by policy actions to reduce emissions, such as the Renewable Energy Target and energy efficiency standards on appliances, equipment and buildings.

The latest estimates of Australia's future greenhouse gas emissions reflected in *Australia's Abatement Task and 2013 Emissions Projections* confirm that on current trends, Australia faces a cumulative emissions reduction task of around 431 MtCO<sub>2</sub>-e from 2014 to 2020, or 131 MtCO<sub>2</sub>-e in 2020 alone (see Figure 1).



**Source:** Department of the Environment, *Australia's Abatement Task and 2013 Emissions Projections*, 2013.

**Notes:** The Kyoto Protocol allows countries that over-achieve in meeting their Kyoto target in the first commitment period to credit that over-achievement against the target for the second commitment period by 'carrying over' surplus Kyoto units. Emissions are presented using the Intergovernmental Panel on Climate Change's Fourth Assessment Report global warming potentials.



To meet this objective, the Government will implement a practical policy to achieve emissions reductions; a policy that delivers benefits to Australian landholders and businesses to strengthen our economy.

The Emissions Reduction Fund sits at the centre of the Direct Action Plan which was launched in 2010. The Direct Action Plan outlines how the Government will meet its five per cent reduction target and includes funding for the One Million Solar Roofs and the 20 Million Trees programmes, and the Solar Towns and Solar Schools initiatives. These are practical policies that together will reduce Australia's emissions at low cost and without directly adding to household and business energy costs.

Three principles will guide decisions on the design of the Emissions Reduction Fund:

- **Lowest-cost emissions reductions.** The Emissions Reduction Fund will identify and purchase emissions reductions at the lowest cost.
- **Genuine emissions reductions.** The Emissions Reduction Fund will purchase emissions reductions that make a real and additional contribution to reducing Australia's greenhouse gas emissions.
- **Streamlined administration.** The Emissions Reduction Fund will make it easy for businesses to participate.

Reflecting these three design principles, the Government proposes that the Emissions Reduction Fund should have three simple elements: crediting emissions reductions, purchasing emissions reductions, and safeguarding emissions reductions.

*The Emissions Reduction Fund will be designed to achieve lowest-cost emissions reductions as its primary objective.*

*Views are sought on opportunities for large-scale, low-cost emissions reductions, including estimates of potential reductions.*

## CREDITING EMISSIONS REDUCTIONS

Businesses have identified a wide range of emissions reduction opportunities — upgrading appliances, and heating and cooling systems in commercial buildings; improving the energy efficiency of industrial facilities; reducing electricity generator emissions; capturing landfill gas; reducing waste coal mine gas; reforestation and revegetation of marginal lands; improving Australia's agricultural soils; upgrading vehicles and improving transport logistics; and managing fires in savanna grasslands.

Different estimation methods will be needed to calculate emissions reductions from different activities. Emissions reductions identified using these methods will be eligible for sale into the Emissions Reduction Fund.

The Emissions Reduction Fund will deliver the best value for money if it provides incentives for genuine emissions reductions, that is, reductions that would not have occurred without the Emissions Reduction Fund. This is often referred to as the concept of 'additionality'. To be effective and encourage participation in the Emissions Reduction Fund, emissions reduction methods should provide simple ways to identify additional emissions reduction opportunities while minimising administration costs for business.

Emissions reduction methods will be developed in consultation with business and technical experts. In the early stages of the Emissions Reduction Fund, the Government will work with

industry to develop methods that have the greatest prospect of delivering large volumes of low-cost emissions reductions. Methodologies for a range of land sector activities that have already been developed under the Carbon Farming Initiative will continue to apply under the Emissions Reduction Fund.

To enable a wide range of businesses to participate in the Emissions Reduction Fund, a menu of emissions reduction methods will be developed.

- **For specific emissions reduction activities.** Activity methods will be developed for specific emissions reduction activities, such as landfill gas capture, energy efficiency and land sector projects. For energy efficiency activities it will be important that the Emissions Reduction Fund complements rather than duplicates existing state schemes that promote energy efficiency.
- **For large facilities, including major industrial emitters.** Facility-wide methods will be developed using existing data under the National Greenhouse and Energy Reporting Scheme to measure emissions reductions.

Some emissions reduction activities such as revegetation and household and commercial energy efficiency are small-scale actions that could be most cost-effectively implemented through aggregation. The Government will therefore encourage project aggregation and facilitate project development so that small businesses, households and farm groups can simply access the Emissions Reduction Fund in a practical and cost effective way.

Emissions reductions will be recognised by the issue of Australian Carbon Credit Units, as currently occurs under the Carbon Farming Initiative. The existing National Greenhouse and Energy Reporting Scheme, including its audit framework, will help streamline the process for reporting and verification. This approach will simplify the process for purchasing emissions reductions.

As occurs under the Carbon Farming Initiative, Australian Carbon Credit Units will constitute personal property with legal title registered in the Australian National Registry of Emissions Units. The Clean Energy Regulator will issue Australian Carbon Credit Units based on actual reductions in emissions. This will provide certainty for businesses and enhance the credibility of emissions reductions. It will also provide businesses with the flexibility to sell their credits into the Emissions Reduction Fund or to keep them for alternative uses, such as voluntary offset programmes.

*Emissions reduction methods will be developed to calculate genuine and additional emissions reductions from new actions that are not mandatory and have not been paid for under another programme.*

*Views are sought on how best to:*

- *ensure that emissions reductions are genuine*
- *develop methods for calculating emissions reductions from priority activities*
- *facilitate the aggregation of emissions reductions across projects and activities.*

## **PURCHASING EMISSIONS REDUCTIONS**

The Government proposes that the Clean Energy Regulator operate a procurement process to purchase emissions reductions at the lowest available cost.



This approach is akin to a reverse auction, a mechanism that has been used in Australia and overseas to identify the lowest cost available for emissions reductions and other types of environmental goods and services. Simple tenders and other reverse auction approaches create competitive pressures which would enable the lowest-cost emissions reductions to be identified and purchased by the Emissions Reduction Fund.

At the start of the Emissions Reduction Fund, a simple process would be adopted to make it as easy as possible for businesses to participate. Businesses could submit bids at any time and, at regular intervals, the Clean Energy Regulator could run tender rounds to select eligible offers on a lowest-cost priority basis up to a benchmark price. This benchmark would be commercial-in-confidence to encourage businesses to submit their lowest price.

Once the supply of emissions reductions is well established, the Clean Energy Regulator would move to a more formal auction process. Future auctions would take place several times a year, depending on the supply of projects.

*Initially the Clean Energy Regulator could run relatively frequent tender rounds to bring forward the delivery of emissions reductions.*

*The Clean Energy Regulator would apply a benchmark price — the maximum amount it would pay per tonne of emissions reduced — with only bids costing less than the benchmark price being considered.*

*Views are sought on how best to:*

- *facilitate early participation in the Emissions Reduction Fund*
- *operate an efficient auction process to secure lowest-cost emissions reductions.*

The Government will enter into forward contracts with successful bidders, a process that will guarantee payment for the future delivery of emissions reductions. Businesses could use forward contracts to secure project finance as necessary before projects are implemented.

Purchase contracts will be standardised to reduce transaction costs, increase transparency and ensure projects are assessed on equal terms. Contracts will include a range of standard commercial provisions to manage changes in circumstances that could affect the implementation of projects and the delivery of emissions reductions. The Clean Energy Regulator could seek redress if emissions reductions are found not to have occurred.

Publication of information about auction results will assist potential participants to consider future project proposals. The public is also likely to have significant interest in the progress of the Emissions Reduction Fund.

*Standard contracts will be used to guarantee payments for verified emissions reductions. These would have a maximum duration of five years and include options for addressing under-delivery of emissions reductions.*

*Views are sought on how best to provide:*

- *funding certainty for businesses*
- *confidence that projected emissions reductions will be delivered.*

## **SAFEGUARDING EMISSIONS REDUCTIONS**

The Emissions Reduction Fund is designed to allow businesses to continue ordinary operations without penalty. It is founded on a presumption of economic growth as a positive

and inevitable good for Australia. Against that background, an essential part of the Emissions Reduction Fund is that it has a framework that sets out clear guidelines for businesses to operate within.

Businesses will be encouraged to decrease emissions below their historical business-as-usual levels through the Emissions Reduction Fund. In addition, a mechanism will be developed in conjunction with businesses to provide incentives not to exceed historical emissions baselines.

This element will safeguard the value of funds expended under the Emissions Reduction Fund and provide businesses with a stable and predictable policy landscape in which to make new investments.

The safeguard mechanism could apply to facilities currently reporting information under the National Greenhouse and Energy Reporting Scheme and could commence from 1 July 2015 to provide sufficient time for consultation with businesses on baselines and the treatment of new market entrants. Specific provision would be made to encourage efficient greenfield and brownfield expansions as an integral part of national economic development.

No revenue is sought nor will any be budgeted by the Government as part of the safeguard mechanism.

Given the significance of the electricity sector to Australia's emissions profile and the upcoming review of the Renewable Energy Target in 2014, the Government will work closely with the sector on how the policy can best apply to its needs.

*A safeguard mechanism will be introduced to provide incentives to reduce emissions above historical business-as-usual levels.*

*Views are sought on:*

- *the coverage of the mechanism*
- *how baselines could most easily be set to effectively limit increases in historical business-as-usual emissions*
- *the treatment of new entrants and significant expansions, including definitions of best practice*
- *compliance options in the event that baselines are exceeded.*

## **BUILDING ON THE CARBON FARMING INITIATIVE**

The Government proposes to build on the Carbon Farming Initiative and make use of the National Greenhouse and Energy Reporting Scheme to implement the Emissions Reduction Fund. The Clean Energy Regulator administers both schemes and is best placed to implement the Emissions Reduction Fund. This will provide continuity for business and enable streamlined administrative arrangements.

The Carbon Farming Initiative will continue to operate while the Emissions Reduction Fund is implemented. At the same time, the Government will work with participants to improve the administration of the Carbon Farming Initiative.

Proponents of Carbon Farming Initiative projects will be well placed to bid into the Emissions Reduction Fund because there are already methodologies for many land sector activities and more will be approved before the Emission Reduction Fund begins on 1 July 2014. Methodologies made under the Carbon Farming Initiative legislation will continue to apply



under the Emissions Reduction Fund. This will allow new land sector projects to be approved using these methodologies.

Through the Emissions Reduction Fund auction arrangements, the Government may purchase emissions reductions (that is, Australian Carbon Credit Units) from existing or planned Carbon Farming Initiative projects, depending on the price of bids. This will provide a simple way for participants in the Carbon Farming Initiative to secure a return from eligible projects following the repeal of the carbon tax.

*The Emissions Reduction Fund will build on and streamline the existing architecture of the Carbon Farming Initiative.*

*Views are sought on:*

- *options for streamlining the Carbon Farming Initiative*
- *how best to encourage the uptake of land sector activities.*

## **IMPLEMENTING THE EMISSIONS REDUCTION FUND**

The Emissions Reduction Fund will commence on 1 July 2014 and will be administered by the Clean Energy Regulator.

The Clean Energy Regulator is already established and has the required expertise, as it currently administers the Carbon Farming Initiative and the National Greenhouse and Energy Reporting Scheme, both of which provide the building blocks for the Emissions Reduction Fund.

The Emissions Reduction Fund will be implemented by expanding the coverage of the Carbon Farming Initiative legislation to enable emissions reductions across the economy to be credited, and through the National Greenhouse and Energy Reporting legislation to allow the safeguard mechanism to be applied.

*The Emissions Reduction Fund will be administered by the Clean Energy Regulator.*

*Views are sought on the proposed governance arrangements.*

The Government will undertake a review of the Emissions Reduction Fund which will commence towards the end of 2015. The findings of the review could be used to inform the Government when it considers the post-2020 architecture of its Direct Action Plan.

*The Government will conduct a review of the Emissions Reduction Fund towards the end of 2015 so as to provide certainty about the policy and design intent post-2020.*

*Views are sought on the timing and conduct of a review.*

## **MAKING A SUBMISSION**

The Government is committed to consulting widely with the community and businesses on the development of the Emissions Reduction Fund. Already 290 submissions have been received in response to the terms of reference on the Emissions Reduction Fund.

The Government invites written submissions on the Emissions Reduction Fund Green Paper from all interested businesses and members of the community. Submissions received in response to the Green Paper will be considered in a consultative process leading up to the release of a White Paper in early 2014.

Submissions are due by 21 February 2014. Any submissions received after this date will be considered at the Government's discretion. Submissions made in response to the Emissions Reduction Fund Terms of Reference will continue to be considered. Submissions made in response to the terms of reference can be re-submitted in full or in part, taking into account the additional information reflected in the Green Paper.

Each submission, unless it is explicitly provided in confidence, will be published on the Department of the Environment's website. Submissions will remain on the Department's website. Copyright will reside with the author(s) and not with the Government.

#### *Submission guidelines*

Where possible submissions should be sent electronically, preferably in Microsoft Word or other text-based formats, to the email address listed below. Alternatively, submissions may be sent to the postal address below to arrive by close of business on the above due date.

All submissions must include a cover sheet, available at [www.environment.gov.au](http://www.environment.gov.au).

Submissions can be forwarded to:

Email: [emissions-reduction-submissions@environment.gov.au](mailto:emissions-reduction-submissions@environment.gov.au) (preferred)

Postal: Emissions Reduction Fund Submissions  
Department of the Environment  
GPO Box 787  
CANBERRA ACT 2601

For further information, or to request a hard copy of the Green Paper, please call 1800 852 974.

#### *Confidentiality statement*

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential.'

Public submissions, including any personal information of the author(s) and/or other third parties contained in the submission, may be published in full on the Department's website.

If a submission contains the personal information of any third party individuals, please indicate on the cover sheet of the submission whether they have provided consent to the publication of their information.

Any request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.



## 1. INTRODUCTION

The Australian Government acknowledges the science of climate change. The world's leading scientific organisations, including Australia's Bureau of Meteorology, the Commonwealth Scientific and Industrial Research Organisation and the Australian Academy of Science, have found that the Earth's climate is changing as a result of human activities and that further change is projected.

### 1.1 GLOBAL ACTION

Climate change can be effectively mitigated only if all major economies take coordinated action to restrain emissions to limit temperature rise.

Australia will work towards an international agreement that will establish for the first time from 2020 a common platform for all countries to take serious coordinated global climate action that is economically and fiscally responsible. The agreement must be one where all major economies, including Australia's key trading partners and competitors, play a real part in controlling their emissions through comparable global action.

Australia will review its climate change policy in 2015, considering further action and targets on the basis of comparable real global action, in particular by major economies and trading partners, and progress on the new agreement.

The Government has committed to reduce Australia's emissions to five per cent below 2000 levels by 2020. The latest estimates of Australia's future greenhouse gas emissions reflected in *Australia's Abatement Task and 2013 Emissions Projections* confirm that on current trends Australia faces a cumulative emissions reduction task of around 431 MtCO<sub>2</sub>-e from 2014 to 2020, or 131 MtCO<sub>2</sub>-e in 2020 alone (see Figure 1).

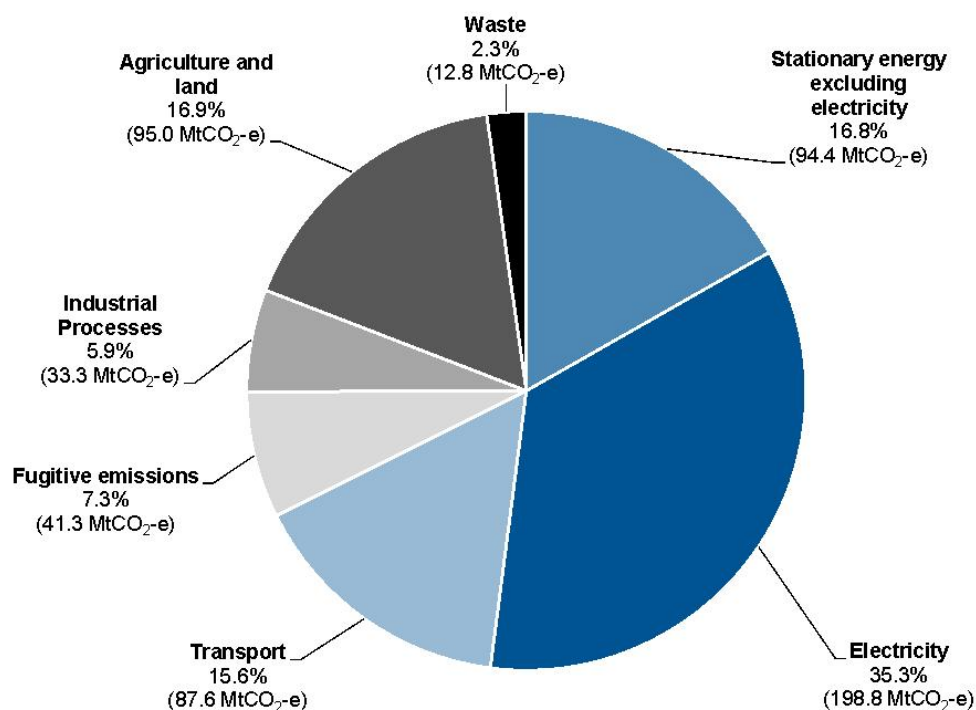
### 1.2 AUSTRALIA'S EMISSIONS

The starting point for Australia's challenge is to look at our current emissions profile. In 2011, Australia's emissions were 563 million tonnes of carbon dioxide equivalents (see Figure 1.1), with these emissions spread broadly across the economy.<sup>2</sup> In 2011, electricity generation contributed just over one-third of total emissions (199 MtCO<sub>2</sub>-e), with other stationary fuel combustion, transport, and agriculture/land contributing around one-sixth each (94 MtCO<sub>2</sub>-e, 88 MtCO<sub>2</sub>-e and 95 MtCO<sub>2</sub>-e respectively). Collectively, industrial (chemical) processes, fugitives and waste emissions together contributed the final one-sixth of Australia's emissions (87 MtCO<sub>2</sub>-e).

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<sup>2</sup> Australian Government, *Australia's National Inventory Report 2011, 2013*.

Figure 1.1: Australia's National Inventory 2011



**Source:** Australian Government, *Australia's National Inventory Report 2011*, 2013.

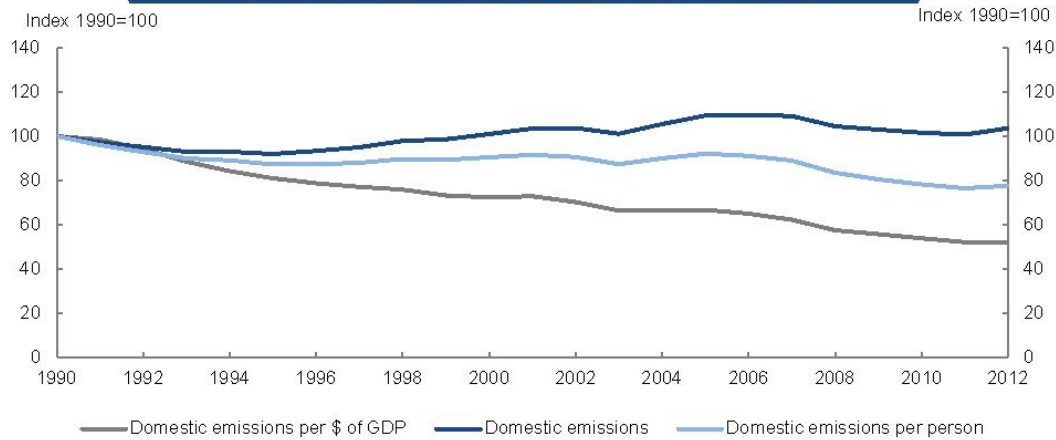
**Note:** Figures are expressed using Kyoto Protocol accounting rules in terms of carbon dioxide equivalents (CO<sub>2</sub>-e), using the global warming potentials published in the Intergovernmental Panel on Climate Change's Second Assessment Report.

In total, Australia contributes around 1.3 per cent of total global emissions and is the fifteenth largest emitter of greenhouse gases in the world. Compared to many other nations, Australia has a relatively emissions-intensive economy and high per capita emissions, mostly due to the extensive use of black and brown coal in its electricity supply.

Over the past decades, coal has provided Australia with cheap and reliable power which has helped underpin Australia's economic growth and prosperity. Affordable energy has also been a key source of competitive advantage for Australia on global markets.

Australia is already reducing its emissions. Since 1990, the emissions intensity of the Australian economy has fallen by around 50 per cent from 0.8 kilograms of carbon dioxide equivalents (kgCO<sub>2</sub>-e) per dollar of Gross Domestic Product to 0.4 kgCO<sub>2</sub>-e per dollar of Gross Domestic Product (see Figure 1.2). This reduction has been driven by a number of factors, including the Australian economy's move away from emissions-intensive industries, and the policies in place over a long time to improve energy efficiency and reduce emissions.

**Figure 1.2: Emissions intensity of the economy**

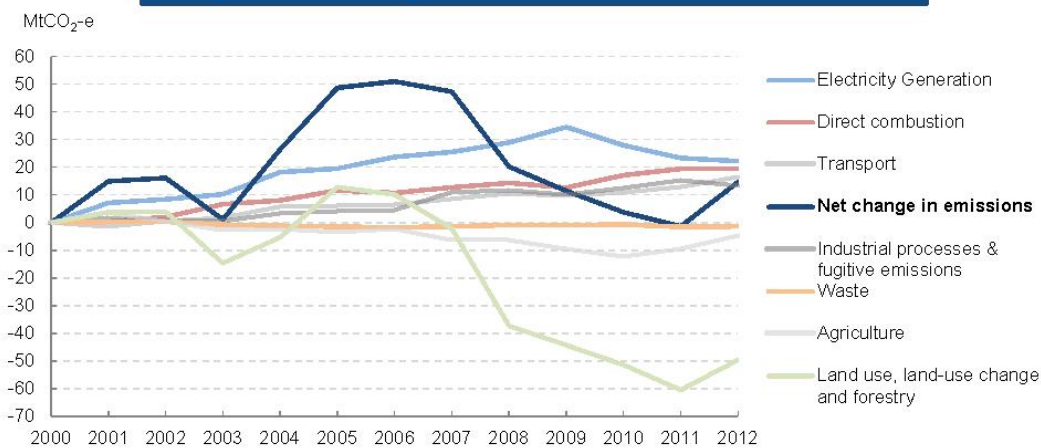


**Source:** Treasury and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Climate Change Mitigation Scenarios*, 2013.

**Note:** Emissions are presented using the Intergovernmental Panel on Climate Change’s Fourth Assessment Report global warming potentials.

A number of key emissions reduction measures have been implemented over the past two decades and have significantly reduced emissions. These include land clearing regulations in New South Wales and Queensland, which have resulted in a significant fall in land use and land-use change emissions. Additionally, the Renewable Energy Target and energy efficiency programmes for industry, appliances and buildings have contributed to the recent decline in emissions from electricity generation (see Figure 1.3). From 2008 to 2012, these measures alone are estimated to have accounted for over 41 million tonnes (Mt) of emissions reductions per annum, or roughly three quarters of emissions reductions from policy measures.<sup>3</sup>

**Figure 1.3: Change in historical emissions from 2000**



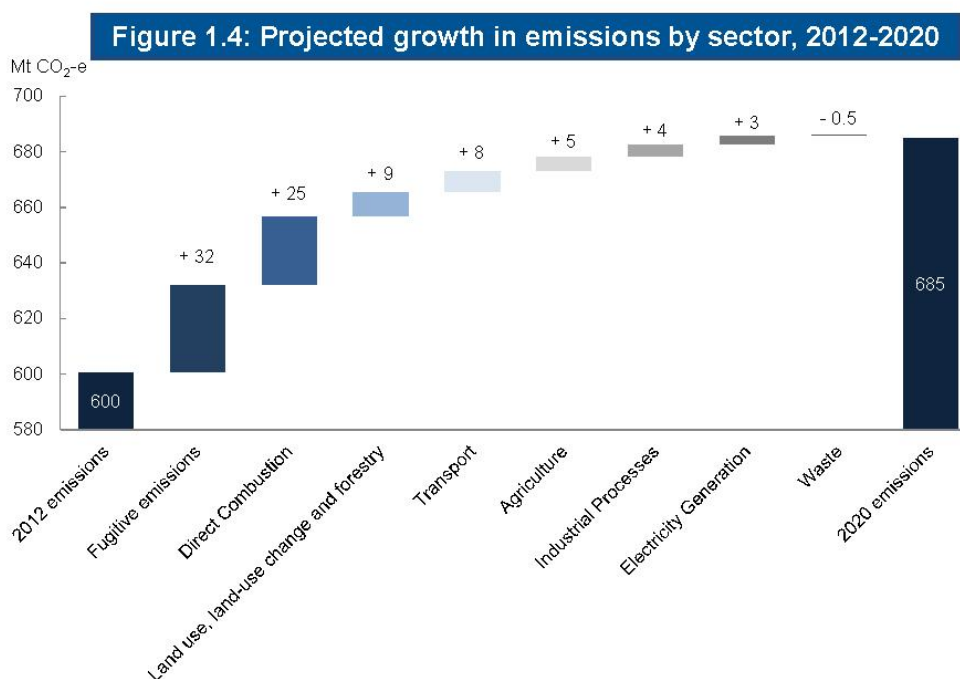
**Source:** Treasury and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Climate Change Mitigation Scenarios*, 2013.

**Note:** Emissions are presented using the Intergovernmental Panel on Climate Change’s Fourth Assessment Report global warming potentials.

<sup>3</sup> Australian Government, *Australia’s Emissions Projections*, 2010.

To date, policy measures, combined with structural changes in Australia's economy, have been effective in constraining Australia's emissions growth over the past two decades, with Australia's total emissions being at broadly the same level in 2011 as they were in 1990.

Over the next decade, even with these measures in place, Australia's emissions are projected to grow (see Figure 1.4). To achieve the five per cent cut in emissions, this implies an annual reduction of 131 MtCO<sub>2</sub>-e of emissions in 2020. After taking into account that Australia is likely to over-achieve its first Kyoto Protocol target, a total of 431 MtCO<sub>2</sub>-e of emissions reductions is likely to be needed over the period 2014 to 2020.



**Source:** Treasury and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Climate Change Mitigation Scenarios*, 2013.

**Note:** Totals may not add due to rounding. Emissions are presented using the Intergovernmental Panel on Climate Change's Fourth Assessment Report global warming potentials.

Projected emissions growth to 2020 is dominated by direct combustion and fugitive emissions associated with the production of energy resources. The key driver of this growth is the expected strong export demand for Australia's natural resources, particularly liquefied natural gas (LNG) and coal.

An expansion in Australian coal production is projected to be the main driver of growth in fugitive emissions, as new mines are developed to meet export demand. The rapid expansion of the Australian LNG industry, which is likely to see Australia's LNG production quadruple to 2020,<sup>4</sup> is the main contributor to growth in direct combustion due to the use of natural gas to run stationary equipment at LNG facilities.

<sup>4</sup> Bureau of Resources and Energy Economics, *Australian energy projections to 2034–35*, 2011.



Emissions from transport and industrial processes are expected to continue to grow to 2020. Agriculture emissions are also projected to grow, largely driven by growing demand for dairy and meat products overseas.

Projected emissions from electricity are projected to grow slowly to 2020 in response to existing policy measures such as the Renewable Energy Target and a reduced electricity demand outlook. Growth in the waste sector is also projected to be modest, with new technologies and the Carbon Farming Initiative helping to constrain emissions to 2020.

### **1.3 SOURCES OF LOW-COST EMISSIONS REDUCTIONS**

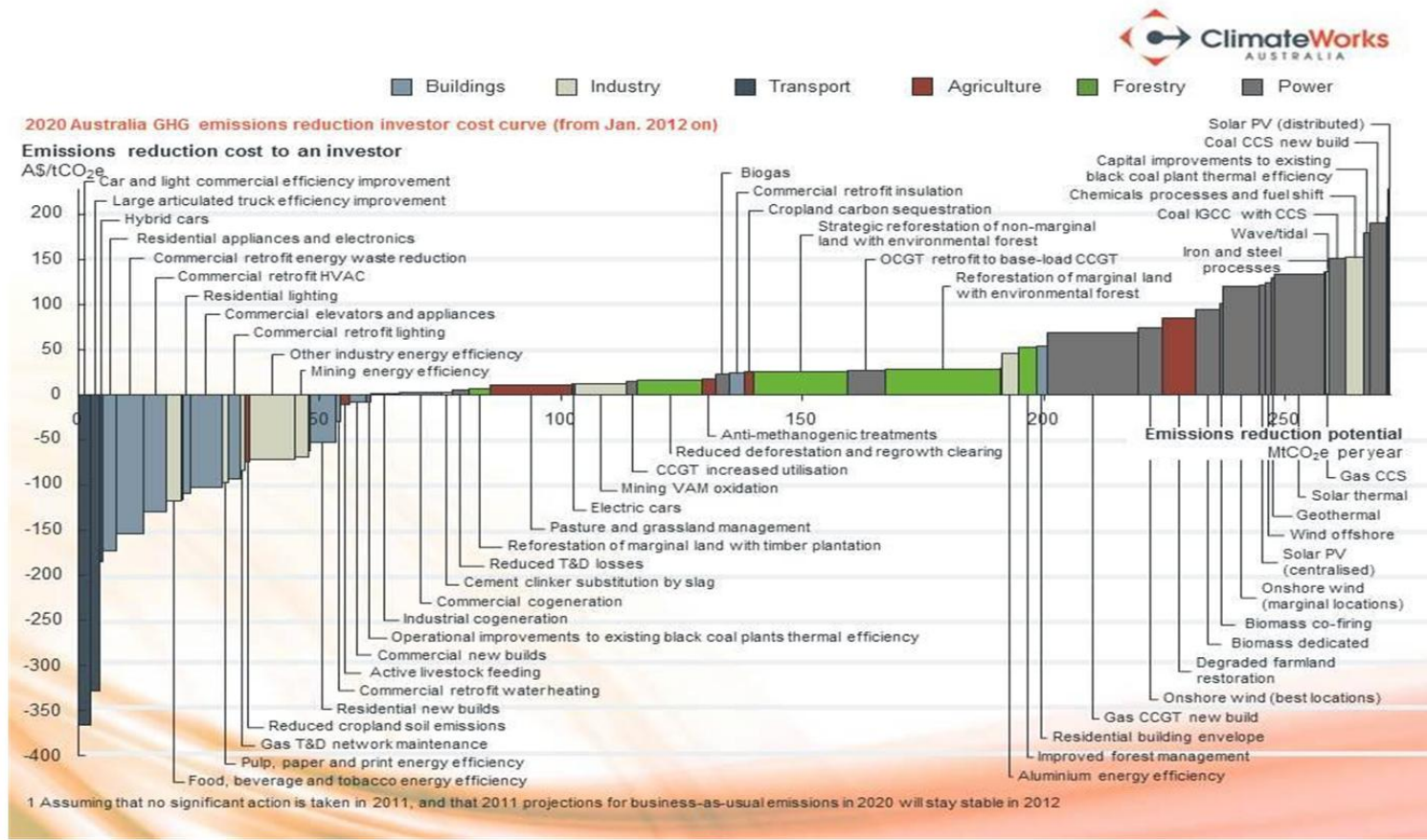
The Emissions Reduction Fund will be designed to generate emissions reductions at low cost across the economy. Businesses will determine which actions are brought forward, and the Government will work with businesses to ensure relevant measurement methods are available at the start of the Emissions Reduction Fund so that activities can be funded quickly and at scale. Input is sought from businesses on key activities that may warrant early attention to develop methodologies.

One approach to identifying sources of potential emissions reductions is through modelling, either 'top-down' analysis or 'bottom-up' technical analysis. For example, ClimateWorks has used bottom-up modelling to develop an emissions reduction cost curve that estimates the size and cost of emissions reduction opportunities across Australia for the year 2020 (see Figure 1.5).

This analysis helps to identify the scope for potential emissions reductions that could result if the identified actions were implemented across the economy. ClimateWorks found technical potential for around 60 Mt of annual emissions reductions to occur in 2020 through projects that would deliver net financial savings to investors. These projects include energy efficiency and fuel switch opportunities, as well as actions in the agriculture and forestry sectors. ClimateWorks also identified the potential for a further 80 Mt of annual emissions reductions, at higher cost in the electricity generation sector. These opportunities were identified as available between 2012 and 2020 and exclude transaction costs such as policy implementation costs.

Some, but not all, of these opportunities may be realised in the short to medium term. Some are relatively expensive, or face other non-financial barriers to uptake which can be overcome through the right mix of incentives — for example, energy efficiency improvements in the residential sector. Other opportunities reflect technologies that are not yet commercial, such as carbon capture and storage, or are still in the development stage, such as new industrial process technologies and livestock management techniques.

Figure 1.5: ClimateWorks cost curve



Source: ClimateWorks, *Low Carbon Growth Plan (2011 update)*, 2011 © Copyright, ClimateWorks).



Information about the most prospective low-cost emissions reduction opportunities is likely to come from industry.

Large energy users — that together account for more than 50 per cent of Australia's total energy use — have identified a wide range of possible energy savings opportunities with payback periods ranging from less than two to more than four years.<sup>5</sup>

If those businesses implemented all the identified projects, the total annual emissions reductions would amount to around 50 MtCO<sub>2</sub>-e in 2020. Many of the opportunities identified have not been taken up because of competing priorities for capital funding or the down time in production involved in upgrading to more efficient equipment. The Emissions Reduction Fund will provide financial incentives to bring forward many of these and other types of energy efficiency projects.

*There are a number of hurdles to implementing energy efficiency projects, including capital allocation. Access to incentive-based funding opportunities will improve the feasibility of these projects, particularly if the ERF is underpinned by flexible, efficient and cost-effective administrative, reporting and compliance arrangements. The ERF could also potentially underpin hybrid integration projects such as natural gas and solar thermal or geosequestration. (Santos)*

There are a range of other potential emissions reduction opportunities that have been identified by businesses. Emissions reductions from the direct combustion of fuels in industry could be achieved by reducing diesel use or improving the efficiency of industrial processes. Using more natural gas in Australia's energy mix could also significantly reduce emissions. Natural gas is less emissions-intensive than coal or petroleum and can be used in a range of settings, including manufacturing, mineral processing, power generation, transport and households.

*The Australian Pipeline Industry Association considers there are many large scale abatement opportunities available through switching of energy sources from electricity to natural gas in appropriate applications. Uses of natural gas that could lead to large scale abatement opportunities include direct use applications, transport applications and on-site electricity generation applications. (Australian Pipeline Industry Association)*

*Energy Networks Association believes that the ERF can provide opportunities for households to choose from amongst a range of greenhouse gas efficient hot water system ... The ENA believes that, when aggregated, the abatement from the replacement of electric water heaters with gas water heaters will be significant. (Energy Networks Australia (Energy Networks Association))*

Some industrial sectors have significant potential for emissions reductions through the introduction of technologies that either remove greenhouse gases, such as carbon capture, or react with them, such as nitrous oxide reduction catalysts. Emissions reductions can also be achieved through better monitoring of chemical efficiency or replacing gases or other inputs

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<sup>5</sup> Australian Government, *Energy Efficiency Opportunities Program – The First Five Years: 2006–11 – Overview*, 2013.

with less emissions-intensive materials. As with many emissions reduction opportunities, the major impediment to uptake is the up-front capital cost.

In the mining sector, there are opportunities to reduce fugitive emissions through destruction of waste coal mine gas.

*EDL submits that:*

- *WCMG [waste coal mine gas] power generation and abatement;*
- *Vent Air Methane (VAM) abatement; and*
- *LFG [land fill gas] power generation and abatement;*

*are likely sources of low cost, large scale abatement to come forward under the Emissions Reduction Fund. (EDL)*

Commercial buildings, such as shopping centres and office buildings, account for around seven per cent of Australia's energy consumption (mostly for heating, cooling and lighting) and represent another important source of potential emissions reductions.<sup>6</sup> The commercial buildings sector has identified significant opportunities for low-cost emissions reductions with the upgrade of existing commercial buildings and clean power technologies such as co-generation and tri-generation.

*There is a great deal of potential to raise the energy efficiency of new and existing buildings and doing so would significantly reduce the demand for energy and in particular reduce the need to produce greenhouse gas intensive electricity. (Property Council of Australia submission, prepared by ACIL Allen)*

There are emissions reduction opportunities in the transport sector, particularly from light vehicle efficiency improvements or the use of electric vehicles. Vehicle emissions standards have been implemented with great success in many countries.

Significant opportunities exist to reduce Australia's land sector emissions. Methodologies for a range of activities, including reforestation and savanna fire management, have been developed through the Carbon Farming Initiative. Expanding the scope of those methodologies, enabling landholders to select either a 100-year or 25-year permanence option, and streamlining the administration of the Carbon Farming Initiative will promote the uptake of those projects (see Chapter 5). Landholders have expressed a strong interest in undertaking emissions reduction projects because many deliver valuable social and environmental benefits.

*Carbon offset projects, such as reducing emissions from early dry season savannah burning, offer the opportunity to bring independent funding and business opportunities to Aboriginal communities and enable increased indigenous employment in remote areas. These projects have the potential to build upon and strengthen existing arrangements, including the business viability of Indigenous Protected Areas and extending training, skills development and job opportunities under Aboriginal ranger programs. (Kimberley Land Council)*

<sup>6</sup> ClimateWorks, *Tracking Progress Towards a Low Carbon Economy, 4.Buildings*, 2013.



In the waste sector, greater uptake of methane capture and waste diversion represent further emissions reduction opportunities.

Many individual emissions reduction opportunities are small but when aggregated can be large. Local governments and non-government organisations, as well as climate advisory businesses, have identified opportunities to become project aggregators, helping to overcome one of the key barriers to many emissions reduction activities.

#### **1.4 DIRECT ACTION**

The Government will work in partnership with businesses to meet Australia's emissions reduction challenge. This challenge will be met through a mix of complementary policies that drive the adoption of new technologies and innovations that allow Australia to enjoy the benefits of economic growth but without the accompanying greenhouse gas emissions.

The Government's Direct Action Plan, set out in 2010, will provide a stable and enduring policy framework that will enable Australia to achieve its environmental goals whilst delivering benefits to landholders and businesses and strengthening the economy.

The Emissions Reduction Fund is central to the Government's Direct Action Plan to cut emissions by five per cent by 2020. The plan also includes funding for the One Million Solar Roofs and 20 Million Trees programmes, and the Solar Towns and Solar Schools initiatives. These are practical policies that together will reduce Australia's emissions at low cost and without adding to household and business energy costs.

#### **1.5 DIRECT ACTION IN AN INTERNATIONAL CONTEXT**

Other countries are increasingly favouring targeted approaches with a proven track-record, such as direct purchasing of emissions reductions, energy efficiency and emissions standards, renewable energy targets and other measures that directly support investment in better practices and technologies.

Direct purchasing programmes operate around the world. Japan is establishing its Joint Credit Mechanism to help meet emissions reduction targets by purchasing direct abatement and funding low-carbon technology diffusion through bilateral agreements with developing countries.

Further, the United Nations Clean Development Mechanism operates as an abatement crediting scheme. From just over 2,000 projects, over 1.4 billion tonnes of abatement have been made available. Norway's Commercial Carbon Procurement Programme purchases Clean Development Mechanism credits worth millions of dollars through a competitive tender process.

The European Union, Russia, South Africa and the United States, among many others, all employ energy efficiency measures to reduce emissions. In the United Kingdom's residential building sector, all new homes built from 2016 will need to have zero emissions for heating, hot water, cooling and lighting. Under the Korean Target Management Scheme, around 500 large-emitting entities are required to meet energy efficiency targets. There are energy intensity and efficiency targets and schemes in countries such as China, India, Indonesia, Japan, New Zealand, Thailand, Turkey and the United States. New Zealand has an economy-wide energy intensity improvement target of 1.3 per cent annually to 2016.

Renewable energy targets are also common. Countries and regions as varied as Brazil, China, Europe, India, Indonesia, Mexico, New Zealand, Russia, South Korea, Vietnam, and 30 US states, have renewable energy targets. Mexico's goal is to generate 35 per cent of its electricity from renewable energy sources by 2024.

Vehicle emissions standards are another commonly employed direct emissions reduction policy. Canada, the European Union, Thailand and the United States all rely on emissions standards. The European Union emissions standard for cars aims for a fleet-wide average of 130 grams of carbon dioxide per kilometre in 2015 and 95 grams of carbon dioxide per kilometre in 2020. Fleet-wide emissions are currently on track to meet the 2015 target. Canada is also in the process of implementing regulatory fuel economy and emissions standards for new cars and trucks that mirror provisions in the United States.

In the power generation sector, regulatory standards for power stations have been tightened in the United States and Canada. New regulatory standards for coal-fired power plants in Canada will start from 2015 and, according to Environment Canada, by 2020 are expected to reduce emissions from 2005 levels by 41 Mt of carbon dioxide in 2020 from 2005 levels.

## 1.6. DESIGN PRINCIPLES

Three principles will guide decisions on the design of the Emissions Reduction Fund:

- **Lowest-cost emissions reductions.** The Emissions Reduction Fund will identify and purchase emissions reductions at the lowest cost.
- **Genuine emissions reductions.** The Emissions Reduction Fund will purchase emissions reductions that make a real and additional contribution to reducing Australia's greenhouse gas emissions.
- **Streamlined administration.** The Emissions Reduction Fund will make it easy for businesses to participate.

### 1.6.1 *Lowest-cost emissions reductions*

A focus on lowest-cost emissions reductions will deliver best value for money to the Australian community.

In many cases, reducing emissions delivers valuable co-benefits to businesses and the community. For example, businesses can reduce their energy costs and improve productivity by upgrading equipment or adopting low emissions technologies. In the land sector, projects can reduce salinity and erosion, improve water quality and protect biodiversity. Savanna fire management and revegetation can provide important employment opportunities in indigenous communities.

Several business associations support the focus on low-cost emissions reductions:

*AIGN supports the focus on low cost abatement. (Australian Industry Greenhouse Network)*

*The CIF and NLAA therefore support the focus of the ERF on targeting low cost abatement opportunities and that industry planning may assist where other Federal and State Government policies may be inhibiting abatement opportunities. (Cement Industry Federation and National Lime Association of Australia)*



*APPEA supports a national climate change policy that delivers abatement at least cost.  
(Australian Petroleum Production & Exploration Association)*

Some businesses and individuals have suggested the Emissions Reduction Fund should consider a broader set of development or environmental objectives, such as supporting emerging technologies, promoting innovation across a range of activities and reducing emissions beyond 2020.

*The Emissions Reduction Fund can provide seed funding for abatement projects in all sectors. This will enable all sectors to build up knowledge, industry practice guidance and CFI methodologies, so that by 2020 all sectors have experience working on abatement projects and are working together on reducing Australia's national emissions ... This would promote innovation and learning-by-doing for a range of abatement activities. (Australian Landfill Owners Association)*

Garnering participation from across the community is an important element of the Direct Action Plan. The Direct Action Plan will support community activities by promoting the aggregation of projects into bundles. Other programmes such as the One Million Solar Roofs and 20 Million Trees will also support community involvement.

While many co-benefits of emissions reductions will naturally arise, the overriding objective of the Emissions Reduction Fund should be to purchase emissions reductions at the lowest available cost. Establishing multiple objectives for the design of the Emissions Reduction Fund could raise costs, as Australia would have to forgo lower-cost emissions reductions projects in order to allocate funds to deliver other benefits.

#### *1.6.2 Genuine emissions reductions*

Many changes in business activities and practices reduce emissions. Those changes are often associated with actions to lower business costs such as energy costs. While these activities make a positive contribution to reducing Australia's emissions, they do not require incentives to take place.

In order to achieve Australia's target, the Emissions Reduction Fund must drive Australia's emissions below their projected levels and deliver best value for money to the Australian community by providing incentives for projects that would not otherwise occur.

Different approaches to assessing additionality have been tested in other emissions reduction schemes. Some examples include the international Clean Development Mechanism, international voluntary offsets schemes and the Carbon Farming Initiative.

The Carbon Farming Initiative adopts a tiered approach to additionality by crediting emissions reductions from new activities that go 'beyond common practice', ensuring actions go beyond regulated levels (called 'regulatory additionality') and calculating emissions reductions relative to emissions in the absence of the project.

Some schemes have sought to test whether individual projects would be financially viable without additional financial support — called 'financial additionality'. In general this approach is resource intensive for project proponents and regulators. Due to the high administrative costs involved, this approach is not favoured by the Government, although views are sought on this element of additionality.

The Government proposes that the Emissions Reduction Fund identify 'additional' actions in a way that minimises costs and encourages participation. The general approach would be to

credit emissions reductions from the adoption of significant new management activities and practices, the adoption of cleaner technologies or the expansion of emissions reduction activities such as tree planting or revegetation. Chapter 2 on emissions reduction methods provides more detail on the proposed approach to additionality.

### *1.6.3 Streamlined administration*

Simple, clear and transparent rules will help to keep administrative costs low and ensure businesses, landholders, and other providers of emissions reduction projects can easily participate in the Emissions Reduction Fund. This will maximise the take-up of low-cost emissions reduction opportunities.

The key to streamlining processes under the Emissions Reduction Fund will be the use of existing reporting and institutional structures, such as the Carbon Farming Initiative and the National Greenhouse and Energy Reporting Scheme, wherever possible. This will avoid duplication and provide continuity for business.

*To provide confidence for large, capital-intensive emission reduction investments, such as those that may exist in power generation, industry-accepted approaches to measurement and verification of emissions reduction should be utilised where they have previously existed (e.g. Commonwealth Generator Efficiency Standards (GES) Program and NGERs). (AGL)*

*Virgin Australia supports the use of the existing National Greenhouse and Energy Reporting scheme to provide the required information for the program, removing the need to develop new systems which would add complexity and unnecessary burden to participants. (Virgin Australia)*

While building on these schemes, the Government will take the opportunity to streamline their operation. For example, verification arrangements for the Carbon Farming Initiative are unnecessarily onerous. Moving to risk-based verification could significantly reduce costs to business without sacrificing environmental integrity (see Chapter 5).

*The Emissions Reduction Fund will be designed to achieve lowest-cost emissions reductions as its primary objective.*

*Views are sought on opportunities for large-scale, low-cost emissions reductions, including estimates of potential reductions.*

## **1.7 CONSULTATION AND REVIEW**

The Government is committed to consulting with communities and businesses on the development of the Emissions Reduction Fund. The purpose of this Green Paper is to invite input on the design of the Emissions Reduction Fund.

These views will inform the development of a White Paper, which will incorporate policy decisions on the Emissions Reduction Fund's design and proposed legislation. The White Paper will be released in early 2014. The Government will work with communities and businesses to ensure the Emissions Reduction Fund is designed and implemented effectively. The Emissions Reduction Fund will commence operation on 1 July 2014, to align with the removal of the carbon tax.



To support the development of the Emissions Reduction Fund, the Government has already undertaken wide-ranging consultation (see Appendix D). Technical working groups have been established to identify priority emissions reduction opportunities and how those opportunities could be unlocked. Workshops have also been held with carbon market participants to consider the design of the Emissions Reduction Fund and examine options for streamlining the Carbon Farming Initiative.

Climate change policy interacts with many other key policy areas. The development of policy in relation to the Emissions Reduction Fund will be coordinated with a range of other policy reviews being conducted by the Government, particularly the review of energy policy and the upcoming review of the Renewable Energy Target.

The continuous improvement of the Emissions Reduction Fund will be achieved through ongoing monitoring and evaluation of its performance and achievements against its stated objective of reducing Australia's emissions to five per cent below 2000 levels by 2020. Participant views and feedback will be an important part of this process.

A review of the Emissions Reduction Fund will commence towards the end of 2015. The findings of the review could be used to inform the Government's consideration of the post-2020 architecture of its Direct Action Plan. Subsequent reviews could be held periodically, to help ensure the Emissions Reduction Fund achieves its objectives in the most efficient and effective way.

*The Government will conduct a review of the Emissions Reduction Fund towards the end of 2015 to provide certainty about the policy and design post-2020.*

*Views are sought on the timing and conduct of a review.*

## 2. CREDITING EMISSIONS REDUCTIONS

The Emissions Reduction Fund will build on the existing arrangements under the Carbon Farming Initiative for crediting emissions reductions. In simple terms, the Clean Energy Regulator will issue Australian Carbon Credit Units for emissions reductions that are measured and verified by approved methods. These could be purchased through the Emissions Reduction Fund.

### 2.1 EMISSIONS REDUCTION METHODS

Emissions reduction methods will set out the rules for calculating and verifying emissions reductions from different activities. They will also identify which activities will be eligible under the Emissions Reduction Fund, ensuring that activities already occurring as part of normal business practice will not be funded.

Businesses can use these methods to identify potential projects, assess their greenhouse gas benefits and develop bids for funding.

Emissions reduction methods will be developed collaboratively with emissions reduction providers. To maximise the number of methods available at the start of the Emissions Reduction Fund, technical working groups have been established to develop methods for activities that businesses have identified as having the potential to deliver the largest emissions reductions.

The arrangements for assessing methods will be based on those under the Carbon Farming Initiative and will be streamlined significantly to enable methods to be approved more quickly. For more on streamlining the Carbon Farming Initiative see Chapter 5.

The Clean Energy Regulator will issue Australian Carbon Credit Units for emissions reductions that are measured and verified using these methods, as currently occurs under the Carbon Farming Initiative. Reductions will be credited for periods appropriate to the activity. A distinction can be drawn between the crediting period for an activity, and the period during which the Government will purchase Australian Carbon Credit Units under contract (initially intended to cover a five-year forward contract, although other periods may be considered). Credits that are generated but not contracted to the Government can be purchased by other businesses wanting to offset emissions. For example, several businesses and organisations have adopted voluntary emissions reduction targets, or sell carbon neutral products or services.

*Box 2.1: The voluntary carbon market*

The voluntary carbon market consists of businesses and consumers that are concerned about climate change and want to make their own contribution to reducing greenhouse gas emissions. This includes entities which buy and cancel carbon credits to voluntarily offset their emissions. Organisations that offset all their emissions can claim to be 'carbon neutral'.

The Australian Government's National Carbon Offset Standard and associated Carbon Neutral Programme provide guidance to businesses that wish to be carbon neutral or develop carbon neutral products.

The programme currently has 33 participants that are certified as carbon neutral. Participants include financial institutions such as ANZ and NAB, airlines such as Qantas and Virgin Australia, local councils such as the City of Melbourne and the City of Sydney, and businesses such as Australian Paper and Zoos Victoria. Together, current participants need to purchase approximately 1 million tonnes of emissions reductions annually to meet their carbon neutral commitments.

## 2.2 GENUINE AND ADDITIONAL EMISSIONS REDUCTIONS

Emissions reduction methods should provide practical and credible ways to calculate emissions reductions that are unlikely to have occurred in the normal course of business.

Emissions reductions that happen because there is a decline in business activity due to normal market conditions are not additional; nor are emissions reductions from plant and equipment that has already been installed, or from actions that are required by law.

The Emissions Reduction Fund will not purchase emissions reductions from activities that receive incentives under another government emissions reduction programme. The Government will understandably not credit activities twice. The Energy Supply Association of Australia supported the view that projects that have benefited from existing programmes should not be eligible for further payments through the Emissions Reduction Fund:

*Some activities may also be receiving funds under existing state energy efficiency schemes. Providing funds through the ERF would result in a kind of 'double-dipping' where funds are provided from two sources for the same activity. (Energy Supply Association of Australia)*

There are several other government programmes that promote emissions reductions. These include the Australian Government's Renewable Energy Target, other Direct Action measures such as the 20 Million Trees programme, state-based energy efficiency schemes and various grant and rebate schemes that encourage carbon storage in vegetation or the adoption of low-emissions technologies. The Emissions Reduction Fund will be designed to complement rather than duplicate these schemes.

Some government programmes deliver only incidental emissions reductions or provide indirect or limited financial benefits. For example, reforestation could be undertaken with the help of employment programmes while energy efficiency activities may benefit from state government sponsored 'environmental upgrade agreements'. The Government is not proposing to exclude those activities from the Emissions Reduction Fund.



Some projects may involve an expansion of a process or facility previously funded through another scheme. Provided no further incentives are received from the alternative scheme, further improvements beyond those already funded could be eligible for Emissions Reduction Fund funding.

To ensure value for money, Emissions Reduction Fund methods will only allow crediting of new and voluntary actions to reduce emissions that have not been counted or paid for under another programme or involve the displacement of emissions to another location.

#### *2.2.1 State-based energy savings schemes*

Energy savings schemes operate in New South Wales, Victoria, South Australia and the Australian Capital Territory. These schemes either place obligations on energy retailers to find and implement energy savings for households and businesses — for example, by installing more energy-efficient lighting or replacing an ageing refrigerator with a new energy efficient model — or to purchase certificates that have been created by accredited agents who have implemented approved energy efficiency projects. The Emissions Reduction Fund will be designed to complement these schemes. It will be important to ensure the Australian Government does not duplicate the state and territory efforts in these areas. The Australian Government will consult with state and territory governments to determine the most efficient and cost-effective ways to complement existing arrangements.

### **2.3 TYPES OF METHODS**

As set out in Section 1.3, there are many potential emissions reduction activities that could come forward under the Emissions Reduction Fund. It will be important that businesses have access to a menu of emissions reduction methods to make it easy to bid projects into the Emissions Reduction Fund.

To accommodate a wide range of emissions reduction opportunities, the Government proposes two types of emissions reduction methods:

- **Activity methods** for specific emissions reduction actions. These methods would expand the set of land sector methodologies developed for the Carbon Farming Initiative to other areas of the economy.
- **Facility methods** for aggregate emissions reductions from multiple activities at a facility. These methods could be used by businesses that already report data under the National Greenhouse and Energy Reporting Scheme and streamline the way in which large businesses interact with the Emissions Reduction Fund.

Large facility operators could use either a facility method or relevant activity methods, provided that emissions reductions are not counted twice. Some large facility operators may prefer to use activity-specific rather than whole-of-facility methods. This is because they allow the emissions reductions from an activity, such as landfill or coal mine gas capture, to be estimated directly.

*Box 2.2: New South Wales Greenhouse Gas Reduction Scheme*

The proposed approach to Emissions Reduction Fund methods is similar to the approach taken in the New South Wales Greenhouse Gas Reduction Scheme where abatement certificates or credits were generated by facilities for reducing their emissions and by other business for undertaking abatement activities.

Eligible actions under the Greenhouse Gas Reduction Scheme included low-emissions generation of electricity, energy efficiency activities, sequestration activities and activities that reduced emissions from industrial processes.

The benefits of using facility and activity methods have been highlighted by some businesses and industry associations. For example, the Property Council of Australia stated that:

*Due to divestments and acquisitions, the company is not really the correct level at which to calculate baselines, with the 'facility' being a better measure. In this way, baselines are more robust to changes of ownership. NGERs includes reporting at the facility level, but definitional issues can arise with some companies grouping separable operations as a single facility and some not. (Property Council of Australia, prepared by ACIL Allen Consulting)*

Other businesses such as Wesfarmers identified the merits of an activity-based approach, stating that:

*Baselines calculated for projects eligible for the abatement fund should be on a project basis, to ensure that additionality can be determined. (Wesfarmers)*

## 2.4 ACTIVITY METHODS

Some of the most prospective low-cost emissions reduction opportunities exist outside major industrial settings, such as energy efficiency improvements in commercial buildings, more fuel efficient transport use and the diversion of waste from landfills.

The Government will provide methods for a range of emissions reduction activities. Methods have already been developed for many common activities under schemes such as the Carbon Farming Initiative, the New South Wales-based Greenhouse Gas Reduction Scheme, state-based energy savings schemes, the Clean Development Mechanism under the Kyoto Protocol, and the Alberta-based Offsets Credit System.



*Box 2.3: International approaches*

The Clean Development Mechanism, established under the Kyoto Protocol, enables crediting of emissions reduction projects in developing countries. The mechanism has made emissions reductions available for purchase since 2005. Over 200 methodologies are approved under the mechanism for more than 2,000 projects, which to date have generated approximately 1.4 billion tonnes of emissions reductions. Most of those projects are in the industrial and energy sectors. Joint Implementation, a mechanism also established under the Kyoto Protocol, enables crediting of emissions reduction projects in developed countries and is the basis for carbon offset schemes in Denmark, France, Germany and Switzerland.

The Alberta-based Offsets Credit System was established in 2007. Thirty-seven methodologies have been approved under this scheme for activities such as energy efficiency improvements, landfill and biogas capture, alternative waste treatment, recycling and several agricultural activities.

California and Quebec have also recently introduced schemes for crediting emissions reductions. These schemes cover emissions reduction activities in the electricity, agriculture, waste and forestry sectors.

It is proposed that existing international methods could be used and adapted to Australia to efficiently expand the range of available emissions reduction methods. Activity methods developed under other schemes have some features in common. They define the activity and identify the emissions that change when the activity is implemented, explain how to measure net emissions reductions, and provide guidance on project monitoring and reporting. Activity methods under the Emissions Reduction Fund will have these same features.

Each crediting scheme has slightly different requirements, which are reflected in estimation methods. For example, some schemes require project-level assessment of additionality or discount emissions reductions to reflect project-level risks or uncertainties in emissions estimation. Further, overseas methods typically use emissions factors that are different from those developed for Australian conditions under the National Greenhouse and Energy Reporting Scheme.

For these reasons, methods from other schemes may need to be amended so that they are consistent with the National Greenhouse and Energy Reporting Scheme and the Emissions Reduction Fund approach to additionality and crediting. Using National Greenhouse and Energy Reporting Scheme methods for measurement of emissions reductions will reduce transaction costs for business, and ensure emissions reductions can be easily included in Australia's national inventory and counted towards Australia's emissions reduction targets. National Greenhouse and Energy Reporting Scheme methods will also ensure all Emissions Reduction Fund participants have commensurate opportunities, requirements and transaction costs.

Rather than amending a given method, it may be appropriate to combine the most useful aspects of methods from different schemes for use under the Emissions Reduction Fund. Transaction and administrative costs are also likely to be lower if there are fewer, more broadly applicable methods rather than multiple methods for the same activity.

The Emissions Reduction Fund aims to drive participation across various sectors of the economy. Large emissions reductions could be achieved by individual farms, businesses and households undertaking many small-scale activities. Simple aggregation methods will be

developed so that there will be an opportunity for organisations to act as aggregators and bid into the market as a group. This will enable small businesses, households and farm groups can simply access the Emissions Reduction Fund in a practical and cost effective way.

As an example, an electricity retailer may work to aggregate emissions reduction achieved through energy efficiency by its customers, be they households or small businesses. Farmers may work together to deliver carbon capture and storage in soil, or landowners to achieve abatement through revegetation or reforestation of marginal lands.

Technical working groups could consider how to design methods to address this issue.

Appendix B provides examples of how activity methods could work for transport, waste, coal mines and energy efficiency.

## 2.5 FACILITY METHODS

Businesses currently report emissions and energy use from around 7,250 facilities under the National Greenhouse and Energy Reporting Scheme. These facilities accounted for around 60 per cent (344 MtCO<sub>2</sub>-e) of Australia's total emissions in 2011-12.

Businesses that report under the National Greenhouse and Energy Reporting Scheme vary widely in terms of the energy sources used and the emissions that result from their production processes. Most businesses generate substantial emissions from fuel use, primarily the direct combustion of coal and natural gas. Some industrial processes — such as metal manufacturing and cement, lime and chemical production — also generate direct emissions from chemical processes. Significant fugitive emissions, generally methane, are released through coal mining, oil and gas extraction, and gas distribution.

The Government is proposing to establish simple, facility-based methods using historical National Greenhouse and Energy Reporting data. These methods would allow facility owners to be credited for emissions reductions relative to past practices, off the back of emissions and energy use data that they report under the National Greenhouse and Energy Reporting Scheme. These methods would cover all emissions reduction and energy savings opportunities within a facility's control, but would not apply to new entrants or to facility owners who are planning large expansions in capacity.

Facility methods would be a key way in which the Emissions Reduction Fund could quickly facilitate large-scale emissions reduction projects across a broad range of sectors. Potential emissions reduction activities covered by these methods include: switching to less emissions-intensive fuel sources, optimising boiler efficiency and recovering waste heat within the facility. National Greenhouse and Energy Reporting Scheme reporters would have flexibility to adopt the facility based methods described here or activity based methods (see Section 2.4) to find the simplest way to bid reductions into the Emissions Reduction Fund.

The Government will continue to consult with large industrial emitters on the simplest ways to calculate their emissions reductions. The key issues that need to be considered are set out below.

### 2.5.1 Identifying a starting point

The emissions reductions from new technologies or practices would be calculated relative to past practices. Emissions from past practices can be determined using existing historical data for a single year or several years.



Emissions from past practices could be derived from a **mean average** of the emissions from a facility over a four or five year period; the **median average** emissions from a facility over a four or five year period; or other approaches.

A facility's emissions generally vary from year-to-year and in any given year they may be higher or lower than the average over a historical period. The starting point should be chosen so that it accommodates normal variation and only credits improvements in technology or practices. Where businesses have suffered from impairment or abnormal effects, this can and should be normalised in the approach adopted.

### *2.5.2 Additionality over time*

Businesses that operate large facilities are continually looking for ways to reduce costs and improve their productivity. Some improvements in production processes, system upgrades, and replacement of end-of-life equipment that are undertaken for commercial reasons also reduce emissions.

Some approaches to additionality seek to identify and prevent credits from being issued for commercially attractive activities. These approaches tend to be administratively burdensome.

Facility methods will adopt a streamlined approach to additionality over time, for example periodically re-setting the period for calculation of historical emissions levels at the end of a crediting period.

A set period will be established for crediting particular emissions reductions activities. In the case of certain industrial changes, this could be a maximum of seven years. In the land sector, this could be longer, depending on the activity. However, the crediting period is separate to any contracted purchasing period, which is envisaged to be a maximum of five years.

*Emissions reduction methods will be developed to calculate genuine and additional emissions reductions from new actions that are not mandatory and have not been paid for under another programme.*

*Views are sought on how best to:*

- ensure that emissions reductions are genuine*
- develop methods for calculating emissions reductions from priority activities*
- facilitate the aggregation of emissions reductions across projects and activities.*

## **2.6 COMPLEMENTARY MEASURES**

Some businesses and community organisations have identified opportunities for regulatory reforms that would complement the Emissions Reduction Fund. Complementary measures are those that help achieve Australia's emissions reduction target. Regulatory reforms could provide accepted and cost-effective ways to achieve this, and may warrant further investigation.

For example, Refrigerants Australia has proposed that the Government phase down the use of hydrofluorocarbons (HFCs) under the *Montreal Protocol on Substances that Deplete the Ozone Layer*. This would be similar to the highly successful approach adopted internationally to phase out substances which damage the ozone layer, such as chlorofluorocarbons, and is in line with proposals by the United States, Canada and Mexico to gradually reduce the importation and manufacture of HFCs from 2015 under the Montreal Protocol.

The phase down could be achieved under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*. Gradual restrictions on the amount of HFCs that can be imported into Australia would provide a simple and certain way to achieve emissions reductions at low cost to both industry and Government.

As noted by Refrigerants Australia:

*The industry has long experience in managing refrigerants under the Montreal Protocol... By limiting the amount of refrigerant in CO<sub>2</sub> equivalent tonnes entering the country, emission reductions from this approach are guaranteed. (Refrigerants Australia)*

*Views are sought on regulatory reform opportunities that would complement the Emissions Reduction Fund.*



### 3. PURCHASING EMISSIONS REDUCTIONS

The Emissions Reduction Fund will be built around a simple, streamlined process to purchase emissions reductions at the lowest cost across the economy. Put simply, businesses will submit emissions reduction projects into a competitive bidding process run by the Clean Energy Regulator. The bids with the lowest cost per tonne will be selected, and the Clean Energy Regulator will enter into contracts to purchase those emissions reductions. The competitive nature of this process will ensure that the best value for money is achieved.

#### 3.1 IDENTIFYING LOWEST-COST PROJECTS

##### 3.1.1 Tenders and auctions

Lowest-cost emissions reductions can be identified in different ways. A common approach to identifying lowest-cost is a straightforward tender process. Under this approach, businesses would tender the quantity and price of emissions reductions they are willing to offer. The Clean Energy Regulator would rank those offers and select the best-value bids.

This approach is akin to a reverse auction, a mechanism that has been used in Australia and overseas to identify the lowest cost for emissions reductions and other types of environmental goods and services.

##### *Box 3.1: The United Kingdom Non Fossil Fuel Obligation Scheme*

The Non Fossil Fuel Obligation Scheme in the United Kingdom (1990-98) was a reverse auction for the United Kingdom Government's purchase of renewable energy from new renewable energy installations. The scheme began with a tender, where project specifications included a 'cost justification', along with a bid price. This allowed the United Kingdom Government to gather information on likely costs, helping to set parameters, such as price ceilings, in future auctions.

In designing the Emissions Reduction Fund, the Australian Government has taken into account any lessons from the Non Fossil Fuel Obligation Scheme. In particular, the Clean Energy Regulator could assess the commercial readiness of projects and the credibility of their emissions reduction estimates prior to auction. Funding agreements could also include conditions precedent and contain 'make-good' provisions to support delivery of emissions reductions.

In the initial stages of the Emissions Reduction Fund's operation, when emissions reduction methods are being developed and many projects are being planned, the Clean Energy Regulator could run relatively frequent auction rounds in which proposals are compared on the basis of their cost per tonne of emissions reductions. Frequent rounds could reduce the time before bidders know whether they are successful, and could bring forward the delivery of emissions reductions.

To ensure low-cost purchases, the Clean Energy Regulator could apply a benchmark price — the maximum amount it will pay per tonne of emissions reduced — with only bids costing less than the benchmark price being considered. The benchmark would be confidential to Government, to encourage businesses to submit their most competitive offer.

Only credible bids that meet prequalification requirements would be considered, to ensure the integrity of the auction. Prequalification requirements would include checks on the identity and fit and proper person status of the participant, project eligibility under a relevant emissions

reduction method, the commercial readiness of the technology or practice to be employed in the project, and the credibility of emissions reduction estimates.

*Conducting appropriate due diligence on prospective auction participants in the pre-approval stage will help to screen out unsuitable bidders and will be an important tool in managing delivery risk. (Carbon Market Institute)*

*We would also recommend a 'Fit and Proper' test for registration for participation in auctions, to ensure the credentials of registered participants. (Westpac)*

*It is suggested that abatement projects be screened prior to entry into an auction. This initial screening would need to ensure that any project going to auction is using a recognised and verifiable emissions abatement methodology; is commercially viable; and will deliver genuine and permanent emissions abatement. (Plastics and Chemicals Industries Association)*

Auction rounds would be conducted in accordance with published rules. The rules would cover matters such as the cap on funds to be allocated, and how the final price paid to successful bidders would be determined. A discussion of these issues and other matters is included at Appendix C.

The Clean Energy Regulator would have the flexibility to adjust rules in response to lessons learned about the operation and efficiency of the auction. Advance notice would be given about any adjustments to the auction rules that may be required to achieve lowest-cost emissions reductions and to ensure that the process is as streamlined as possible for participants.

A minimum bid size could be used to streamline the Emissions Reduction Fund, to avoid the administrative cost of assessing a large number of small projects, and to encourage the aggregation of smaller activities that can help streamline the application process for smaller entities.

A maximum bid size is sometimes applied in auction processes to limit the ability of large participants to influence auction outcomes unfairly. The Government does not propose a maximum bid size for the Emissions Reduction Fund, as this could exclude large, viable and low-cost projects. Very large projects, involving a significant commitment of funds available under the Emissions Reduction Fund, could be assessed through a separate tender process. Other features of the Emissions Reduction Fund will include the benchmark price, and holding auctions only once a minimum number of bidders have registered.



*Initially the Clean Energy Regulator could run relatively frequent tender rounds to bring forward the delivery of emissions reductions.*

*The Clean Energy Regulator would apply a benchmark price — the maximum amount it would pay per tonne of emissions reduced — with only bids costing less than the benchmark price being considered.*

*Stakeholder views are sought on how best to:*

- *facilitate early participation in the Emissions Reduction Fund*
- *operate an efficient auction process to secure lowest-cost emissions reductions.*

### **3.2 CONTRACTING FOR SUCCESSFUL PROJECTS**

Following the completion of the auction, the Clean Energy Regulator will enter into contracts with successful bidders to purchase emissions reductions. The core of these contracts will be the Government's obligation to pay for emissions reductions and a proponent's obligation to deliver them.

A participant who generates emissions reductions that are surplus to the contracted quantity could be able to bid these emissions reductions into a future auction round or into the voluntary market.

#### *3.2.1 Forward contracts*

The Clean Energy Regulator will be able to contract for emissions reductions from projects at different stages of implementation. For example, some projects will have already begun generating credits under the Carbon Farming Initiative. For these projects, the Clean Energy Regulator will purchase emissions reductions immediately after their success at auction.

Other projects will not have commenced at the time of auction. In these circumstances, forward contracts will provide proponents with certainty about the payment schedule and conditions, and could be used as security when proponents apply for finance.

In these cases, the contract will include a simple requirement to secure project finance and any necessary regulatory approvals, such as planning and environmental approvals within a specified time frame. Failure to meet the timeline would be grounds for termination. Together with the prequalification requirements, such preconditions set out in the contract will give the Clean Energy Regulator and the Government confidence that proposed projects will proceed and have the capacity to deliver the promised emissions reductions.

#### *3.2.2 Duration of contract*

The duration of the contract is the period over which the Government will guarantee to purchase emissions reductions at the price awarded through the auction process.

Contracts would have a maximum duration of five years from their date of effect. Proponents with project payback periods of more than five years would still be able to bid into the auction process to cover their costs through payment for emissions reductions delivered within the contract period.

While the Clean Energy Regulator may issue credits over a shorter or longer timeframe, up to five years purchasing through the Emissions Reduction Fund would act as an initial bankable off-take agreement.

### 3.2.3 Standard contracts

Project proponents will need to agree to be bound by contractual terms before being permitted to bid in the auction process. The use of standard contract terms and conditions will allow the lowest cost emissions reductions to be identified in the most efficient and transparent way, as participants will have access to the same terms. Standard contract terms may differ for project aggregators or other market intermediaries given the different business models that those arrangements may involve.

Individually tailored or negotiated contracts would reduce the efficiency and transparency of the auction process, as successful proponents could negotiate favourable terms that were not available to other proponents. This approach would also increase administrative burdens, transaction costs and time lags in the contract process.

Contracts will contain the price, quantity and delivery time for emissions reductions, as specified in the successful bids. Responsibility for managing the project and delivering the required emissions reductions will rest with the project proponent, who is best placed to manage project risks.

The final design of the standard contract will be developed through consultation with businesses and the legal profession.

#### *Box 3.2: The Norwegian experience*

The Norwegian Carbon Procurement Facility (NorCaP) was established in October 2013 by the Nordic Environment Finance Corporation (NEFCO) and the Norwegian Government. The purpose of the Facility is to purchase carbon credits in the second commitment period of the Kyoto Protocol (2013-20).

As with the Emissions Reduction Fund, NorCaP allows proponents to contract prior to delivering emissions reductions, pays for emissions reductions only after delivery, and gives proponents primary control over project development, management and delivery.

## 3.3 ENSURING DELIVERY OF EMISSIONS REDUCTIONS

On-time delivery of contracted emissions reductions will ensure the effectiveness of the Emissions Reduction Fund and its contribution to the Government's emissions reduction target. Projects will be subject to a range of uncertainties that could affect the timing and amount of emissions reductions delivered. For example, projects could experience unexpected technical difficulties or be affected by natural events beyond the proponent's control.

### 3.3.1 Emissions reduction estimates

The Government will rely on estimates of contracted emissions reductions to manage the allocation of funding under the Emissions Reduction Fund and determine progress towards the 2020 target. If emissions reduction estimates are optimistic, funds may be allocated to projects that would be better allocated to other projects. For these reasons, contracts will include provisions to encourage the delivery of contracted emissions reductions and enable the Government to monitor delivery of emissions reductions.



### 3.3.2 Varying or terminating the contract

If project implementation is delayed, the Clean Energy Regulator and the proponent would have flexibility to agree to vary the quantity and schedule for delivery of emissions reductions. The standard terms and conditions of the contract would not be varied.

Contracts could also be varied to substitute the contracted project for another approved Emissions Reduction Fund project. Decisions to vary the contract would rest with the Clean Energy Regulator and depend on factors such as the extent and cause of the delay, and the remaining duration of the contract.

### 3.3.3 Under-delivery provisions

'Make-good' provisions could also be included to support the delivery of emissions reductions. Make-good provisions are a common contractual tool that require parties to fulfil their obligations through alternative means where they are unable to satisfy the original terms of the contract.

Make-good provisions could be triggered if a proponent was unable to deliver emissions reductions through their own Emissions Reduction Fund project. Proponents could 'make good' by sourcing replacement Australian Carbon Credit Units from another project.

Several businesses support the use of make-good provisions involving either domestic or international units:

*Given that the Government's primary objective is to achieve abatement, Westpac would recommend incorporating contractual penalties for under-delivery in the form of 'make good' provisions utilising domestic or international units. (Westpac)*

Alternatively, the proponent could cover the costs above the agreed contract price that are incurred by the Clean Energy Regulator in purchasing replacement emissions reductions from a subsequent auction. This approach will allow emissions reduction targets to be met, despite under-delivery by some projects.

*Standard contracts will be used to guarantee payments for verified emissions reductions. These would have a maximum duration of five years and include options for addressing under-delivery of emissions reductions.*

*Views are sought on how best to provide:*

- *funding certainty for businesses*
- *confidence that projected emissions reductions will be delivered.*

## 3.4 PUBLICATION OF INFORMATION

Publishing information about auction results and contracts entered into by the Clean Energy Regulator would assist potential participants to consider future project proposals, and would provide information to the public on the progress of the Emissions Reduction Fund.

Published information could include details of each forward contract entered into by the Clean Energy Regulator, including the name of the emissions reduction provider, the name of the project, the relevant auction date, the total amount of emissions reductions to be delivered, the amount of emissions reductions delivered to date, and the duration of the contract. Aggregated information could also be published for each auction round, including information on the total

amount of emissions reductions offered in the successful bids and the total amount of funding allocated to successful bids.

Details that are commercially sensitive, including the Government's benchmark price for auctions and the price of emissions reductions in individual contracts, would be kept confidential in order to encourage participation and to preserve competition in auction processes.

Details about projects currently published under the *Carbon Credits (Carbon Farming Initiative) Act 2011* will continue to be published under the Emissions Reduction Fund. Details will include information on all eligible offsets projects, including the proponent, project description, applicable methodology, location, and units issued for each project.

*Information will be published under the Emissions Reduction Fund to supplement information currently published under the Carbon Farming Initiative, including additional contract and auction information.*

#### 4. SAFEGUARDING EMISSIONS REDUCTIONS

The Emissions Reduction Fund provides positive financial incentives to unlock business investment in projects that reduce emissions. These emissions reductions will help achieve Australia's five per cent emissions reduction target.

Many businesses will take up these opportunities, leveraging funding to both reduce emissions and increase productivity. As lower emissions technologies and practices are taken up over time, lower emissions ways of doing business will become business-as-usual.

The Emissions Reduction Fund is designed to allow businesses to continue ordinary operations without penalty. It is also founded on a presumption of economic growth as a positive and inevitable good for Australia. Against that background, an essential part of the Emissions Reduction Fund is a framework that sets out clear guidelines that allow businesses to operate as normal.

Businesses will be encouraged to decrease emissions below their historical business-as-usual levels through the Emissions Reduction Fund. In addition, a mechanism will be developed in conjunction with business stakeholders to provide incentives not to exceed historical emissions baselines. This element will safeguard the value of funds expended under the Emissions Reduction Fund and provide businesses with a stable and predictable policy landscape within which to make new investments.

The Government values new investments which support Australia's economic prosperity and create jobs for the future. It is important that new investments are made at best practice in terms of efficiency and emissions intensity. The Emissions Reduction Fund will also establish a framework to ensure new investments are encouraged at best practice. This will provide business with a predictable policy landscape to make new investments over time.

Businesses have highlighted the need for an enduring framework that provides investment certainty.

*There is a pivotal role for the Clean Energy Regulator and other institutions to develop and establish mechanisms for emissions reduction post 2020, providing signals that can guide the long-term decision making that determines the investments that all industries and businesses make. (Australian Pipeline Industry Association)*

*The ERF should form a stable and durable foundation for Australia's national climate change policy approach. APPEA does not wish to see a return to the costly hotch-potch of State and Territory as well as national climate change approaches that has historically characterised many aspects Australia's greenhouse policy response. (Australian Petroleum Production & Exploration Association)*

The Government could stage the implementation of these design elements of the Emissions Reduction Fund over time. In particular, the safeguard mechanism could commence from 1 July 2015. This will provide lead time to consult comprehensively with businesses on these elements and allow time for access to the Emissions Reduction Fund's crediting and purchasing elements to help reduce emissions.

An effectively designed framework to discourage emissions growth above historical levels will require consideration of a number of elements. This chapter discusses some of the issues that will need to be considered in the establishment of these elements of the Emissions Reduction Fund. These can broadly be categorised as:



- which entities would be covered and what emissions would be included (coverage)
- how baseline emission levels would be determined (baselines)
- what action would be required from businesses if baselines were exceeded
- the appropriate treatment of new investments.

The Government invites feedback on each design element.

#### 4.1 COVERAGE

The first issue to consider is which entities would be subject to baseline levels and which types and sources of greenhouse gas emissions would be included in these baselines.

The simplest approach would be to ensure that coverage is limited to a subset of National Greenhouse and Energy Reporting Scheme entities which already report emissions annually. Only corporations which meet a threshold are subject to reporting requirements under the National Greenhouse and Energy Reporting Scheme. Restricting coverage of any baseline to these entities will ensure small businesses, that do not give rise to significant emissions, do not need to engage with these elements of the Emissions Reduction Fund.

Drawing on National Greenhouse and Energy Reporting Scheme reporting also means that the greenhouse gases reported under the National Greenhouse and Energy Reporting Scheme can easily be incorporated in baselines. Those gases include carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons and perfluorocarbons.

##### 4.1.1 Scope of emissions covered

Two sources of emissions are reported under the National Greenhouse and Energy Reporting Scheme: scope 1 emissions (direct emissions) and scope 2 emissions (indirect emissions such as electricity use). It will need to be determined whether only scope 1 or both scope 1 and scope 2 emissions would be included when setting a baseline. If only scope 1 emissions were covered, an entity could switch between energy sources and undermine the baseline.

To avoid creating perverse incentives, it may be appropriate to include both scope 1 and scope 2 emissions when considering baselines. This would be done in such a way as to avoid the double counting of scope 2 emissions with those of the electricity sector. Section 4.6 below discusses the treatment of the electricity generation sector.

##### 4.1.2 Coverage thresholds

Coverage thresholds should be set at a level that maximises emissions coverage but minimises the number of entities that may need to interact with these elements of the Emissions Reduction Fund.

Baselines could be set at the facility level. This could relate to either scope 1 or both scope 1 and 2 emissions. For example, coverage could be restricted to facilities with combined scope 1 and 2 emissions of 25,000 tonnes of carbon dioxide equivalents (CO<sub>2</sub>-e) a year (the current facility threshold under the National Greenhouse and Energy Reporting Scheme) or up to 100,000 tonnes CO<sub>2</sub>-e a year or more. The 100,000 tonnes CO<sub>2</sub>-e approach would significantly streamline coverage by covering around 50 per cent of Australia's emissions, but limiting the number of covered entities to around 190.



## 4.2 SETTING BASELINES

Baseline parameters need to be designed to help achieve the goals of the Emissions Reduction Fund with minimal complexity. A facility's emissions are likely to fluctuate over time due to a variety of influences such as changes in production levels, the mix of outputs produced, plant maintenance, and the quality of inputs used. Baselines could be set in a way that takes account of these normal variations.

Some businesses support setting historical business-as-usual baselines based on emissions intensity.

*APIA considers that a critical issue of any 'business as usual' approach is to ensure that businesses and the Australian economy can continue to grow without being unduly penalised. It is likely that emissions intensity baselines will be more appropriate than baselines focussed on gross emissions. (Australian Pipeline Industry Association)*

Others favour setting historical business-as-usual baselines based on absolute emissions levels on the basis that emissions intensity baselines would be complex to establish and would require ongoing reporting of information.

*CSR favours absolute baselines. The company has a large variation in carbon intensity between its production processes and an analysis over a four year period shows swings greater than 15% on this basis... Variations at a facility level can be much greater than this. (CSR Limited)*

*The use of emissions intensity for determining baselines is in theory attractive as it may provide an automatic hedge against changes in the level of production from a facility. In practice however, this approach can only be simply applied where a facility produces only one uniform output and even then would require the additional reporting of production volumes, increasing the complexity and burden of the NGER. For facilities which produce multiple products, the use of an intensity baseline requires the emissions from each facility to be apportioned to each of the different products produced. This requires the development and verification of complex apportionment methodologies and the reporting of significantly more data, both of which run counter to the objective of limiting regulatory/compliance burden. Consequently the use of absolute emissions from a facility is preferred as the basis for the determination of baselines for the purposes of the mechanism. (Chevron)*

Baselines could be based on the absolute level of emissions from a facility during a historical period. Such baselines would be simple to determine using the existing National Greenhouse and Energy Reporting Scheme reporting framework without requiring any new reporting.

Where baselines have been impaired due to external events, baselines could be set to accommodate those factors. For example, in some cases overall emissions may increase due to a return to full production capacity after a sustained downturn. The Global Financial Crisis and the more recent high Australian dollar mean that many facilities may be in this situation. Baselines set on the absolute level of emissions from a facility would also need to accommodate situations where the variability in emissions results from normal commercial production decisions.

The above issues could be addressed by setting initial baselines using data that represents a high point in historical emissions for a facility. This would ensure baselines accommodate situations where a facility increases production in the future back towards fully installed

capacity or where normal variation occurs as a result of the issues described above. While this approach may provide sufficient flexibility in baselines to accommodate historical variations, significant expansions in the production capacity at a facility are likely to require specific treatment.

### 4.3 COMPLIANCE

The Government has a clear objective not to raise revenue from these elements of the Emissions Reduction Fund and it is not anticipating any revenue.

Consistent with this intention, in the event that an entity did exceed its baseline, there would be flexible compliance arrangements available.

One approach that could be considered would be to set an initial transition period during which compliance action for exceeding baselines would not apply. This would enable businesses to make investments in emissions reduction projects, potentially with support from the Emissions Reduction Fund. This period would need to be limited to avoid the risk of locking in increases in emissions that might offset reductions financed through the Emissions Reduction Fund.

Another approach could be to allow a multi-year compliance period, where a facility could exceed a baseline in one year so long as its average emissions over the full compliance period remained below the baseline. Further flexibility could be provided by enabling businesses to 'make-good' by purchasing emissions reduction credits to bring their net emissions back within baselines. These credits could be used as an offset for emissions growth occurring at a facility.

*Penalties should not apply where businesses are clearly operating as usual. If penalties are to apply, then the ESAA considers that a range of 'make good' provisions could be used. (Energy Supply Association of Australia)*

In response to the terms of reference some entities suggested that international units could be used to offset emissions above the baseline. For example, whilst suggesting that new facilities should be allowed five years of steady-state operation in order to determine emissions baselines, QGC stated:

*It is QGC's view that organisations operating within the ERF should be able to utilise international carbon permits to satisfy penalty obligations incurred from the Australian Government. Making provision for the use of international permits in the ERF would not only contribute to global emissions reduction, it would also assist in ensuring Australia reaches its 5% emissions reduction target by 2020. (QGC)*

Submissions are invited from industry and other stakeholders on other options to make good in rare cases where an entity consistently exceeded baselines.

### 4.4 NEW INVESTMENTS

The Government welcomes and supports growth in new economic activity and facilities. New investments are nevertheless projected to be a significant source of emissions growth in Australia in the short to medium term.<sup>7</sup>

New investments will typically be made in the most efficient, commercially viable technology available, and so are likely to perform better than existing industry practice in comparable

<sup>7</sup> Former Department of Climate Change and Energy Efficiency, *Australia's Emissions Projections*, 2012.



circumstances. The Emissions Reduction Fund would put in place a framework that supports new facilities or significant expansions at best practice.

In this context, the definition of 'best practice' is a key issue (see Section 4.5). For new investments, other key considerations will include:

- what constitutes a new investment, and
- at what point a new investment, facility or significant expansion ceases to be classified as new.

Setting historical baselines is not possible for new entrants due to a lack of historical data. Given this, one approach could be to set baselines at industry average or best practice emissions intensity.

New entrants could also be separated into two categories: those that have made final investment decisions and those that have not. New facilities or significant expansions prior to a final investment decision have the opportunity to invest in best practice technologies, while entities that have already made final investment decisions may be more limited in scope to change their plant set up in the short term.

The definition of 'significant expansion' could include facilities that undergo an expansion in which the maximum productive capacity of the equipment used to produce the relevant product is significantly greater than the maximum productive capacity of the equipment that existed before the installation. Under business-as-usual conditions, it is expected that businesses will undertake expansions using the best technologies and practices available. The Emissions Reduction Fund may need to treat baselines for significant expansions at facilities in the same way it treats new entrants.

The experience in Australia and other jurisdictions is that new entrant facilities or significant expansions typically have a 'ramp-up' phase characterised by lower production and higher emissions intensities compared to when fully operational. For this reason it will be difficult to apply benchmarking baselines to facilities while production is ramping up after commencing operations. It will be important to consider how the ramp-up phase should be treated for new investments and expansions and how to set an objective, consistent and repeatable test to determine when the ramp-up phase is over and baselines should be applied.

Finally, once a new facility or expansion has been operating for a period, it will be important to consider whether the baseline for the new investment should continue to be the benchmark applied or whether the baseline should be the lower of the best practice benchmark and the facility's own baseline data following the completion of the ramp-up phase.

#### **4.5 BEST PRACTICE**

Experience from Australia and other jurisdictions is that best practice is typically defined with reference to existing practices and the performance of domestic or international peers in a given industry. This requires definitions of what is considered to be the scope of comparable entities or facilities, as well as what constitutes best practice.

Issues that may be relevant to identifying comparable facilities or entities with which to benchmark new investments include production processes, technologies, input types and facility location. In considering how to define best practice it will also be important to establish an objective, repeatable test to apply fairly across industries.

While best practice could be defined with reference to the use of specific technologies at a facility, this would not translate naturally to setting facility-level baselines. To be used in setting facility-level baselines, best practice would need to be defined with reference to the overall performance of other facilities within an industry. Defining best practice in relation to technologies could also be inflexible and lead to the 'mandating' of particular technologies. A more flexible approach would allow businesses to determine their own approaches to ensuring emissions are at best practice levels. Best practice benchmarks could be based on a single best performer (for example, an existing facility with the lowest emissions-intensity of production in an industry) domestically or internationally, or on the average performance of, for example, the most efficient 10 per cent of industry peers.

Industries that are new to Australia pose unique challenges as domestic performance data would not be available for setting benchmarks for industries. In these circumstances, benchmarks could be based on a reasonable interpretation of international best practice.

#### **4.6 ELECTRICITY GENERATION**

The electricity generation sector produces over 35 per cent of Australia's emissions and is the single largest source of emissions by sector (see Figure 1.1). Recent modelling suggests that growth in electricity sector emissions will be relatively modest to 2020. The electricity sector also represents a key source of potential emissions reduction, much of which lies in supplying electricity from less emissions-intensive sources as well as improvements in efficiency.

Australia's Renewable Energy Target supports the deployment of renewable technology, driving emissions reductions in the electricity generation sector. The Renewable Energy Target comprises a Small-scale Renewable Energy Scheme and a Large-scale Renewable Energy Target. Liable entities under the Renewable Energy Target have obligations under both schemes to acquire and surrender renewable energy certificates created from both large-scale and small-scale renewable energy technologies. The Renewable Energy Target already provides a significant incentive for emissions reductions in the electricity sector by supporting the deployment of renewable energy technologies.

The Government will review the Renewable Energy Target in 2014 to ensure it is operating efficiently and effectively. The review will be an open and transparent process and will consider the impact of the Renewable Energy Target on electricity prices and the needs and future of the Australian manufacturing sector.

Given the significance of the electricity sector to Australia's emissions profile and the upcoming review of the Renewable Energy Target in 2014, the Government will work closely with the sector on how the policy can best apply to its needs.



*A safeguard mechanism will be introduced to provide incentives to reduce emissions above historical business-as-usual levels*

*Views are sought on:*

- *the coverage of the mechanism*
- *how baselines could most easily be set to effectively limit increases in historical business-as-usual emissions*
- *the treatment of new entrants and significant expansions, including definitions of best practice*
- *compliance options in the event that baselines are exceeded.*

## 5. CARBON FARMING INITIATIVE

The land sector makes a significant contribution to Australia's emissions and has significant potential to generate emissions reductions to 2020.

Many land sector emissions reductions activities also deliver valuable co-benefits. For example, reforestation projects can reduce erosion and improve water quality, address salinity and provide habitat for native species. Reducing livestock emissions can increase meat production. Increasing soil carbon can improve soil health, water retention and plant growth. Many land sector projects also provide important community benefits. For example, savanna fire projects provide employment for Indigenous communities as well as reducing fire risks to people and property.

The Carbon Farming Initiative was established in 2011 and enables farmers and landholders to earn credits for reducing greenhouse gas emissions. The scheme is established through the *Carbon Credits (Carbon Farming Initiative) Act 2011* and is administered by the Clean Energy Regulator.

Under the Carbon Farming Initiative, methodologies support emissions reductions from different land sector activities. New methodologies are assessed by an independent expert committee, the Domestic Offsets Integrity Committee, and approved for use under the Carbon Farming Initiative by the Minister for the Environment.

Farmers and landholders then use these methodologies to develop emissions reduction projects. Once a project is approved by the Clean Energy Regulator and implemented, the project owner submits a verified project report to the Clean Energy Regulator and receives Carbon Farming Initiative credits. Those credits can be sold to companies or individuals wanting to offset their emissions.

Over the Carbon Farming Initiative's first two years of operation, more than 20 methodologies have been approved for land sector emissions reductions activities. These methodologies cover:

- increasing environmental plantings and farm forestry
- reducing emissions from savanna burning
- reducing methane emissions from piggeries and dairies
- reducing landfill gas emissions.

The Clean Energy Regulator has registered nearly 100 Carbon Farming Initiative projects and issued over three million credits.

The Emissions Reduction Fund will be built on the Carbon Farming Initiative by expanding its coverage beyond the land sector to enable the Clean Energy Regulator to credit emissions reductions from across the economy (see Chapter 2). There is also potential to streamline the Carbon Farming Initiative arrangements for assessing methodologies and approving projects. Building on the Carbon Farming Initiative will be a simple way to implement the Emissions Reduction Fund and will provide continuity for business.

This chapter addresses two key issues: transitional arrangements for current Carbon Farming Initiative participants; and options for streamlining the Carbon Farming Initiative to make it

easier to provide incentives for projects in the land sector and to unlock emissions reduction opportunities in other sectors.

### 5.1 TRANSITIONAL ARRANGEMENTS

The Carbon Farming Initiative will continue to operate while it is expanded and streamlined in the context of the Emissions Reduction Fund. While the Emissions Reduction Fund policy process is underway, the Government will work with participants to improve the administration of the Carbon Farming Initiative within the constraints of the current legislation.

The Clean Energy Regulator will continue to approve Carbon Farming Initiative projects and issue Carbon Farming Initiative credits under the current legislation. Carbon Farming Initiative credits represent emissions reductions that are genuine and verified, and are personal property. This provides legal certainty and allows buyers to have confidence in Carbon Farming Initiative credits and the emissions reductions they represent. Carbon Farming Initiative credits can continue to be traded, banked or used to offset emissions. Carbon Farming Initiative credits will also continue to be able to be used for compliance under the carbon tax until final payments are due in February 2015.

The Government will continue to approve new Carbon Farming Initiative methodologies and variations to existing methodologies under the current legislation until the Emissions Reduction Fund is implemented. The Domestic Offsets Integrity Committee will continue to assess methodologies and provide advice on these to the Minister for the Environment.

Methodologies made under the Carbon Farming Initiative legislation will continue to apply under the Emissions Reduction Fund, allowing new land sector projects to be approved using these methodologies.

The Government is already working closely with the land sector to develop new Carbon Farming Initiative methodologies, which will support increased participation under the Emissions Reduction Fund. Priority areas for methodology development in the land sector include:

- increasing soil carbon
- reducing livestock emissions
- expanding opportunities for environmental and carbon sink plantings
- reforestation and deforestation.

Following the implementation of the Emissions Reduction Fund, new methods will support land-based projects to bid for funding under the Emissions Reduction Fund.

#### *5.1.1 Purchase of Carbon Farming Initiative credits*

Companies can purchase Carbon Farming Initiative credits instead of paying the carbon tax. Carbon Farming Initiative credits can continue to be used to meet carbon tax obligations for emissions to 1 July 2014 up until February 2015 when final carbon tax payments are due. Carbon Farming Initiative credits can also be used in the voluntary market or exported.

The Emissions Reduction Fund will provide ongoing demand for Carbon Farming Initiative credits following the repeal of the carbon tax.



Proponents of Carbon Farming Initiative projects will be well placed to bid into the Emissions Reduction Fund because methodologies for many land sector activities are already in place and more will be approved before the Emissions Reduction Fund's commencement. Emissions reductions from Carbon Farming Initiative projects that are successful at auction would be purchased by the Government. Forward contracts for credits will provide a guaranteed revenue stream for companies that invest in Carbon Farming Initiative projects for the duration of the contract. The price paid for Carbon Farming Initiative credits will be determined in the context of Emissions Reduction Fund auctions.

## 5.2 OPTIONS FOR STREAMLINING

### 5.2.1 Developing methods

The development and assessment of land-based emissions reduction methods can be an intensive process because there is limited data about the effect of different management practices on greenhouse gas emissions. Through the development of the Emissions Reduction Fund, options will be considered for streamlining Carbon Farming Initiative processes for methodology development so that the Emissions Reduction Fund can more easily provide incentives for land sector projects.

For example, currently, in order for a Carbon Farming Initiative methodology to be approved, the emissions reductions activity is subject to an additionality test and included in regulations on a 'positive list'. The additionality test involves an assessment of whether the activity is 'common practice' within the relevant industry.

The most commonly used methodologies were developed in consultation with industry, through technical working groups. Previously, the methodology development process did not give priority to large-scale emissions reduction opportunities. Under the Emissions Reduction Fund, large-scale emissions reductions opportunities will become a focus.

Proposals for methodologies are subject to public consultation for at least 40 days but there is no requirement for public consultation on methodologies in the form approved by the Minister. Carbon Farming Initiative methodologies generally include detailed reporting, monitoring and record-keeping requirements.

To streamline method development under the Emissions Reduction Fund and ensure that large emissions reduction opportunities from across the economy can bid into the Emissions Reduction Fund, the following process improvements will be considered:

- establishing clear priorities for methodology development in consultation with industry, abolishing the positive list and addressing additionality through methods
- simplifying methods and, where possible, incorporating models and processes used in the National Inventory
- improving transparency by releasing draft methods in their final form for public consultation, and reducing the consultation period from 40 to 28 days.

Participants in the Carbon Farming Initiative have expressed support for streamlining.

*We need agreed but conservative values for carbon sequestered from any particular on farm practice rather than cumbersome and costly site by site monitoring systems. Keep it simple and implementable. (Colin Creighton)*



See Chapter 2 on crediting emissions reductions for more information about methods.

### *5.2.2 Project approval and aggregation*

There will also be opportunities to streamline Carbon Farming Initiative project approval processes and aggregation.

Carbon Farming Initiative projects are approved by the Clean Energy Regulator. Forestry and soil carbon projects can be approved only if the project developer owns the land or has another relevant property right, such as a lease or carbon property right. Under the current arrangements it might be difficult to aggregate projects because landholders who would otherwise participate may be unwilling to transfer property rights to a project aggregator. Aggregation would be easier if, instead, the project aggregator needed only to demonstrate that they have the agreement of landholders to take part in the project. This will also make participation more attractive by enabling risks and transaction costs to be shared across multiple properties and property owners.

Other approaches to supporting project aggregation will also be considered.

#### *Box 5.1: Aggregating dairy feed additives under the Carbon Farming Initiative*

The Carbon Farming Initiative's methodology for dairy feed additives was developed in close consultation with industry to support aggregation of emissions reductions across many dairy farms into a single Carbon Farming Initiative project.

This methodology makes use of information that is routinely collected by farmers, such as herd numbers and milk production. Information can be included in a spread-sheet tool that makes the methodology easy to use. The tool helps individual farmers and aggregators to gather and summarise the information needed to report on the project.

Dairy co-operatives are likely to act as aggregators.

### *5.2.3 Permanence*

Under the Carbon Farming Initiative, forestry, revegetation and soil carbon projects (called carbon sequestration) are subject to a 100-year permanence obligation. This means that carbon stores must, on average, remain on the site for 100 years because the environmental benefits from these projects can be lost when vegetation and trees are cleared or soil carbon is lost and not replaced. The 100 year permanence rule also means that sequestration credits are seen as equivalent to other emissions reduction activities and have the same value. This approach is consistent with many comparable international schemes, such as the Climate Action Reserve and the Verified Carbon Standard.

The 100-year permanence rule is appropriate for conservation or environmental planting projects that are designed to be permanent. However, the 100-year rule can be a significant barrier for other types of sequestration projects, particularly for soil carbon and replanting projects. Farmers and foresters have expressed concern about permanence obligations that restrict future land use and could have serious consequences for future generations.

These concerns could be addressed by introducing a 25-year permanence option for sequestration projects. The number of credits issued for sequestration projects would be reasonably discounted to reflect the revised period. Project proponents would also retain the

option of agreeing to the full permanence period and receiving the full carbon value for their project.

The Government would amend the National Carbon Offset Standard to allow any credits issued under the Carbon Farming Initiative and the Emissions Reduction Fund to be used to offset emissions under the Government's Carbon Neutral Programme.

#### *5.2.4 Reporting and verification*

Under the Carbon Farming Initiative, emissions reductions must be independently verified to ensure they are genuine and project reports must undergo a reasonable assurance audit by an independent auditor registered under the National Greenhouse and Energy Reporting Scheme.

Streamlining of these reporting and verification requirements will be considered in the context of the Emissions Reduction Fund. For example, adopting a risk-based approach to verification could significantly reduce costs, particularly for smaller projects, with minimal impact on the environmental integrity of credits. Under this approach, the Clean Energy Regulator could apply risk criteria or rules in emissions reduction methods which determine how often a project's reports would have to be independently verified. The Clean Energy Regulator could still require reasonable assurance audits in cases of doubt and the courts can impose penalties for providing false or misleading information. A true-up may be needed to take account of any discrepancies discovered through the audit process in project reports which are submitted between audits.

Under current arrangements, Carbon Farming Initiative project owners can choose when to report on their project, provided that the reporting period is no less than 12 months and no more than five years. Under the Emissions Reduction Fund, consideration could be given to more frequent reporting and credit arrangements, for example, every six months. This will improve cash flow for some project operators and, with reduced verification requirements, improve the cost effectiveness of some projects.

*The Emissions Reduction Fund will build on and streamline the existing architecture of the Carbon Farming Initiative.*

*Views are sought on:*

- *options for streamlining the Carbon Farming Initiative*
- *how best to encourage the uptake of land sector activities.*

## 6. ADMINISTRATION

Stable and effective administration of the Emissions Reduction Fund will provide certainty for participants and facilitate long-term investment in emissions reductions projects. This chapter outlines administrative arrangements which would be built on the existing legislative architecture of the Carbon Farming Initiative.

### 6.1 ASSIGNING ROLES AND RESPONSIBILITIES

The following principles will guide the administrative framework:

- Administrative arrangements will provide certainty and predictability, with clear rules and transparent decision-making for proponents. A legislated scheme would provide for objective decision-making on individual emissions reductions projects, external review of decisions and certainty about participants' rights and obligations.
- Roles will be allocated, where possible, to existing institutions with the skills, capabilities, infrastructure and experience needed to administer the Emissions Reduction Fund and manage any implementation risks.
- Administrative arrangements will safeguard the integrity of the Emissions Reduction Fund by avoiding conflicts of roles, for example, by separating any technical and other assistance for project development from the assessment of projects.
- Administrative arrangements will be streamlined. Minimising the number of agencies involved in the Emissions Reduction Fund's administration will reduce implementation risks and the administrative burden on proponents. Processes will be streamlined wherever possible and unnecessary bureaucracy avoided.

### 6.2 ADMINISTERING THE EMISSIONS REDUCTION FUND

The Government, through the Minister for the Environment, will be responsible for Emissions Reduction Fund policy design, while the Clean Energy Regulator will be responsible for implementing the Emissions Reduction Fund.

Policy and administrative functions would be separated to avoid conflicts of role.

The Clean Energy Regulator is well-placed to perform Emissions Reduction Fund administrative functions, including:

- approving projects
- registering and administering auctions
- contracting
- managing reporting and verification processes
- issuing Australian Carbon Credit Units for certified emissions reductions
- making payments on delivery of emissions reductions.

The Clean Energy Regulator is already established and has the required expertise, as it currently administers the Carbon Farming Initiative and the National Greenhouse and Energy Reporting Scheme — the building blocks for the Emissions Reduction Fund.



*APPEA supports the continuation of the Clean Energy Regulator and the assignment to it of key responsibilities for administration of the ERF in addition to its ongoing responsibilities around the administration of NGERs. APPEA recommends, as is usual practice, ongoing policy responsibility remain with the Minister and with the Department. (Australian Petroleum Production & Exploration Association)*

*The Clean Energy Regulator has been a highly efficient scheme regulator. (Sheepmeat Council of Australia)*

*Having an independent authority with appropriate expertise undertaking the governance arrangements of the Emissions Reduction Fund is strongly supported by the CIF and NLAA. (Cement Industry Federation and National Lime Association of Australia)*

Management of the Emissions Reduction Fund processes by a single agency from project start to finish would:

- provide a 'one-stop-shop' for businesses
- help to streamline processes and minimise implementation costs, risks and timeframes
- facilitate participation in the Emissions Reduction Fund.

*One of the key ways in which the ERF can bring forward a range of bids for low cost large scale emission reduction opportunities is to ensure the ERF is underpinned by streamlined, efficient and effective administrative, reporting and compliance arrangements. (Australian Petroleum Production & Exploration Association)*

The Clean Energy Regulator could also operate the safeguard mechanism to discourage rises in emissions above historical levels, as the National Greenhouse and Energy Reporting Scheme would provide the systems for monitoring and reporting emissions under the mechanism.

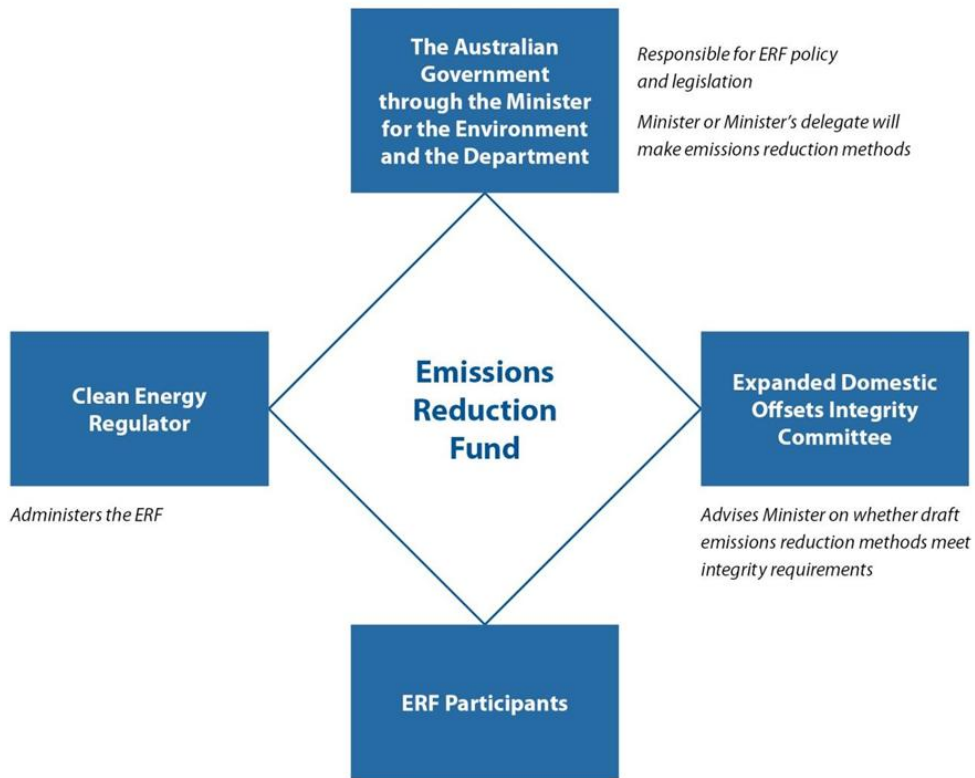
Legislative changes would be made to expand the role of the Clean Energy Regulator.

The Domestic Offsets Integrity Committee would continue to provide independent advice on whether proposed emissions reduction standards meet integrity requirements. This committee would be modified and its areas of expertise broadened to reflect the economy-wide coverage of the Emissions Reduction Fund.

The proposed administrative structure for the Emissions Reduction Fund is shown in Figure 6.1.



**Figure 6.1: Proposed administrative structure**



Participation in the Emissions Reduction Fund could be enhanced through the provision of project facilitation services, such as outreach and technical support for the development of project plans. To avoid conflicts of role, these services should be provided by entities other than the Clean Energy Regulator, which is responsible for project approval.

*The Emissions Reduction Fund will be administered by the Clean Energy Regulator.*  
*Views are sought on the proposed governance arrangements.*

## APPENDIX A: LIST OF PREFERRED POSITIONS

### 1. Design principles and sources of emissions reductions

*The Emissions Reduction Fund will be designed to achieve lowest-cost emissions reductions as its primary objective.*

*Views are sought on opportunities for large-scale, low-cost emissions reductions, including estimates of potential reductions.*

*The Government will conduct a review of the Emissions Reduction Fund towards the end of 2015 to provide certainty about the policy and design post-2020.*

*Views are sought on the timing and conduct of a review.*

### 2. Crediting emissions reductions

*Emissions reduction methods will be developed to calculate genuine and additional emissions reductions from new actions that are not mandatory and have not been paid for under another programme.*

*Views are sought on how best to:*

- *ensure that emissions reductions are genuine*
- *develop methods for calculating emissions reductions from priority activities*
- *facilitate the aggregation of emissions reductions across projects and activities.*

*Views are sought on regulatory reform opportunities that would complement the Emissions Reduction Fund.*

### 3. Purchasing emissions reductions

*Initially the Clean Energy Regulator could run relatively frequent tender rounds to bring forward the delivery of emissions reductions.*

*The Clean Energy Regulator would apply a benchmark price — the maximum amount it would pay per tonne of emissions reduced — with only bids costing less than the benchmark price being considered.*

*Stakeholder views are sought on how best to:*

- *facilitate early participation in the Emissions Reduction Fund*
- *operate an efficient auction process to secure lowest-cost emissions reductions.*

*Standard contracts will be used to guarantee payments for verified emissions reductions. These would have a maximum duration of five years and include options for addressing under-delivery of emissions reductions.*

*Views are sought on how best to provide:*

- *funding certainty for businesses*
- *confidence that projected emissions reductions will be delivered.*

*Information will be published under the Emissions Reduction Fund to supplement information currently published under the Carbon Farming Initiative, including additional contract and auction information.*

#### 4. Safeguarding emissions reductions

*A safeguard mechanism will be introduced to provide incentives to reduce emissions above historical business-as-usual levels*

*Views are sought on:*

- *the coverage of the mechanism*
- *how baselines could most easily be set to effectively limit increases in historical business-as-usual emissions*
- *the treatment of new entrants and significant expansions, including definitions of best practice*
- *compliance options in the event that baselines are exceeded.*

#### 5. Carbon Farming Initiative

*The Emissions Reduction Fund will build on and streamline the existing architecture of the Carbon Farming Initiative.*

*Views are sought on:*

- *options for streamlining the Carbon Farming Initiative*
- *how best to encourage the uptake of land sector activities.*

#### 6. Administration

*The Emissions Reduction Fund will be administered by the Clean Energy Regulator.*

*Views are sought on the proposed governance arrangements.*



## APPENDIX B: CREDITING EMISSIONS REDUCTIONS

### B.1 Energy efficiency

Energy consumption from the residential, commercial and industrial sectors accounts for just over half of Australia's overall emissions. Reducing energy consumption has the dual benefits of lowering business and household costs whilst also reducing emissions. Due to these dual benefits, energy efficiency improvements are expected to play a significant role in achieving Australia's 2020 emissions reduction target.

To achieve this target at lowest-cost, the Emissions Reduction Fund will need to unlock large-scale emissions reductions. In this context, the commercial, manufacturing and industrial sectors are likely to present the most prospective energy saving opportunities.

### B.2 Commercial buildings

Commercial buildings account for 53 MtCO<sub>2</sub>-e or around 9.4 per cent of Australia's national emissions and 7.2 per cent of Australia's total energy consumption, with the largest commercial energy users being retail spaces (38 per cent), stand-alone office buildings (25 per cent), education facilities (9 per cent), hotels (8 per cent) and hospitals (8 per cent).<sup>8</sup> Most of the energy consumed by the commercial building sector is for heating and cooling, followed by lighting, then appliances. There is likely to be significant potential for low-cost emissions reductions in this sector.

*The property industry has a demonstrated capacity to reduce greenhouse gas (GHG) emissions. Between 2003 and 2011, emissions from the built environment grew by only 8 percent, despite higher growth in commercial floor space and households (17 percent and 12 percent respectively). Despite progress to date, there remains significant potential for further abatement through energy efficiency and clean power technologies such as co- and tri-generation. (Property Council of Australia)*

There are considerable commercial incentives for new commercial buildings to exceed minimum efficiency standards set under the 2010 National Construction Code.

For example, many owners of existing premium grade commercial buildings are increasingly carrying out energy efficiency upgrades in response to growing demand for sustainable buildings. Further improvements in new buildings could be achieved by increasing efficiency standards under the code.

There are more limited incentives and a range of barriers to energy efficiency improvements to non-premium commercial buildings. These barriers include split incentives (where the building owner pays for energy efficiency upgrades, but the tenant benefits from the reduced energy bills); difficulties obtaining finance; high hurdle rates for energy efficiency investments compared to other investments; and information failures.

Emissions reduction activities in the commercial buildings sector could include:

- Making whole-of-building improvements to central services in existing commercial buildings. This could include building shell improvements, upgrading major equipment (for example, HVAC systems, chillers, boilers) and installing co-generation or tri-generation

<sup>8</sup> ClimateWorks, *Tracking Progress Towards a Low Carbon Economy, 4.Buildings*, 2013.



systems. Emissions reduction methods for such activities could allow for a range of projects to deliver an aggregate energy saving.

- Giving initial priority to large, whole-of-building retrofits of offices, hotels and shopping centres, where emissions reductions could be measured by comparing the building's energy meter pre- and post-retrofit.
- Measuring and comparing the direct consumption of electricity before and after the emissions reduction activity.
- Using the National Australian Built Environment Energy Rating System (NABERS) to adjust for changes in occupancy or floor space, and to determine eligible projects.

### *B.3 Industrial energy efficiency*

Industrial energy use is responsible for about a quarter of Australia's national emissions. The Emissions Reduction Fund will stimulate the take up of industrial energy efficiency opportunities through facility-based methods. Activity-based methods may also provide opportunities (see Chapter 2 for a discussion of facility- and activity-based methods).

Activity methods would provide rules for estimating energy savings arising from the replacement of commonly used equipment — for example, high-efficiency motors; variable-speed drives; heating, ventilation and cooling systems; commercial refrigeration; and boilers and furnaces. These methods would allow the electricity consumed before and after the emissions reduction activity to be easily measured and compared.

### *B.4 Residential energy efficiency*

Residential buildings account for 60 MtCO<sub>2</sub>-e or just over 10 per cent of Australia's national emissions.<sup>9</sup> Energy use from space heating, hot water systems and lighting represent the three largest energy consuming activities in the average Australian household.

Energy efficiency opportunities are individually small and widely dispersed across millions of households, but they can make a significant impact when aggregated. Methods would set out simple approaches so that direct consumption of electricity before and after the emissions reduction activity could be easily measured and compared.

### *B.5 Fugitive emissions from coal mining*

Fugitive emissions from coal mining are greenhouse gases (mainly methane) released from coal seams during mining activities. In 2011, these emissions accounted for 28 MtCO<sub>2</sub>-e or five per cent of Australia's emissions.

Australia's 48 underground coal mines are typically more emissions-intensive than surface mines. They contribute about two-thirds of fugitive emissions within the sector (18 MtCO<sub>2</sub>-e), while producing around one-third of Australia's annual coal production.

Methane emitted from underground mines poses safety risks and gas drainage is often required to make the mine safe for operation. The implementation of cost-effective methane reduction activities can yield a range of benefits, such as improved mine safety, greater mine productivity, increased revenues and reduced greenhouse gas emissions.

<sup>9</sup> ClimateWorks, *Tracking Progress Towards a Low Carbon Economy, 4.Buildings*, 2013.

Where coal mine methane is captured in appropriate concentrations, it can be flared or used to generate power. The technologies for this are well proven and are already applied in many Australian mines to comply with safety regulations or to generate electricity and receive incentives under the Renewable Energy Target. There are further opportunities for new gas capture and increasing the efficiency of gas capture in existing methane drainage systems.

Once a mine is in operation, methane is typically in low concentrations and is combined with ventilation air. Opportunities to reduce ventilation air methane are still in the early stages of development. The mining industry is working to address safety and technological barriers to cost-effective reduction of ventilation air methane.

Emissions reductions from methane flaring or use can be measured simply and directly. Early consultation with the industry has identified that an activity-based method that builds on those already available under the Clean Development Mechanism (CDM) would be likely to provide a good starting point for an Emissions Reduction Fund method. These CDM methodologies may need to be tailored to take account of baseline methane capture, state regulatory requirements and measurement methods that mine operators already use under the National Greenhouse and Energy Reporting Scheme (NGERS)..

#### *B.6 Transport sector*

Transport emissions come from road transport, rail, domestic aviation and domestic shipping. In 2011, emissions from this sector accounted for 88 MtCO<sub>2</sub>-e or 16 per cent of Australia's total emissions. Road transport makes up the largest share of those emissions, with around 13 million cars, 750,000 motorcycles, 2.7 million light commercial vehicles, nearly 600,000 heavy trucks and over 90,000 buses. In addition, heavy haulage and other off-road vehicles operate at mine sites and other industrial facilities. Emissions from these vehicles are typically reported along with other industrial emissions.

Activities that could reduce transport emissions include: switching to lower emissions fuels, using more efficient vehicles; improving management practices (for example, driver training or supply chain optimisation); and shifting between transport modes (for example, from road to rail).

Transport emissions reductions could be measured using a generic method that compares reductions in emissions with a baseline. Different metrics could apply to different subsectors; for example, buses and trains could be rewarded for reducing emissions per passenger per kilometre, and fleet operators could be rewarded for reducing emissions per tonne of freight per kilometre. This is similar to the approach used in the *Quantification Protocol for Fuel Switching in Mobile Equipment* approved for use under Alberta's Offset Credit System.

The advantage of this approach is that it would enable emissions reductions to be calculated easily across different modes of transport and emissions reduction activities, and it could be applied to fleets of different sizes.

This approach could encourage logistics and fleet managers in a variety of settings to consider a range of emissions reduction opportunities, including upgrading technology, converting existing fleet to lower emission fuels and adopting more fuel-efficient driving practices. It could also encourage aggregators (for example, technology or fuel suppliers) to work with transport companies to collectively achieve a greater amount of emissions reductions than could be delivered by individual fleet or vehicle operators.

### *B.7 Waste sector*

Waste emissions come from decomposition of organic material in landfill and during waste treatment. In 2011, emissions from this sector accounted for 13 MtCO<sub>2</sub>-e or 2 per cent of Australia's total emissions. Around 80 per cent of these emissions came from Australia's estimated 460 landfills. Domestic and commercial wastewater treatment facilities contributed a further 13 per cent of waste emissions, with about a third of this coming from large municipal facilities. The remaining waste emissions come from industrial wastewater treatment, for example meat and poultry facilities.

Existing Carbon Farming Initiative methodologies cover landfill gas capture, waste diversion to alternative waste treatment facilities, and capture of waste water emissions from piggeries and dairies. These methodologies will be available for use under the Emissions Reduction Fund and enable crediting of ongoing emissions reductions from existing Carbon Farming Initiative projects and the provision of incentives for new projects.

Under the Emissions Reduction Fund, these methodologies could be expanded to cover a broader range of emissions reduction opportunities in the sector. Once available, emissions reduction providers could choose to apply the revised methods or an existing Carbon Farming Initiative methodology.

New methods will also continue to be developed under the current Carbon Farming Initiative. For example, a method for reducing landfill gas emissions through the use of biofilters or biocovers is due for completion in early 2014. Smaller landfills will have the opportunity to adopt this method and bid emissions reductions into the Emissions Reduction Fund.



## APPENDIX C: PURCHASING EMISSIONS REDUCTIONS

The Emissions Reduction Fund will use a competitive bidding process to identify lowest-cost emissions reductions. This appendix discusses detailed design issues related to the auction process. These design issues include the content of bids, auction format, how often auctions could be held, the benchmark or maximum price the Government would pay at each auction, and minimum and maximum bid sizes. The appendix concludes with a discussion about alternatives to a 'pay-as-bid' model, which could be used by the Clean Energy Regulator over time.

### *C.1 Content of auction bids*

The Emissions Reduction Fund will use auctions to identify lowest-cost projects for funding. Auction bids must therefore include both a price (expressed as dollars-per-tonne of emissions reduced) and a quantity of emissions reductions (expressed in tonnes of CO<sub>2</sub>-e) from an identified project that the bidder is willing to supply at that price. This information would be used to rank projects and to ensure that potential funding commitments did not exceed the funding available.

### *C.2 Auction format*

The process by which the Emissions Reduction Fund will select lowest-cost bids from project proponents is akin to a reverse auction. A common format for a reverse auction is a sealed bid auction. A sealed bid auction asks each participant to state a price at which he/she is willing to supply a quantity of emissions reductions. These bids are submitted via a private (sealed bid) communication. After all the bids have been submitted, they are sorted and ranked from (in this case) the lowest cost to the highest cost per tonne of emissions reductions.

Sealed bid auctions have the advantages that they are simple, can be completed in a single round, and many potential bidders into the Emissions Reduction Fund are likely to have had experience with sealed bid auctions. Because information is not revealed about the other bidders and of competition during the auction process, a sealed bid auction would support bidding on the basis of emissions reduction costs.

### *C.3 Benchmark price*

In a reverse auction, a benchmark price (or maximum price) acts like a price ceiling, and protects the Government from paying unacceptably high prices. Without a benchmark price the Government could be obliged to purchase high cost emissions reduction projects where few emissions reduction projects are bid at a given auction. Such an approach may not represent value for money.

The benchmark price could be set in advance of each auction, having regard to factors such as:

- progress towards meeting the five per cent emissions reduction target;
- the amount of funding allocated at previous auctions; and
- the observed cost per tonne of emissions reductions in projects previously bid at auction.

A variant of a benchmark or price ceiling is a 'declining budget curve', where the Government's budget for the auction declines as the clearing price increases. Both approaches are consistent with the idea that the Government should spend less when prices are high.



#### *C.4 Budgeting for each auction*

There will be annual budgets for the Emissions Reduction Fund, but funding constraints could also be set for each auction. If the funding constraint for the auction was reached, the auction would stop at the price and emissions reduction quantity reached. If the funding constraint was not met, the benchmark price would apply and excess funds could be carried over to future auctions.

The budget for each auction would need to be set so that the supply of funds was matched as closely as possible to demand for those funds. If the budget were too tight, low cost projects that fall under the benchmark price would miss out on funding and would need to re-bid at subsequent auctions.

If no budget was set for an individual auction, the amount of funds allocated at auction would depend on the number and size of projects that bid emissions reduction at prices lower than the benchmark price. If the supply of emissions reductions is high, the entire annual funding amount could theoretically be allocated at a single auction. This would ensure that the Emissions Reduction Fund 'locked in' low-cost emissions reductions as they became available. This could also mean that there would be no auctions until the next financial year.

In general it would be preferable to maintain flexibility about whether to apply a funding constraint to each auction or not. Decisions on funding constraints for individual auctions could be made by the Clean Energy Regulator, as administrator of the Emissions Reduction Fund.

#### *C.5 Auction schedule*

A decision would be needed on how many auctions to hold each year. Larger but fewer auctions are likely to lead to greater participation and therefore competition at each auction. Competition at auction is crucial to a cost-effective outcome.

In practice, there is likely to be a need for flexibility in setting the auction schedule, to enable the ability to adjust to the level of supply of emissions reductions in the market. Decisions on timing could be made by the Clean Energy Regulator, as administrator of the Emissions Reduction Fund.

In the initial stages of the Emissions Reduction Fund, as emissions reduction methods are being developed and projects planned, the Clean Energy Regulator could run frequent rounds to reduce the amount of time before bidders know they are successful, and bring forward the delivery of emissions reductions.

Over time, the Clean Energy Regulator could reduce the number of rounds held per year and announce an auction schedule that specified which months it is intending to conduct each auction. Auctions would then occur according to the schedule but subject to a specified minimum proposed tonnage of abatement or a minimum number of bidders being registered. The minimum tonnage would ensure adequate supply, while the minimum number of independent bidders would help to ensure competition. Once these requirements had been satisfied, the Clean Energy Regulator could then give appropriate notice of the next auction date to enable proponents to finalise and submit their projects.

#### *C.6 Minimum project size*

A minimum project size could be implemented to streamline the Emissions Reduction Fund. A minimum project size could encourage the aggregation of smaller activities and streamline the application process for smaller entities.

The administrative costs of conducting an emissions reduction project are likely to represent a greater share of overall project costs for smaller activities. By encouraging aggregation, these costs can be reduced and the financial viability of smaller activities improved.

A minimum project size could be set in terms of total estimated emissions reductions over the life of the contract.

#### *C.7 Maximum project size*

A maximum bid size is sometimes applied in auctions to limit the influence large participants have on auction outcomes. By restricting the size of projects, no participant would be able to overly influence auction outcomes and inflate the average auction price, undermining the objective of least cost emissions reduction.

However, a maximum project size might preclude large, viable and low-cost projects from being funded under the Emissions Reduction Fund. This could reduce the amount of emissions reductions on offer and increase the average cost per tonne of emissions reductions purchased. It would also be difficult to determine the appropriate level for the maximum project size that would best balance these risks.

There are a number of Emissions Reduction Fund design elements that could work towards mitigating the risks of large participants overly influencing auction outcomes. A sealed bid auction format would mitigate some of these risks. As each bidder would only see their own bid, large bidders may not know that their relative size in the market and so may not be able to take advantage of their size.

The ability for one or two large bidders with significant size to drive up auction prices would also be mitigated by the existence of a benchmark price and a requirement for a minimum number of bidders to have registered before an auction can take place. The risk of large bidders overly influencing market outcomes can also be reduced by measures to increase participation, and hence competition, at auction.

#### *C.8 Comparing alternative models*

By paying less for lower-cost emissions reductions, the Government will be able to achieve maximum value for money. The broad approach to auction design that could achieve this is to have the price paid to successful bidders equal to their bid (known as 'pay-as-bid' auctions). The Government has proposed a pay-as-bid model in this Green Paper, however the Clean Energy Regulator could have flexibility to consider alternative models over time based on learnings from early auctions.

There are pros and cons for different approaches. While pay-as-bid auctions may introduce incentives for participants to bid more (because they will receive more)<sup>10</sup>, they can also be successful in achieving lower costs in aggregate in instances where clearing prices from one auction do not inform future auctions.

<sup>10</sup> Wolfram, C. D., *Electricity markets: Should the rest of the world adopt the United Kingdom's reforms*, 1999; Woo, C-K., Lloyd, D., Tishler, A., *Electricity market reform failures: UK, Norway, Alberta and California*, 2003.

## APPENDIX D: CONSULTATION PHASES

The Australian Government is committed to consulting widely on the design of the Emissions Reduction Fund. Consultation on the Emissions Reduction Fund began in 2010 with the release of the Direct Action Plan. By the time the Emissions Reduction Fund is implemented in July 2014, there will have been five phases of consultation over four years.

The consultation phases are set out below:

1. **Release and consultation on the Direct Action Plan:** after the release of the Direct Action Plan in 2010, and prior to coming to Government, the Coalition held around 200 meetings and various roundtables and the-then shadow Minister for the Environment, the Hon Greg Hunt MP, delivered a number of speeches setting out design features of the Emissions Reduction Fund.
2. **Terms of reference:** once elected, the Government held consultations and meetings with interested business and community groups on the design of the Emissions Reduction Fund. These discussions helped inform the terms of reference which were released on 16 October 2013.
3. **Green Paper:** the Government released the terms of reference for the Emissions Reduction Fund White Paper on 16 October 2013. 290 submissions were received in response to the terms of reference and the views expressed in those submissions have informed the draft policy positions outlined in this Green Paper. The Government also met with numerous stakeholders across a range of sectors to discuss, among other things, technical issues related to the establishment of possible emissions reduction methods, and approaches to auction and contract design. The Minister for the Environment, the Hon Greg Hunt MP, engaged extensively with stakeholders, including by participating in workshops and delivering keynote speeches on the policy considerations involved in developing the Emissions Reduction Fund.
4. **White Paper:** the Government invites submissions in response to this Green Paper by 21 February 2014. Those responses will inform the development of the Emissions Reduction Fund White Paper. The Government will also seek community and business views on the proposed policy in the Green Paper, including through existing technical forums to develop emissions reduction methods. Consultation sessions will also be held to provide an opportunity for stakeholders to ask questions prior to finalising their written submissions.
5. **Post White Paper:** the Government will continue to engage with business and the community following the release of the White Paper. The Government will also consult with industry on the development of emissions reduction methods for the most prospective large scale emissions reduction activities.

The Government is committed to a 1 July 2014 start for the Emissions Reduction Fund.



## GLOSSARY

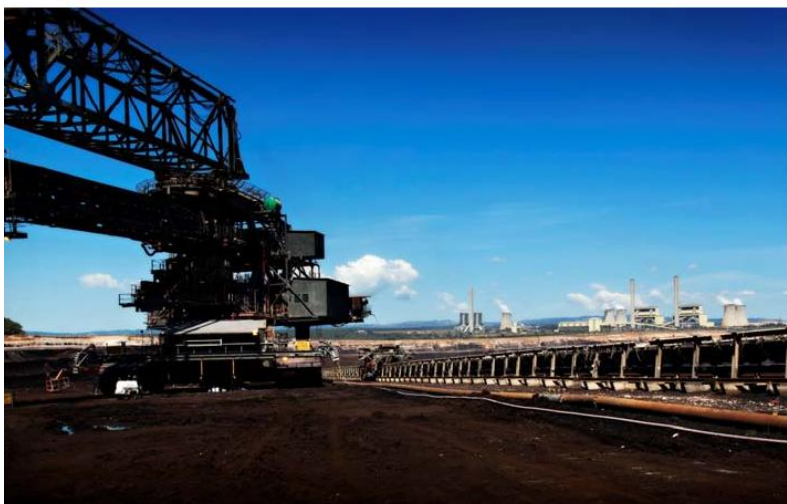
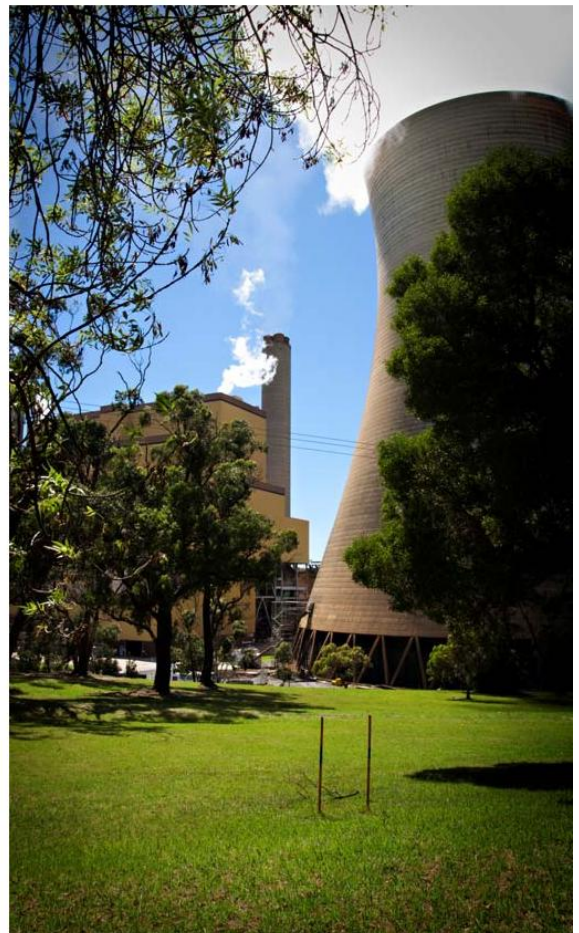
Additionality	A requirement that a project or activity produce emissions reductions that are additional to any that would have occurred in the absence of the project or activity: policy intervention, in this case the Emissions Reduction Fund.
Australian Carbon Credit Units	A type of emissions unit which is held in the Australian National Registry of Emissions Units.
Australian National Registry of Emissions Units	A secure electronic system which tracks the location and ownership of emissions units and which was established through the <i>Australian National Registry of Emissions Units Act 2011</i> .
Baseline	A projected level of future emissions or a historical level of emissions that would have occurred without policy intervention.
Benchmark price	The maximum price that can be successful at an auction/tender.
Best practice	The performance, in terms of emissions levels, of leading facilities or technologies.
Business-as-usual	An estimate of the future pattern of greenhouse gas emissions which assumes that there will be no major changes in attitudes and priorities of governments, business and the community.
Carbon	Short for carbon dioxide equivalents which refers to the six major greenhouse gases.
Carbon Farming Initiative	A voluntary carbon offsets scheme that enables farmers and landholders to earn credits for reducing greenhouse gas emissions. The scheme was established through the <i>Carbon Credits (Carbon Farming Initiative) Act 2011</i> and is administered by the Clean Energy Regulator.
Clean Energy Regulator	An independent Government body responsible for administering legislation to reduce carbon emissions and increase the use of clean energy.
Coverage	Which entities would be eligible to participate in a scheme, which entities a scheme may apply to, and what emissions would be included.
Direct Action Plan	A plan proposed by the Government to reduce Australia's emissions and improve Australia's environment. The plan includes a range of measures, including the Emissions Reduction Fund and the One Million Solar Roofs and 20 Million Trees programmes.
Domestic Offsets Integrity Committee	An independent expert committee which assesses proposals for methodologies under the Carbon Farming Initiative and advises on their approval.
Emissions-intensity	The ratio of emissions per unit of output.
Emissions reduction contract	A contract between the Government and a project proponent, capturing the Government's promise to pay for emissions reductions and the proponent's promise to deliver them.
Emissions Reduction Fund	The central measure set up under the Government's Direct Action Plan to reduce Australia's emissions in a simple and practical way by sourcing lowest-cost emissions reductions through the use of a market mechanism.
Emissions reduction project	A project with an approved methodology for delivering emissions reductions.



Forward contract	A standard contractual practice that involves contracting parties signing a contract in expectation of their respective obligations under the contract being performed at an agreed point in the future.
Fugitive emissions	Greenhouse gases that are released in the course of oil and gas extraction and processing, through leaks from gas pipelines and as waste methane from black coal mining.
Make good provisions	A standard contractual term which defines how a party that is unable to deliver upon its obligations under a contract can meet those obligations through alternative means.
Methods	Emissions Reduction Fund methods set out the rules and instructions for undertaking Emissions Reduction Fund projects, estimating emissions reduction and reporting to the Clean Energy Regulator. Methods must be approved by the Government to be eligible for use under the Emissions Reduction Fund or Carbon Farming Initiative.
National Greenhouse and Energy Reporting Scheme	A mandatory reporting system for corporate greenhouse gas emissions and energy production and consumption established under the <i>National Greenhouse and Energy Reporting Act 2007</i> .
New entrants	Facilities that are new to Australia when the Emissions Reduction Fund is operating.
Permanence	An obligation placed on carbon sequestration projects to prevent sequestered carbon from being released back into the atmosphere through project reversal. Permanence requirements ensure credits genuinely offset emissions occurring elsewhere.
Positive list	A register of emissions reduction activities that are eligible to earn carbon credits under the Carbon Farming Initiative. The positive list aims to ensure credits are issued only for additional emissions reductions. A methodology cannot be approved for use under the Carbon Farming Initiative unless it relates to an activity on the positive list.
Renewable Energy Target	A legislated scheme which aims to source at least 20 per cent of Australia's electricity from renewable energy by 2020.
Reverse auction	A type of auction in which the roles of buyer and seller are reversed. The auctioneer buys the good or service from sellers who compete to provide the good or service to the buyer.
Scope 1 emissions	The release of greenhouse gas into the atmosphere as a direct result of an activity or series of activities (including ancillary activities) that constitute the facility.
Scope 2 emissions	Emissions released into the atmosphere as a direct result of one or more activities that generate electricity, heating, cooling or steam consumed by the facility, but do not form part of the facility.
Sequestration	The removal of atmospheric carbon dioxide, either through biological processes (for example, photosynthesis in plants and trees), or geological processes (for example, storage of carbon dioxide in underground reservoirs).

# Positioning Latrobe City for a Low Carbon Emission Future

6 April 2010





## BACKGROUND

Latrobe City Council has recognised that international and Australian policies are being developed to reduce greenhouse gas emissions in response to growing concern about climate change. These policies, and the likely future constraints on carbon based emissions that will arise from their implementation, potentially have significant implications for the ongoing sustainability, vitality and well being of the Latrobe City community.

Latrobe City supports international and Australian efforts to address climate change. Latrobe City seeks to ensure that its economy and community continue to prosper and, with the appropriate transition mechanisms in place, it believes that both climate change mitigation and economic growth can be achieved.

Latrobe City Council has developed this policy in order to position and prepare the Latrobe City municipality to prosper in a low carbon emissions future. The policy identifies the expected implications of Government greenhouse gas emission mitigation policies on the City and proposes transition arrangements, including interventions and support mechanisms, to enable Latrobe City to optimise its transition under future Government greenhouse gas mitigation schemes. Latrobe City Council intends to provide leadership for its community by instigating and facilitating the actions identified in this policy document, thereby positioning Latrobe City to build on its strengths, capture opportunities and proactively address any negative impacts that arise as a consequence of the introduction of Government greenhouse gas mitigation policies. While the policy was initially developed in response to the Australian Government's proposed Carbon Pollution Reduction Scheme (CPRS), which is yet to be legislated, the policy framework is generic and would remain relevant under an altered or alternative scheme. The policy position has been developed to allow Latrobe City to proactively prepare for a low carbon emissions future, while allowing scope for the policy to be refined once the Australian Government program is defined and in place.

## POLICY CONTEXT

Latrobe City is home to approximately 72,900 people largely residing in the four major population centres of Moe-Newborough, Morwell, Traralgon and Churchill. Following an extended period of population decline in the 1990s, over the last five years the Latrobe City population has been growing steadily.

Latrobe City is the most populated local government area within the broader Gippsland region, which is also demonstrating strong population growth. Latrobe City has become a significant service centre for the Gippsland region, particularly in provision of education and health services. This is reflected in employment statistics, which show that a number of service sectors are significant contributors to local employment including (ABS 2006 Census data):

- Public and community services – 32%;
- Retailing, wholesaling and transport – 18%;
- Manufacturing – 7%;
- Construction – 6%;
- Tourism – 6%;
- Business services – 5%;
- Paper and forestry – 4%.

The broader Gippsland region is rich in natural resources, including forests, fertile land for agriculture, water and fossil fuels, particularly gas and brown coal.

Latrobe City offers new investors: a skilled labour force, strong road and rail transport links, established electricity transmission and generation infrastructure, locally based educational institutions and affordable land prices. A number of capital projects have been announced or are currently underway in Latrobe City, including:

- International Power Hazelwood Mine Extension \$400 million
- Gippsland Water Factory \$174 million;
- International Power Coal Drying Retrofit \$80 million;
- ACE Latrobe Urea Project \$2 billion;
- HRL Clean Coal Power Station \$750 million; and
- Latrobe Community Health Redevelopment \$21 million

In socio-economic terms, the population of the Latrobe City is relatively disadvantaged compared to Australia as a whole with a comparatively high level of unemployment and lower than average median incomes (ABS 2006 Census data).

Latrobe City currently supplies over 90% of Victoria's electricity generation requirements and extensive electricity distribution infrastructure links the existing generation facilities to Melbourne. The low cost electricity generated in the Latrobe Valley from brown coal resources has contributed to Victoria's economic prosperity over the last 90 years. However, the high moisture content of brown coal means that the greenhouse gas emissions produced per unit of electricity produced are high relative to other forms of electricity generation.

Given the long history of electricity generation in the region, it is not surprising that this sector dominates the economic profile of Latrobe City. A recent study by Compelling Economics (2008) found that electricity generation accounted for around 21% of Latrobe City Gross Regional Product (GRP). Other major contributors included the coal mining sector (including services to mining) which accounts for 2.5% of GRP and water, sewer and drainage services which contribute 1.4% of GRP.

Employment in Latrobe City is heavily reliant upon the income obtained from electricity generation and coal mining activities, with about 3,100 (or 11%) jobs linked directly to these sectors (ABS 2006 Census data). Furthermore, an additional 8 jobs were found to be sustained in the local economy for every 10 jobs in the electricity sector (Compelling Economics 2008). Therefore, there are approximately 2,500 additional jobs sustained due to electricity sector activities giving a total of 5,600 (approximately 20%) jobs related to the sector.

The brown coal electricity generation industries in the Latrobe Valley have been identified as particularly vulnerable under the emissions reduction policies due to their high emissions intensity. The Latrobe Valley underwent a difficult structural adjustment process following the privatisation of the electricity sector in Victoria during the 1990s. Once the social and economic impacts that arose as a consequence of electricity sector privatisation became evident, the State Government established the Latrobe Valley Ministerial Taskforce. The Taskforce has subsequently worked in partnership with local government and the community to improve the economic prospects of the Latrobe Valley. However, it is recognised that the detrimental impacts on the community following electricity sector privatisation may have been lessened or avoided by earlier, co-ordinated intervention.



Having taken on board the lessons learnt from the electricity sector privatisation experience, Latrobe City Council is seeking to engage with its community, as well as neighbouring municipalities and the State and Federal Governments, ahead of any structural adjustment arising from the introduction of policies and programs to reduce carbon emissions. The intention is to develop and implement a comprehensive transition strategy for the municipality, which allows Latrobe City to position itself to prosper in a low carbon emissions future.

### AUSTRALIAN GOVERNMENT GREENHOUSE GAS MITIGATION POLICIES AND LATROBE CITY

Latrobe City has been identified as a community likely to be exposed to significant structural adjustment pressures as a result of the introduction of greenhouse gas mitigation schemes, such as the Australian Government's proposed CPRS. It is anticipated that the introduction of these schemes will decrease the competitiveness of the brown coal fired generators that are located within the Latrobe Valley, which would then impact on the local economy and employment growth.

The potential impact of a CPRS on the Latrobe Valley is recognised in the CPRS White Paper in a section entitled "Assistance to workers, communities and regions". The White Paper states *"The Australian Government is aware of stakeholder concerns in relation to particular regions and stands ready to provide assistance through the Climate Change Action Fund to any region Where a clear, identifiable and significant impact arises, or is likely to arise, as a direct result of the Scheme"*.

The introduction of greenhouse gas mitigation schemes will also provide new opportunities for Latrobe City. There is considerable research underway examining alternative uses for brown coal as well as technologies to improve the efficiency of brown coal fired electricity generation and reduce the emissions of greenhouse gases. Schemes such as the CPRS would introduce a carbon price and this, combined with increasing world prices for energy sources (such as oil and gas), will improve the commercial viability of such opportunities.

In addition, projected population growth, and the associated growth in demand for low emission service based industries, such as health and education, provides an opportunity to further enhance Latrobe City's reputation as the service hub for Gippsland.

Opportunities exist to reduce electricity transmission losses, and generate new employment opportunities in the Latrobe Valley, by co-locating intensive energy users with electricity generation facilities. However, it is recognised that the current electricity transmission regulatory pricing does not provide a commercial signal to support location of energy intensive industries closer to electricity generators as real distribution losses are not reflected in the pricing structure. Some limited opportunities to co-locate energy intensive industries directly connected to generation (thereby bypassing the grid and related pricing structure) also exist.

Electricity generators in Latrobe City have access to natural gas supplies from the Gippsland Basin and an opportunity exists to locate future low emissions natural gas fired electricity generation facilities in Latrobe, utilising the existing transmission infrastructure and reducing reliance on brown coal.

The existence of specialist electricity sector skills in Latrobe City provides an opportunity for local businesses to market this knowledge to interstate and overseas clients. An example of this opportunity would be using local industry knowledge to improve electricity generation in a

developing country, thereby generating carbon credits under the Kyoto Protocol's Clean Development (CDM) or similar mechanism.

Forestry and agricultural sectors are likely to be included in the Australian Government's CPRS scheme, and alternative schemes proposed by the Coalition, on a voluntary basis and this would allow forestry and agricultural projects to generate carbon credits and sell those into the carbon market. Policies to reduce carbon emissions may also present significant opportunities for the development of facilities to generate renewable energy (e.g. wind or biomass). While these offset and renewable energy schemes may be located in neighbouring municipalities, opportunities exist to co-locate the manufacturing and service based industries that support these sectors within Latrobe City.

### **LATROBE CITY COUNCIL'S POLICY FRAMEWORK**

Latrobe City Council supports international and Australian efforts to address climate change. Latrobe City Council seeks to ensure that its economy and community continue to prosper in a low carbon emissions future and, with the appropriate transition mechanisms in place, it believes that both climate change mitigation and economic growth can be achieved.

Latrobe City Council's policy framework has been developed to enable Latrobe City to capitalise on its strengths, while capturing opportunities that arise from Australian Government policy (such as the introduction of a CPRS or alternative scheme), address weaknesses and proactively managing threats. The framework describes measures that will allow Latrobe City Council to anticipate and plan responses to structural adjustment impacts and make the most of the new market opportunities that will arise in a carbon constrained economy.

Latrobe City Council has identified three themes that underpin its planned policy approach:

- Pursuing and realising opportunities - A smooth and successful transition to a low carbon emissions future will require Latrobe City and the broader Gippsland region to continue to grow and develop existing business as well as harness new opportunities, which arise as a consequence of Government emission reduction schemes. In this policy theme, actions are identified that will allow Latrobe City Council to capture opportunities and enable business innovation and growth.
- Contingency planning - Contingency planning involves identifying threats along with possible outcomes and identifying measures to avoid or manage detrimental impacts. The policy actions proposed in this theme will allow Council, Governments and other stakeholders to put in place the necessary safeguards and plans to ensure that they are able to respond quickly and provide support to the community during the transition period.
- Working together - Latrobe City Council recognises that the scope of the adjustment task is beyond the capacity of Council acting alone. It intends to work in partnership with its community, businesses, industry, neighbouring municipalities, State and Federal Governments, and others to proactively plan for the smooth and successful transition of the Latrobe Valley region to a low carbon economy.

The policy intent and key policy actions relating to each of the three themes are described in the following sections. The policy actions have been divided into two groups based on their primary focus. The first group of policy actions are those with a regional focus. Latrobe City Council will seek to initiate and facilitate these actions in collaboration with other Councils and regional organisations. The second group of policy actions are locally based and Latrobe City Council will lead the delivery of these actions.



For each of the policy actions listed, an indication has been provided of the possible timeframe to commence implementation and also whether the policy action is independent of Australian Government policy. This guidance is provided to identify those actions that can be undertaken immediately and independently of outcomes from the parliamentary and political processes at the Federal level. The actual implementation of policy actions will depend on the outcomes of prioritisation and implementation planning processes.

### **PURSUING AND REALISING OPPORTUNITIES**

The pursuit and realisation of opportunities at the regional level (Gippsland region and the broader Latrobe Valley) as well as the local level (Latrobe City) will require planning and action to capture opportunities and to facilitate innovation and growth.

The box below outlines the policy intent related to this theme and the following text describes the policy and related actions in detail.

#### **Box 1: Policy Intent**

##### **At a regional level, Latrobe City Council will:**

- Support the development of commercially viable low emissions coal technologies;
- Support the development of alternative uses and markets for coal;
- Promote the capacity of the region to accommodate alternative energy solutions;
- Work with industry, and educational institutions (e.g. TAFE and universities) to evaluate future regional skill needs and to attract relevant courses to local institutions;
- Work with State and Federal Governments to raise community awareness of the details, likely impacts and available support mechanisms related to emissions reduction policies; and
- Advocate for and support the business community to enable it to respond effectively to the CPRS or alternative scheme and to capture relevant opportunities.

##### **At a local level, Latrobe City Council will:**

- Seek to attract regional industry administration, training and research centres to Latrobe City;
- Promote the development of its economy based on sustainable use of natural resources (for example, water, agricultural land, forests, wind, solar, geothermal energy);
- Encourage sustainable business growth, diversification and private industry investment in Latrobe City;
- Implement communication strategies to ensure investor confidence is maintained throughout the transition period and to build business confidence in medium and long term prospects for economic growth in Latrobe;
- Work to lift the profile of the Latrobe Valley in the broader community;
- Build on the existing programs to attract new residents to Latrobe City;
- Implement strategies and planning schemes that support development while maintaining a unique regional lifestyle;
- Work with State Government and other stakeholders to improve the breadth and quality of education, transport, health and recreational services and infrastructure; and
- Progress infrastructure projects and investments in Latrobe City.

## CAPTURING OPPORTUNITIES

### OPPORTUNITIES IN NATURAL RESOURCES

Latrobe City Council is committed to the sustainability objective "To promote the responsible and sustainable care of our diverse built and natural environment for the use and enjoyment of the people who make up the vibrant community of Latrobe Valley."

The Gippsland region is rich in many natural resources. Managing these resources for the long term benefit of the region and the community will provide opportunities for economic development and employment. For example, a CPRS would provide opportunities for the creation of income from carbon credits through forestry and agricultural projects (e.g. soil biosequestration or biomass production). Similarly, the Federal Opposition's policy would also provide a form of incentive for these activities. Given the diversity of land use across Gippsland, a collaborative approach across local governments in the region will be required and the existing Gippsland Local Government Network (GLGN) provides a mechanism to progress new initiatives at a regional level in association with other Councils. While the operational component of many of these opportunities will be located in neighbouring Councils, there is a potential role for supporting services such as administration, aggregation, research and education programs to be located in Latrobe City.

The Gippsland Regional Strategic Planning Initiative (GRSPI) project has identified 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 will 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 adjust to an economy in transition in a time of climate change. The Centre will focus on regional innovation, diversification of skills, research and development capability and commercial enterprise and will greatly assist businesses to capture opportunities that arise in a carbon constrained world.

The Gippsland Region Sustainable Water Strategy Discussion Paper identified that the Gippsland Region is one of the few areas in Victoria where the available water resources have not been fully allocated. This available water could be used to support additional development and activity in the region. Latrobe City Council will work closely with DSE to ensure that allocation of water supplies balances the needs of both the local and the broader Victorian communities.

Education and engagement of land owners and managers will be critical to establish and support bio-sequestration and biomass production activities. Education programs will be needed to outline the risks and benefits of such schemes and to provide pragmatic advice on how to progress forward (e.g. equipment requirements, financing, servicing, and maintenance needs). Latrobe City Council will seek a regional Department of Primary Industry resource to assist land owners and managers to implement bio-sequestration and biomass production activities.

Latrobe City Council will work with State Government to further advance the research agenda in environmental and natural resource management and to lobby for a larger State Government presence in the region through regional offices, particularly for the Department of Sustainability and Environment (DSE) and/or the Department of Primary Industries (DPI.) However, it is noted that the potential for an increased State Government presence in the region is likely to occur through an increase in the size or number of personnel at existing offices as many Departments have recently gone through a period of consolidating the number of offices in which they operate.



The significant natural assets and biodiversity of the Gippsland region also present tourism opportunities that can serve to further enhance the profile of the region in the broader community. Latrobe City Council will continue to work with Destination Gippsland and Tourism Victoria to progress regional tourism initiatives.

#### OPPORTUNITIES IN ENERGY

Latrobe City Council supports the balanced use of brown coal as an energy source and it will work with researchers and government agencies to support low emissions coal technology research efforts and to encourage the development of pilot plants and research facilities in the Latrobe Valley. Latrobe City will seek membership to the Global Carbon Capture and Storage Institute (GCCSI) and will monitor, and support where possible, the progress of the institute's research programs. Latrobe City will lobby State and Federal Governments to link funding of research grants to location of research facilities in Latrobe City.

The Latrobe Valley economy is heavily dependent on revenue and employment from coal fired electricity generation and associated industries, with over 20% of Gross Regional Product being derived from this industry (Compelling Economics 2008). While Latrobe City supports the balanced use of the coal resource, it will maintain a strategic focus on transitioning to an economy that is not reliant on one coal end use. The Council supports the retention of existing brown coal related jobs within the municipality and will work to encourage investment in alternative uses and markets for coal.

Latrobe City Council will work closely with DPI, through Clean Coal Victoria, to ensure that any future development of the currently unallocated coal resource is undertaken with due consideration of social, environmental and financial factors.

Latrobe City currently supplies over 90% of Victoria's electricity generation requirements and extensive electricity distribution infrastructure links the existing generation facilities to Melbourne. Latrobe City is, and will continue to be, an important source of Victoria's electricity needs. Wind, solar, geothermal and hydro renewable energy resources in the Latrobe City municipality are not of a high quality and the municipality is therefore at a disadvantage compared to other areas which have better renewable energy resources (e.g. coastal areas with strong/consistent wind resources). However, there are significant renewable energy generation opportunities in the broader Gippsland region. There is potential for Latrobe City to become a manufacturing or development hub for low emissions electricity generation technology even if the generation plants themselves are in neighbouring areas.

Potential also exists for electricity generators in Latrobe to access low emissions natural gas supplies from the Gippsland Basin so that they do not have to be entirely reliant on brown coal.

The highly specialist skills of the electricity workforce in Latrobe offer opportunities for the region to export this knowledge to interstate and overseas clients (subject to workforce availability). An example of this opportunity could be using Latrobe industry knowledge to improve electricity generation in a developing country thereby generating carbon credits under the Kyoto Protocol's Clean Development Mechanism (CDM).

Latrobe City Council will seek to form partnerships with proponents for funding under State and Federal Government schemes at an early stage in the funding process to facilitate the development of research projects in Latrobe City (e.g. advertising support services through DPI ETIS website).

## BUSINESS AND INDUSTRY DEVELOPMENT OPPORTUNITIES

A carbon constrained world presents opportunities for Latrobe City to diversify its economy by attracting new industries as well as capitalising on existing businesses, services and skills in the region. Low emission service based industries such as health and education provide opportunities to enhance Latrobe City's reputation as the service hub for Gippsland. The presence of electricity generation also offers opportunities to co-locate intensive energy users with generators, so that direct connections can be made to power supplies, to minimise transmission losses and generate new employment opportunities.

## ENABLING INNOVATION AND GROWTH

The Economic Development Strategy for Latrobe City will be revised in 2010. The Strategy review process will examine the opportunities arising from Australian Government policies, along with existing and new opportunities unrelated to the scheme, and will detail a plan for facilitating investment and developing a "climate" conducive to investment growth. The Economic Development Strategy review will be informed by this policy.

Latrobe City Council will act as a broker between industry, new investors, skills providers and educators to facilitate expansion and growth of the industry base. Latrobe City Council recognises that considerable effort will be required to support the business growth and diversification effort during the transition to a low carbon emissions future and it intends to review the priorities, processes and level of resourcing allocated to its economic sustainability activities to ensure that it can effectively meet the anticipated requirement for business development services.

Latrobe City Council will work with the Department of Innovation, Industry and Regional Development (Skills Victoria) and Gippsland Regional Skills Forum to identify future regional skills needs. Council will also work with local educational institutions such as GippsTAFE and Monash University to tailor educational courses on offer according to identified skills needs.

Based on anecdotal evidence, it was identified that the current image of the Latrobe Valley in the broader Victorian community is poor and this can confound efforts to develop partnerships with industry, government and research institutions to further the development of innovative technologies. Further market research is required to confirm that there is a poor external perception of the region and to identify specific strategies and actions to improve the image of the Latrobe Valley.

Latrobe City will investigate opportunities to collaborate with neighbouring municipalities, other Government agencies, industry and academics to promote the region in the broader Victorian and Australian communities. At present, a Gippsland Regional Marketing and Branding project is planned for the 2010/11 financial year. This project will provide consistent branding for the region.

In addition, Latrobe City Council will play its role in promoting green "success stories" as they happen and will expand the existing program of road-shows offered to Victorian Government officers to improve understanding and familiarity with Latrobe City. The Gippsland Water Factory project is a good example.

Latrobe City will work to attract new residents by building on the success of existing Latrobe City and regional advertising campaigns, such as the regional cities program, and will seek funding (e.g. CPRS Climate Change Action Fund funding) to sustain these programs if necessary.

Latrobe City Council will continue to support regional planning projects, particularly the development of the Gippsland Regional Development Plan, through the GLGN, and will seek to include relevant regional policy actions in the plan. This will enable Latrobe City to have influence in the development of strategic plans and platforms across the region and to ensure that regional and local plans are consistent and complementary. Latrobe City Council will also contribute to regional initiatives such as the Gippsland Local Government Network (GLGN) initiative, through the "Invest in Gippsland" regional investment prospectus.

### **PLANNING FOR THE FUTURE**

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. One key area of focus is the review and renewal of planning schemes (such as Latrobe Planning Scheme Amendment C62) so that land use is thoughtfully planned for the future.

Latrobe City Council will continue to engage with Government, industry and other stakeholders at a local and regional level to improve the breadth and quality of education, transport, health and recreational services and infrastructure in Latrobe City. Melbourne's population is projected to grow significantly over the next 20 years, and with thoughtful and integrated planning, this population growth could provide significant opportunities for Latrobe City to enlarge its population and diversify its economic base.

In order to promote local and regional opportunities in transport, Latrobe City Council will continue to advance the development of the Gippsland Logistics Precinct. This facility will improve opportunities for development of export industries in Latrobe City and the broader region.

Similarly, Council will move to engage with the Federal Government on the timing of the rollout of the National Broadband Network (NBN). So far the Federal Government has announced the NBN rollout will start in Tasmania and that in addition, construction of new fibre-optic network backbones will commence shortly. One backbone project is in South West Gippsland. The NBN has the potential to transform communications in the region and provide new business and employment opportunities for residents of Latrobe City. This is a specific one-off opportunity to proactively diversify the Latrobe City economy.

### **PREPARING PEOPLE FOR CHANGE**

At present there is a variable level of awareness and understanding across the community of the potential implications of policies to reduce carbon emissions and the need to plan for the transition. The stakeholder consultation process for this project was an important first step in engaging with the Community on this issue. Latrobe City Council will lobby for the delivery of an ongoing community awareness program using Australian Government funds where Australian Government policies directly impact on the Latrobe City community.

The extent to which businesses will be able to minimise costs, identify opportunities that flow from the Australian policies to reduce carbon emissions and implement these opportunities will depend on their understanding of the workings of the scheme and their capacity to respond. A well informed, well resourced business community is a necessary precursor to delivery of business innovation in the context of a carbon constrained economy.

Funding will be sought for a number of full time “Carbon Assist” positions over three years, and located in the Latrobe City Council offices to provide support for businesses under a CPRS or alternative scheme. The proposed model is similar to that used to manage the GST transition process and Latrobe City could potentially support an early pilot of the concept prior to a broader roll-out of the scheme. The Carbon Assist positions could focus specifically on households, community groups, and small to medium enterprises. The positions would work with local households and industries to:

- Keep them up to date with developments in the roll-out of Australian Government emissions reduction policies as well as new policy initiatives;
- Provide training on energy and carbon management and methods to minimise their costs; and
- Assist businesses and individuals to identify and capture opportunities arising from Australian Government emissions reduction policies

Latrobe City Council will implement communication strategies to ensure investor confidence is maintained throughout the transition period and to build business confidence in medium and long term prospects for economic growth in Latrobe. Council will maintain regular communication with identified future investors to ensure that Council’s response to Australian Government policies is well understood and Latrobe City Council infrastructure development plans and other investment activity is well publicised.

The policy actions related to the theme of pursuing and realising opportunities are summarised in the box below.

**Box 2: Policy Actions**

<b>Regionally Based Policy Actions</b>	<b>Possible timeframe to commence implementation</b>	<b>Independent of Australian Government policy</b>
Lead the formation of a GLGN sub-committee to develop and implement activities requiring GLGN involvement	Within 12 months	Yes
Support proposal for establishment of the Centre of Excellence for Sustainable Technologies	Within 12 months	Yes
Liaise with Department of Primary Industries to ensure the balanced development of coal resources and with Department of Sustainability and Environment that needs of local community are considered in allocation of water supplies	Within 12 months	Yes



<b>Regionally Based Policy Actions</b>	<b>Possible timeframe to commence implementation</b>	<b>Independent of Australian Government policy</b>
Work with the GLGN and Department of Primary Industries to assist land owners and managers to implement bio-sequestration and biomass production activities	1 to 3 years	No
Advocate for and support the expansion of State Government regional offices	Within 12 months	Yes
Work with Destination Gippsland and Tourism Victoria to progress regional tourism initiatives	Within 12 months	Yes
Investigate opportunities for early National Broadband Network rollout in Gippsland	Within 12 months	Yes
Work with DIIRD (Skills Victoria) and Gippsland Regional Skills Forum to identify future regional skills needs and to tailor courses accordingly	1 to 3 years	Yes

<b>Locally Based Policy Actions</b>	<b>Possible timeframe to commence implementation</b>	<b>Independent of Australian Government policy</b>
Become a member of the Global Carbon Capture and Storage Institute (GCCSI)	Within 12 months	Yes
Lobby Government to establish low emissions coal research projects in Latrobe City	Within 12 months	Yes
Review the Latrobe City Council Economic Development Strategy (2007), related priorities and resourcing. This includes developing priorities and implementation plans for policy actions, including for example, timing, partners, responsibilities, resource requirements and finance sources	Within 12 months	Yes
Promote "good news" stories and conduct Latrobe City "road shows" for key Government agencies	Within 12 months	Yes

Locally Based Policy Actions	Possible timeframe to commence implementation	Independent of Australian Government policy
Commission market research to ascertain information on external perceptions of Latrobe City and barriers to investment in the City. This includes sharing the results with local stakeholders and implementing effective follow up actions	Within 12 months	Yes
Work to attract new residents and business through delivery of advertising campaigns	1 to 3 years	Yes
Progress planned infrastructure programs including identified upgrades to town centres, community facilities and the Gippsland Logistics Precinct development	1 to 3 years	Yes
Seek Australian Government Funding for "Carbon Assist" positions located in Council offices	1 to 3 years	No
Implement communication strategies to maintain investor confidence during the transition period	1 to 3 years	Yes
Lead and assist local groups to obtain funding under the Victorian Government's Climate Communities Program	Within 12 months	Yes

### CONTINGENCY PLANNING

Managing risk is one of the most significant and potentially difficult aspects of facilitating a successful transition to a low carbon economy. There is significant uncertainty around the timing, magnitude and exact nature of potential opportunities and the extent of the impacts of current and future Australian Government emissions reduction policies on Latrobe City, the Latrobe Valley and the broader Gippsland region. This uncertainty is magnified by the lack of clarity on the final design and implementation schedule for such policies.

Following the privatisation of the electricity sector in the 1990s, the Latrobe Valley faced substantial adjustment issues and experienced severe economic decline. Although assistance was ultimately provided through the Latrobe Valley Ministerial Taskforce process, the provision of this assistance earlier in the transition would likely have reduced the economic and social toll and shortened the transition period.

Thus contingency planning plays an important role in building community resilience and facilitating a smooth transition process by enabling a rapid and considered response to unexpected or potentially "catastrophic" outcomes.



### Box 3: Policy Intent

#### Latrobe City Council will:

- Advocate for and actively participate in the development of holistic contingency plans for the Gippsland region and Latrobe City municipality as part of the implementation of Australian Government policies;
- Lobby for independent social impact analysis of regional impacts of Australian Government policies on emissions reductions; and
- Contribute to formulation and delivery of a proactive transition response commensurate with expected social impacts.

The proposed CPRS legislative framework includes support mechanisms for the electricity sector to enable an ordered adjustment over time to low emissions generation. These mechanisms would limit the likelihood of closure of generation facilities in the short term, although in the medium to long term closures are likely. However, it is possible that secondary factors, for example companies being unable to secure refinancing, could increase the risk of early and unexpected closures.

One of the specific threats for the region is that Australian Government policies may compound the existing level of social disadvantage that is present in Latrobe City. Low skilled workers and low income households are likely to be disproportionately affected.

However, at present, there is a lack of detailed information on the likely impacts of a CPRS and alternative emissions reduction policies on the Latrobe municipality and the Gippsland region. Some economic modelling work has been undertaken, but this work needs to be updated to reflect the final scheme design (once it is known). One of the short-comings of economic modelling is that it is very narrow in focus and scope (usually focusing on employment, economic output and household income or expenditure). What is needed to inform the contingency planning process is a broader social impact assessment that provides detailed information on projected impacts across a number of social and wellbeing indicators.

To enable this, Latrobe City Council is working with the Coal Council's Alliance to jointly advocate for a social impact analysis study for the member Councils. The social impact analysis will identify a number of possible scenarios and the flow-on impacts that could result in each municipality from the introduction of greenhouse gas mitigation policies. This work will assist all member Councils to identify priorities and establish transition and contingency planning measures to effectively manage the adjustment to a carbon constrained economy. It is recommended that the Coal Council's Alliance seek Department of Climate Change input and endorsement of the terms of reference for the social impact analysis as this will provide some assurance that the results of the study will be accepted by decision makers.

Latrobe City Council will advocate for the formation of a multi-agency regional body to oversee the preparation of plans to address any potential negative economic and social impacts identified for each scenario in the social impact analysis study. The scenario planning approach will enable robust contingency plans to be developed ahead of any impacts on its community.

Council has experience in bushfire emergency response and contingency planning and it can build on this capability to assist in the facilitation of a multi-agency risk assessment and development of support plans that can be activated with a short lead time.

Under the Government's proposed CPRS, funding has been set aside through the Climate Change Action Fund (CCAF) to support specific workers, regions and communities that may

experience a concentrated impact flowing from the implementation of a CPRS. It is unclear whether this funding would be sufficient to support all the communities affected by the introduction of a CPRS to make a smooth adjustment. It is proposed that a high level budget estimate for implementation of the risk mitigation actions identified in the contingency planning process would be developed to help assess whether the funding Government makes available under its greenhouse gas mitigation schemes is sufficient and to strengthen future applications for funding to the region.

In order for Latrobe City Council to be in a strong position to advocate for funding and access grants as they become available, it is important that the potential risk mitigation costs are understood as early as possible. Accordingly, the social impact analysis study and the contingency planning process have been identified as priority actions and Latrobe City Council will aim to progress these activities over the next 12 months. It is important to note that the scenario planning methodology allows the range of potential impacts of a transition to a low carbon emissions future to be characterised without the Government's greenhouse gas mitigation scheme needing to be finalised.

The successful transition experience of Newcastle and the Hunter region following the closure of the BHP Steelworks provides an example of how the effects of structural adjustment can be mitigated through facilitation of new investment. The announcement of the BHP closure came as a shock to the region, with the loss of 2,000 jobs (this equated to around 1% of the employment in the broader region). Immediately after the closure was announced, the Australian Government set up the Newcastle Structural Adjustment Fund and allocated \$10 million in funding. The State Government also contributed to the fund. In total, \$11.4 million of Federal funding was allocated to 14 projects across Newcastle and the Lower Hunter. The purpose of the fund was to assist projects that aimed to generate sustainable private employment in the region. The projects supported from Federal Government funds were primarily infrastructure projects, which required one-off assistance with capital costs.

Latrobe City will advocate for the provision of Australian Government funding to a specific regionally based transition fund to encourage regional investment and stimulate the regional economy. The exact governance arrangements for the fund need to be developed in conjunction with the Australian and Victorian Governments as well as Gippsland Local Governments. However, it is important that the fund be able to respond quickly and effectively during the transition period.

Latrobe City Council proposes to instigate discussions and investigations with other Government agencies to develop an appropriate structure and governance arrangements for the transition fund and to present these to the Australian Government for adoption. Given that the full impact of policies to reduce Australia's carbon emissions may not be felt in Latrobe City until 2015 or beyond, a Government commitment to a 15 year funding horizon will be sought.



**Box 4: Policy Actions**

<b>Regionally Based Policy Actions</b>	<b>Possible timeframe to commence implementation</b>	<b>Independent of Australian Government policy</b>
Work with the Coal Council's Alliance to undertake Social Impact Analysis	Within 12 months	Yes
Advocate for and participate in a regional based response group to oversee the development of costed contingency plans to address potential negative economic impacts of Australian Government policies to reduce carbon emissions	Within 12 months	Yes
Advocate for regional funding commensurate with the cost of contingency plan actions	1 to 2 years	No
Advocate for and assist in the development of a regional governance structure for the delivery of Australian Government funding and programs	Within 12 months	Yes

<b>Locally Based Policy Actions</b>	<b>Possible timeframe to commence implementation</b>	<b>Independent of Australian Government policy</b>
Develop scenarios for contingency planning processes	Within 12 months	Yes
Advocate for and participate in multi-agency contingency planning processes.	Within 12 months	No

**WORKING TOGETHER**

Latrobe City Council recognises that the scope of the task to transition to a low carbon emissions future is beyond the capacity of Council acting alone. While Latrobe City Council supports the efforts at a national level to address climate change through the mitigation of carbon emissions, it is also keen to see its economy and community continue to prosper. Latrobe City Council is of the view that, with the appropriate transition mechanisms in place, climate change mitigation, economic growth and regional development can be achieved.

It is recognised that current and possible future Australian Government policies will bring both opportunities for innovation and diversification of the Latrobe City economy and the threat of reduced employment growth in traditional sectors, particularly in the brown coal fired electricity generation industry and supporting businesses. The impacts of such policies on the Latrobe City economy, whether positive or negative, will be felt in the broader region and vice versa.

For example, a slowdown in employment growth in Latrobe City would affect other municipalities as approximately 15% of those who work in Latrobe City reside in neighbouring areas.

Conversely, employment growth within Latrobe City will positively impact on the economy of neighbouring municipalities. Opportunities arising in the broader region could be supported by services located within Latrobe City and vice versa.

Latrobe City Council believes that a co-ordinated regional approach to the transition task would strengthen efforts by Latrobe City and neighbouring municipalities to:

- Engage effectively with State and Federal Governments
- Attract new industries to the region; and
- Build the regional economy.

#### **Box 5: Policy Intent**

##### **At a regional level, Latrobe City Council will:**

- Show regional leadership by working to encourage a co-ordinated approach to economic growth, regional development and the transition to a carbon constrained economy;
- Build strategic alliances with other Councils and groups with complementary interests to facilitate a clear and consistent message to Federal and State policy makers;
- Pursue active and early engagement with State and Federal Governments to win additional investment in the region and to ensure local input to design and delivery of additional transition assistance

##### **At a local level, Latrobe City Council will:**

- Maintain capacity and resources to proactively anticipate and plan for the transition to a carbon constrained economy;
- Facilitate the delivery of a clear and consistent message from both Latrobe City and the broader region to Federal and State policy makers.

#### **REGIONAL PARTNERSHIPS**

Latrobe City Council and neighbouring Councils have a solid history of working collaboratively on issues where a co-ordinated response is warranted. The Gippsland Local Government Network (GLGN) is a forum of CEOs and Mayors from each of the six Gippsland based Councils. The GLGN member Councils, in conjunction with the Victorian Government, worked together to develop the Gippsland Regional Development Strategy and produced a regional submission to the Government's Carbon Pollution Reduction Scheme Green Paper. Latrobe City's intent is to engage with other Councils in Gippsland through the GLGN.

Latrobe City proposes that the GLGN form a specific sub-committee to manage regionally based transition activities that require the participation of the GLGN. Membership of the sub-committee would be open to all interested GLGN members. Latrobe City Council is prepared to take the lead in establishing and managing the sub-committee.

Latrobe City Council has also formed a partnership with the other coal industry Councils (Wellington Shire Council, Central Highlands Regional Council, Isaac Regional Council, Whitsunday Regional Council, Singleton Shire Council and Muswellbrook Shire Council) through the Coal Councils of Australia Alliance. The Alliance will work cooperatively to co-ordinate response efforts and to share experience, resources and knowledge related to the transition to a low carbon emissions future. Latrobe City Council will seek to form other complementary alliances where these are of strategic benefit and can be appropriately resourced.

Latrobe City Council will also continue to support regional industry networking and knowledge sharing events in partnership with Regional Development Victoria/Regional Development Australia, the Victorian Employers Chamber of Industry, and Aus Industry.

#### LOCAL PARTNERSHIPS

The community consultation process for this policy generated significant interest, with many organisations interested in working with Council to facilitate a successful transition to a low carbon emissions future. Council is committed to building upon this initial interest to develop productive and fruitful partnerships. In the short term, this is likely to involve regular communication bulletins or newsletters from Council to inform interested parties of developments.

However, over the longer term, Latrobe City Council plans to form a consultative committee for the transition to a low carbon emissions future. This committee would comprise Councillors and representatives of the community, local businesses, industry, State and Federal Governments. The committee will monitor the impacts of Australian Government emissions reduction policy on the community and industry and will advise Council on legislative and Government policy developments. The committee will monitor and report on the effectiveness of the policy measures adopted by Council and will review Council's transition policy position as needed.

The consultative committee will work closely with local industry to understand as early as possible any structural changes they are planning in response to Australian Government programs.

#### PARTNERSHIPS WITH OTHER LEVELS OF GOVERNMENT

Latrobe City Council is seeking to form strong partnerships with State and Federal Government so that collectively the three levels of Government can contribute to a smooth and successful transition to a low carbon economy in Latrobe City and the Gippsland region. To this end, Latrobe City Council is working to establish ongoing communication channels with State and Federal Government departments and relevant Ministers. Latrobe City Council has met with relevant State Government Ministers and also with the Federal Government Climate Change Minister, Penny Wong, to discuss Latrobe City's transition under the proposed CPRS.

Further engagement with State and Federal Government has occurred through the stakeholder consultation process carried out during development of this policy. Latrobe City Council intends to build on the consultation undertaken to date to establish ongoing communications forums with each of the key areas of Government as shown in Table 1 and Table 2.

**Table 1: Focus Areas – Australian Government**

<b>Area of interest/focus Department Minister</b>	<b>Department</b>	<b>Minister</b>
Climate Change Action Fund transition assistance	Climate Change	Greg Combet
Regional infrastructure and economic development Local government engagement	Infrastructure, Transport, Regional Development and Local Government	Simon Crean
Sustainable land, water and natural resource management	The Environment, Water, Heritage and The Arts	Tony Burke
Communications infrastructure	Broadband, Communications and the Digital Economy	Stephen Conroy
Low emission technologies, alternative uses for coal	Resources, Energy & Tourism	Martin Ferguson

**Table 2: Focus Areas - State Government**  
**Area of interest/focus Department Minister**

<b>Area of interest/focus Department Minister</b>	<b>Department</b>	<b>Minister</b>
Sustainable land and natural resource management Low emissions technologies, alternative uses for coal Energy policy and strategy Balanced development of coal resource	Primary Industries	Michael O'Brien / Matthew Guy
Climate change	Sustainability and Environment	Ryan Smith
Environment	Sustainability and Environment	Ryan Smith
Community support programs	Planning and Community Development	Mary Wooldridge
Community support programs	Human Services	David Davis
Regional economic development, attracting new investment	Innovation, Industry and Regional Development	Peter Ryan / Richard Dalla-Riva / Louise Asher



Latrobe City Council will continue to seek meetings with the relevant State and Federal Government Ministers to discuss the transitional support mechanisms that will be available for the Latrobe Valley. A CCAF stakeholder committee is to be formed by the Federal Government to provide advice on the design and activities of the fund. Latrobe City has requested representation on this committee and will continue to lobby for inclusion on this body.

#### Box 6: Policy Actions

<b>Regionally Based Policy Actions</b>	<b>Possible timeframe to commence implementation</b>	<b>Independent of Australian Government policy</b>
Lead the formation of a GLGN sub-committee to develop and implement activities requiring GLGN involvement	Within 12 months	Yes
Form alliance with other coal industry Councils	Within 12 months	Yes
Support and further develop regional industry networking, partnership and knowledge sharing events	1 to 3 years	Yes

<b>Locally Based Policy Actions</b>	<b>Possible timeframe to commence implementation</b>	<b>Independent of Australian Government policy</b>
Establish the Latrobe City Carbon Transition Consultative Committee	1 to 3 years	No
Establish ongoing communications processes and forums with key State and Federal Government departments and relevant Ministers.	Within 12 months	Yes
Provide briefings on Latrobe City's transition policy and specific transition needs for the relevant State and Federal Government Ministers, as well as Shadow Ministers	Within 12 months	No
Advocate for local representation on the CCAF stakeholder committee	Within 12 months	No
Develop and nurture partnerships and networks with local stakeholders and interest groups	Within 12 months	No

### **IMPLEMENTATION AND REVIEW**

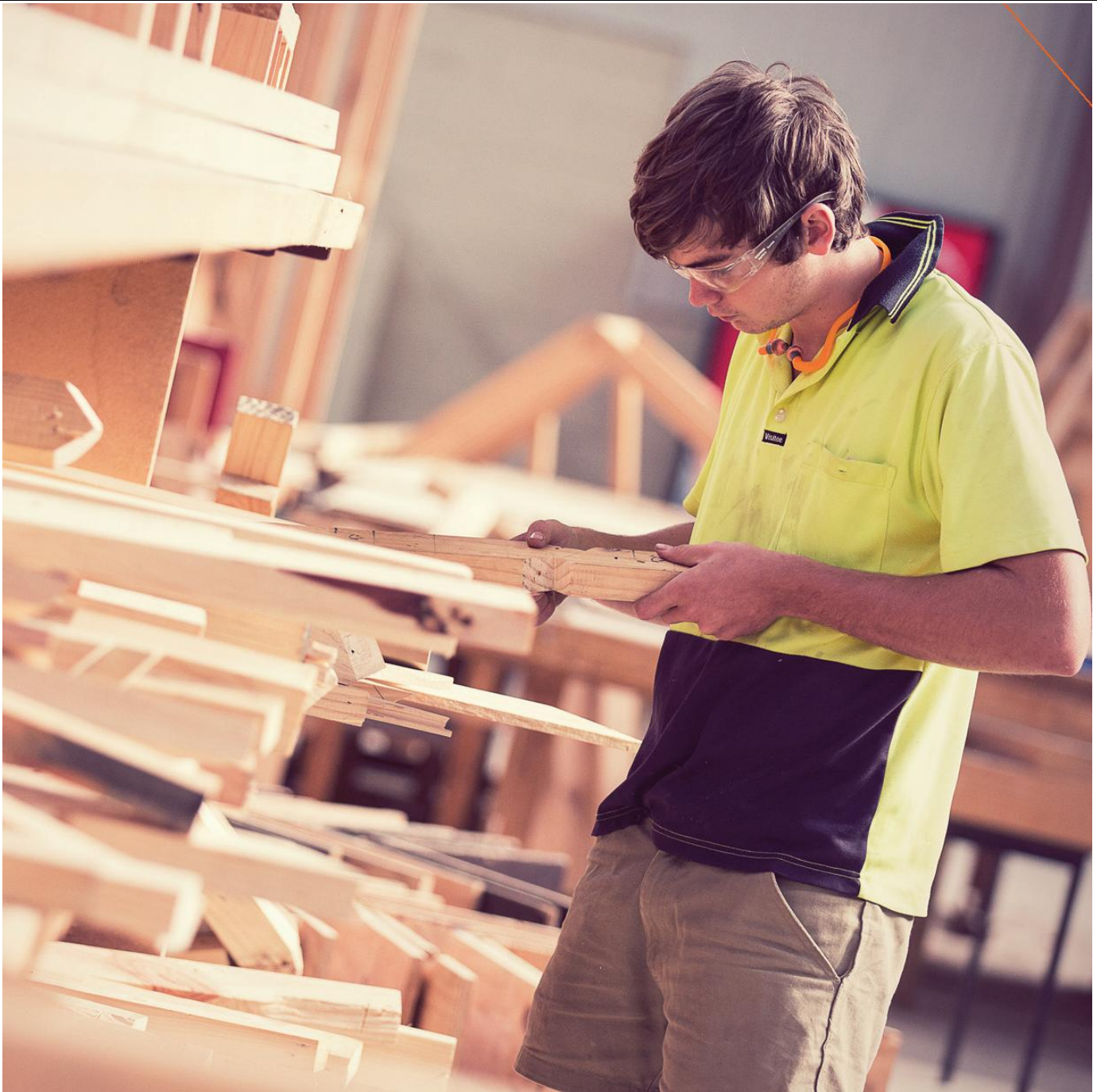
Latrobe City Council's Economic Sustainability Division will oversee the implementation of the policy. Latrobe City Council will work to progress as a priority the Social Impact Analysis study through the Coal Council's Alliance, the contingency planning process and the formation of a sub-committee of the Gippsland Local Government Network to progress the identified regional initiatives.

Once the Government's carbon emissions programs are defined and legislated, a Low Carbon Emissions Consultative Committee will be formed. This committee will assist Latrobe City Council to implement policy actions, monitor progress and assess the effectiveness of the policy actions throughout the transition period. Frequent review of the policy will be needed during the transition so that Latrobe City Council can adapt its approach as required.



# Securing Our Future

2013 | *Government Investment  
Opportunities in Latrobe City*





“ In 2011, Council clearly articulated its priorities through ‘*Securing Our Future*’, a companion document to the policy that set out a range of low carbon transitional immediate opportunities. The mantra was ‘jobs, jobs, jobs’ and that hasn’t changed. ”

# Index

**3** | *Mayor and Councillor messages*

**5** | *Advocacy*

**8** | *Employment*

**9** | *Celebrating our successes*

*Latrobe City Council would like to thank all those who contributed information for this document, and all those who gave up their valuable time to participate in photographs*



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**14** | *A new resource*

**17** | *Economic development*

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2013

# Mayor and Councillor messages

“ Our goal is to ensure that our community is strongly positioned to take advantage of structural adjustment funding opportunities and other initiatives ”

*Securing Our Future 2013* outlines Latrobe City Council's key priorities for local projects that can create real and sustainable jobs and growth within our municipality.

This document builds on the successes of *Securing Our Future 2011* and our advocacy to date, and sends a clear message of our strong commitment to negotiating the best possible outcomes for our community.

Latrobe City Council is proactively seeking support from all levels of government, for projects that will benefit our community long into the future.

We appreciate the efforts made to date by both Victorian and Australian governments to engage with us, and we will continue to work to strengthen those relationships and develop partnerships.

Latrobe City Council is pleased that our municipality has attracted significant funding and initiatives to date, but we know that there is more work to be done to ensure a prosperous and stable economic future for our community.

Latrobe City is open for business, and we take this opportunity to invite all potential investors and government representatives to speak with us to discuss any of the projects contained in this document.



# Context

Latrobe City is one of Victoria's four major Regional Cities, less than two hours drive from Melbourne and known for excellence in education, training, health care and as a cultural and commercial centre for Gippsland. It also produces most of Victoria's electricity from its extensive brown coal resources, and is home to a highly skilled workforce.

In 2010, Latrobe City Council saw the need to develop a strategy 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 ground-breaking policy '*Positioning Latrobe City for a Low Carbon Emission Future*' was the first of its kind in Australia. Focussing on core themes of *Pursuing and Realising Opportunities, Contingency Planning and Working Together*, this important policy set the scene for Council's proactive approach to creating economic growth and transitioning to a low carbon economy.

*Securing Our Future 2013* complements our transition policy, and represents Latrobe City Council's immediate asks from the Victorian and Australian Governments, to assist the region create real and sustainable jobs, now. The jobs will stem from local projects, opportunities and initiatives that, if met, will help to ensure that our economy is able to proactively transform to a low carbon future.

This document is also a report card to our community, providing a way for Council and our community to celebrate local successes, and for other levels of government to demonstrate practical support for sustainable jobs creation.

Council knows that we can continue to successfully transform our economy, building on our strengths and extensive natural assets, but this will only happen with the ongoing support and assistance of the other tiers of government, working in partnership with local government and the business community.

“ Latrobe City Council saw the need to develop a strategy to deal with structural adjustment pressures that were likely to result from the introduction of a price on carbon and a changing Australian economy ”

# Advocacy:

## Government to government & support for our community.

“ Our hope is that through this type of open and genuine discussion these departments and ministers will gain a better understanding of the needs of our community, the people, the industry and commerce and the aspirations. And the ultimate hope is to translate discussion into funding and other structural adjustment assistance ”

### The Opportunity

Latrobe City Council recognises that the scope of the task to transition to a low carbon emissions future is beyond the capacity of Council acting alone.

Latrobe City Council continues to cultivate strong relationships with the Victorian and Australian Governments so that collectively, the three levels of government can contribute to a smooth and successful transition to a low carbon economy in Latrobe City and the Gippsland region.

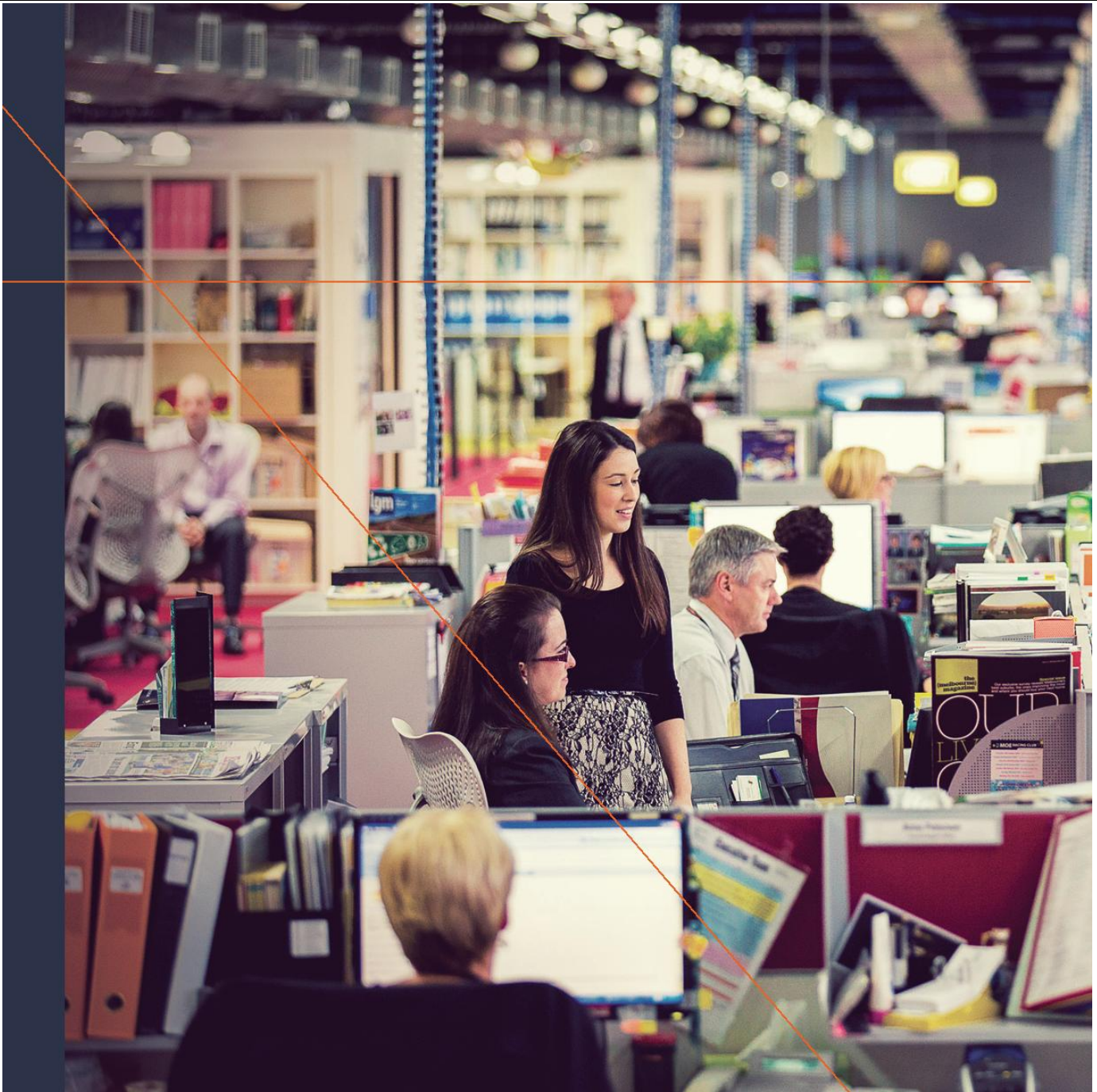
“ Council looks forward to continuing its own proactive approach, and to working closely with both Victorian and Australian governments to successfully transform our community to a low carbon economy ”

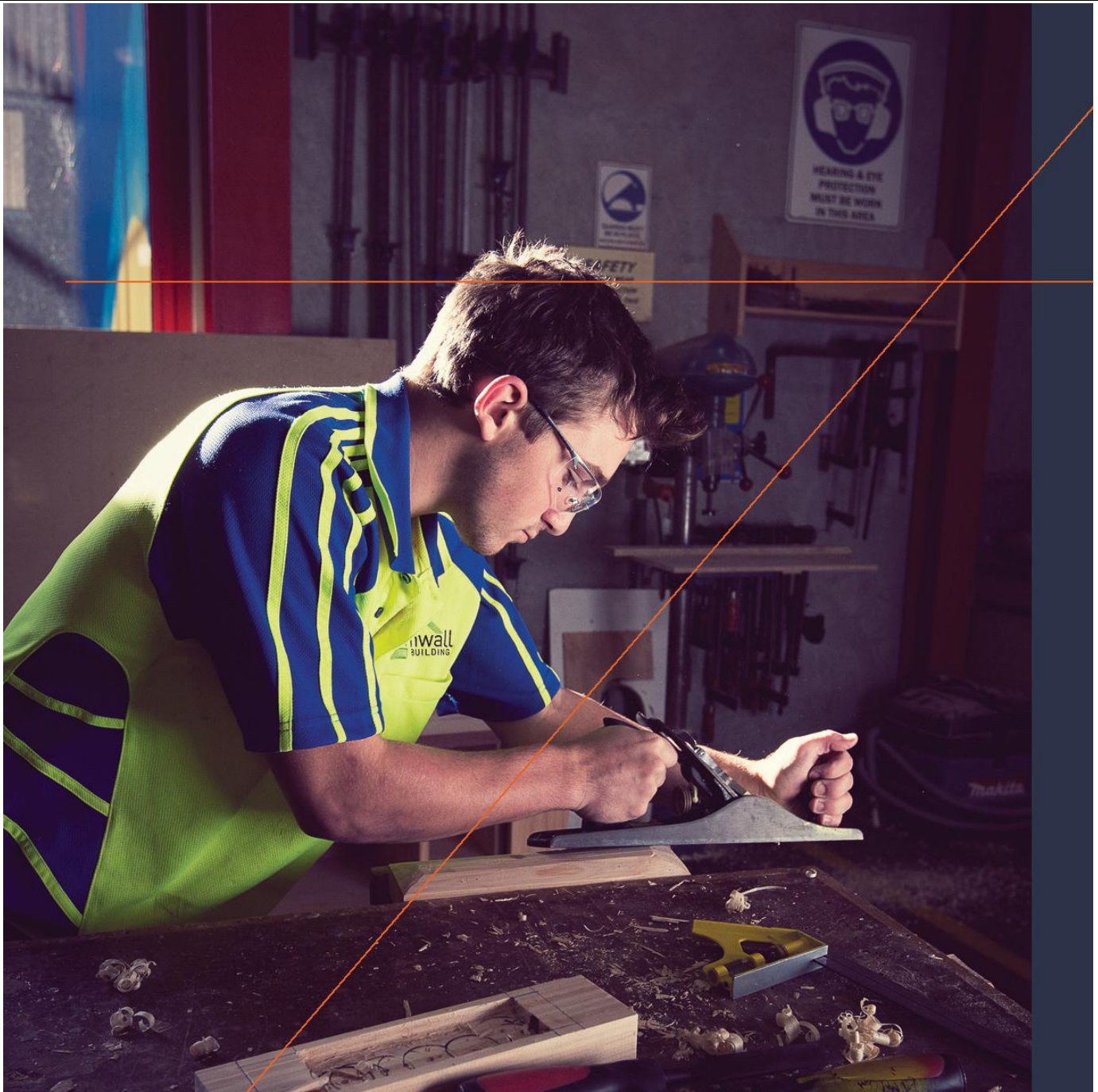
### The Challenge

The challenge centres on the development of authentic partnerships between the three levels of government, and a commitment to work together to find solutions and ensure a secure and prosperous future for our community.

Latrobe City Council encourages the ongoing constructive dialogue between each level of government to continue. We are committed to assisting both the Victorian and Australian Governments better understand our community and its needs and aspirations, to ensure relevant and sustainable outcomes for the future.









# Employment Generation:

## Diversifying the economy – jobs, jobs, jobs.

“ A strong economy needs stable employment. Young people are the lifeblood of our region and ensuring apprenticeships and other schemes are well supported is a must ”

### The Opportunity

Latrobe City is Gippsland’s regional city and a centrally located, accessible commercial hub. It offers new investors a skilled labour force, excellent road and rail transport links, access to abundant natural resources, established electricity transmission and generation infrastructure, locally based educational institutions and affordable land.

Latrobe City Council is uncompromising in our pursuit of iconic projects that will create substantial and long-term employment opportunities for Latrobe City and the surrounding region.

### The Challenge

As well as addressing changes in our local industry that affect traditional jobs choices, creating new jobs through diversifying the economy and lifting educational attainment are challenges for Latrobe City and surrounding regions.

The time for alternative employment initiatives is now, but these must be designed in consultation with our industry, community and other key stakeholders to ensure that they meet our local needs.

# Celebrating Our Successes

“ This is a great example of what can be achieved by both the Australian and Victorian Governments cooperating to enable job creation opportunities to evolve in industries outside of those traditionally associated with the Latrobe Valley. This funding is vital for us to not only transition but transform our economy ”

Latrobe City Council continues to work tirelessly to champion projects that will boost our local economy and create sustainable jobs.

Both the Victorian and Australian Governments have demonstrated an appreciation of the Latrobe Valley's uncertain economic future, and have supported important projects in the region.

Latrobe City Council takes this opportunity to thank both governments for their support, and particularly for funding that has allowed a number of important local projects to progress.

The following projects have received funding that has allowed businesses to grow, to employ additional skilled staff, and to demonstrate the capacity and potential of Latrobe City.

Council will continue to work with the Victorian and Australian Governments to secure the ongoing support for innovative projects that have the real potential to create jobs for local people, while achieving our goal of transitioning to a low carbon economy.

*RDAF = Regional Development  
Australia Fund (Australian Government)  
LVIIIF = Latrobe Valley Industry and  
Infrastructure Fund (Victorian Government)*

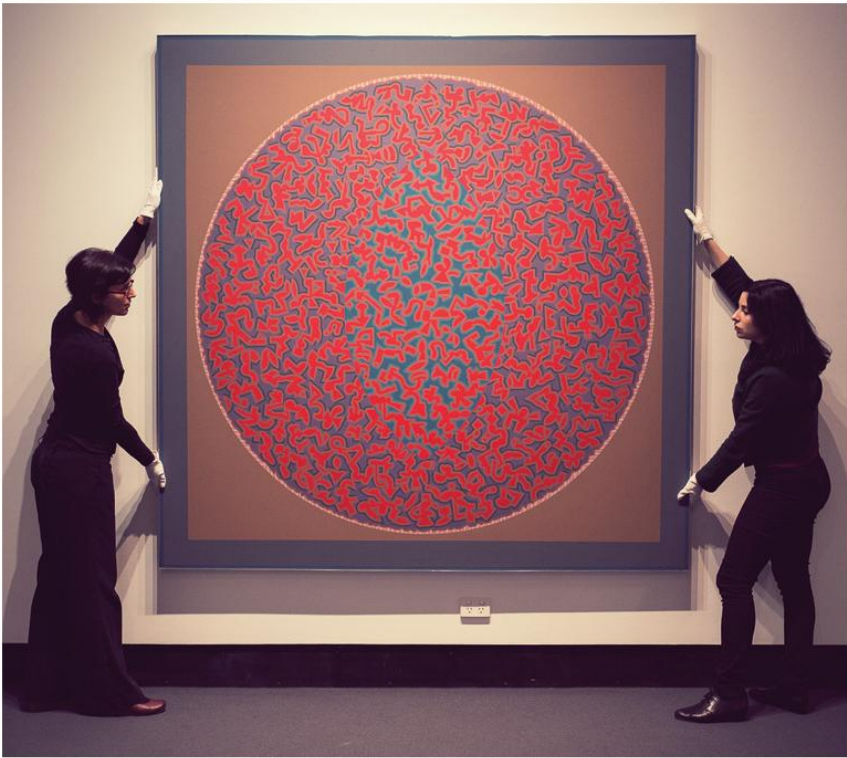
Success	Benefits	Source & Amount
Australian Paper de-inking plant	<b>246</b> new regional jobs plus	RDAF \$9.5M
	<b>960</b> construction jobs	Victorian Regional Growth Fund \$250 000
Fisher's Pallets	<b>18</b> new regional jobs plus	LVIF \$326 500
	<b>6</b> construction jobs	
Hydro Australia	<b>29</b> new regional jobs	LVIF \$280 000
Latrobe Regional Airport	Infrastructure to support growth of Australia's only commercial aeroplane manufacturer	RDAF \$3M LVIF \$1.5M Victorian Government Regional Aviation Fund \$1.24M



# Projects







# 1.





# A New Resource:

## Leveraging innovation and jobs from the brown coal asset.

“ Council supports the sustainable use of brown coal and recognises that it is valuable for many uses, not just power generation. We are seeking Government support for research and development into sustainable uses of brown coal and we believe that this research needs to be undertaken here in Latrobe City ”

### The Opportunity

The Latrobe Valley has one of the world's largest deposits of brown coal. Latrobe City Council supports the balanced use of brown coal as an energy source and will work with researchers and government agencies to support future low emissions research.

We encourage the Victorian and Australian Governments to support the establishment of research facilities in the Latrobe Valley, to enable development of innovative technology, as well as growing local capacity and jobs creation. The \$90 million Advanced Lignite Demonstration Project, supported by both the State and Federal Governments, is a welcome investment in the Latrobe Valley's future.

Whilst Latrobe City Council does not have a formal position on these projects, we actively support proposals that offer an economically sustainable, low carbon future for the Latrobe Valley.

### The Challenge

The Latrobe Valley's brown coal resource is world class, readily accessible and of interest to investors from around the globe.

However, the moisture content and reactivity of brown coal makes it unsuitable for bulk export without treatment, resulting in high greenhouse gas emissions.

The introduction of federal policies to reduce carbon emissions is putting strong pressure on electricity generators to cost-effectively cut emissions. At the same time, this presents major opportunities for innovative research and development, including alternative uses of the resource.

# A New Resource

## Exergen

[exergen.com.au](http://exergen.com.au)

A \$2 billion project to utilise continuous hydrothermal dewatering processes to reduce power plant emissions by up to 40%.

Proposal is for a 12 million tonne p.a. export focussed commercial coal-processing plant, infrastructure and mine.

**1,300** *Estimated construction jobs (at peak)*

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**490** *Permanent positions*

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**PROJECT COST AND ASSISTANCE REQUIRED:**  
Exergen is seeking facilitation and approvals support from the Victorian and Australian governments.

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## Newtech Energy

[newtechenergy.com.au](http://newtechenergy.com.au)

Located adjacent to the Energy Australia Yallourn coal mine, the facility would upgrade coal, processing 1 million tonnes a year into briquettes and powder for export to China. The project cost is \$115M.

**130** *Estimated jobs*

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**PROJECT COST AND ASSISTANCE REQUIRED:**  
Newtech Energy strongly support rail freight upgrades to provide a link to the Port of Hastings, and improved port facilities.

---

## Latrobe Magnesium

[latrobemagnesium.com](http://latrobemagnesium.com)

This project involves treating fly ash residues from power generation to produce up to 40 000 tonnes Mg per annum and 300 000 tonnes of cementitious material. The project will offer a number of environmental benefits in particular the processing of large quantities of long term stored fly ash.

**125** *Estimated jobs*

---

**PROJECT COST AND ASSISTANCE REQUIRED:**  
LMG is seeking State and Federal Government funding for 50% of the initial 5000 tonne plant.



### Environmental Clean Technologies (ECT)

[ectfd.com.au](http://ectfd.com.au)

ECT will establish an export focused coal drying facility, to be located adjacent to Loy Yang power station, using proprietary coal drying technology, drastically cutting emissions from power generation. \$70M pre-commercial plant cost of project, aiming to begin construction in 2014.

**50** *Estimated jobs*

---

**PROJECT COST AND ASSISTANCE REQUIRED:**

ECT is shortlisted for consideration under the Advanced Lignite Demonstration Program. Australian and Victorian Government support requested, to work closely with the project proponent to manage red tape. Facilitation of transport infrastructure (rail and port) development to support exports required.

---

### MBD Energy

[mbdenergy.com](http://mbdenergy.com)

\$100M project to build a commercial bioremediation plant that will sequester carbon dioxide and create biodiesel, livestock feed and other products.

**50** *Estimated jobs*

---

**PROJECT COST AND ASSISTANCE REQUIRED:**

Australian and Victorian Government support to work closely with the project proponent to manage red tape.

---

### Ignite Energy Resources

[igniteer.com](http://igniteer.com)

With this \$15M project, IER is proposing to develop a pre-commercial lignite upgrading plant capable of transforming 125 000 tonnes per annum of lignite into 27 000 tonnes of high energy micronised coal and 60 – 70 000 barrels of synthetic oil.

**10** *Estimated jobs*

---

**PROJECT COST AND ASSISTANCE REQUIRED:**

IER seek Australian and Victorian Government support to work closely with the project proponent to manage red tape.

---

# Economic Development:

## Infrastructure enabling jobs creation.

“ The Economic Sustainability Strategy is a blueprint for how Council will work with our community, small business and government partners to drive economic growth. A vital element of the strategy is the annual reporting of progress to our community ”

### The Opportunity

Latrobe City is uniquely placed for commercial and industrial development that can support jobs creation and industry diversification, and is attractive to prospective investors.

Latrobe City Council's *Economic Development Strategy (2011)* provides a framework for our economic development activities, to guide prioritisation of our work and ensure a focus on activities that best position Latrobe City to prosper in a changing economic environment. The Strategy identifies emerging challenges, opportunities and corresponding actions to assist businesses to grow and invest.

The opportunity exists for Latrobe City to further diversify its economy by attracting new industries as well as capitalising and expanding on existing businesses, services and skills in the region.

Council welcomes the opportunity for large-scale infrastructure projects that

will result in immediate jobs creation and encourage further investment.

### The Challenge

Latrobe City Council plays a key role in creating and facilitating a business environment that is attractive to both existing and new investors. Council is committed to working with industry stakeholders to identify and address issues in the business and investment environment.

By enabling access to important commercial areas and making business easier for investors, Latrobe City can retain and grow existing businesses, and attract new investment that will benefit our local community, as well as the surrounding region.

“ Latrobe City Council is committed to supporting local businesses making investment decisions ”





# Economic Development

## Gippsland Logistics Precinct (GLP)

The GLP will 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 significantly to lowering carbon emissions while relieving road congestion in Melbourne. \$20M total cost of project.

**150+** *Estimated jobs*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$10M funding assistance required.**

## Former Lurgi site redevelopment

This 26 ha former heavy industry site is owned by the Victorian Government and has significant potential for investment attraction. Progression of the project by the Victorian Government would provide infrastructure to the remainder of the site, and enable marketing of serviced sites which would attract jobs to the Latrobe Valley.

**100+** *Estimated jobs*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$5M from Victorian government, and expediting land release.**

## Port of Hastings rail link

The development of the Port of Hastings is of vital importance to the entire Gippsland region, as expressed in many strategic documents. Rail connectivity to Gippsland from the Port of Hastings would allow the cost-effective export of brown coal products and derivatives as well as other bulk and containerised products. A number of international investors have indicated that connectivity to the Port of Hastings is a key infrastructure gap that is negatively impacting on long term investment decisions in Gippsland.

*Unlocks hundreds of jobs in other projects.*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**Planning and land reservation by Victorian Government.**

## Improvements to the Dandenong rail corridor

Congestion in the Dandenong rail corridor restricts passenger and rail freight access to Melbourne, making the Latrobe Valley a less attractive place to visit and invest. A number of improvements could be made, from grade separation, signalling improvements to line triplication, to relieve this bottle-neck and allow for future growth.

*Enhanced rail freight and passenger transport links will unlock growth throughout Gippsland.*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$850M + Victorian Government commitment to upgrades as part of transport planning.**

## New jet airport for South-East Melbourne

A new airport servicing Gippsland and South-East Melbourne (as foreshadowed in Melbourne Metro Strategy discussion paper) would decrease congestion through Melbourne and allow for fast processing of high value agricultural exports.

*A jobs multiplier*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**A commitment to planning and land reservation by Victorian Government, and the support of Australian Government.**



### Stage 2A – Redevelopment of the Latrobe Regional Hospital (LRH)

LRH is the primary regional health provider. The hospital has operated under constraints that have limited the full development of regional services at the hospital. Constraints include the physical capacity of the facility and difficulties in recruiting and retaining senior medical and professional staff. The \$65M redevelopment will double the hospital's size, providing significantly more beds and better access and services for patients from across Gippsland.

**150** *Estimated jobs created in construction*

**60-70** *Skilled healthcare ongoing jobs*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
Currently seeking Australian government funding.

### Latrobe Valley University Training Clinic

Latrobe Community Health Services aims to establish a world class, purpose built primary health-care and health workforce tertiary training centre. The centre would allow training to respond to changing community needs, and would deliver an additional \$3.2M economic output annually.

**80** *Estimated jobs created in construction*

**20** *Prostheticians, as well as teaching staff*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
\$5M sought. Fully designed and partially funded.

### Establishment of the Centre for Sustainable Industries

This facility would be located at Churchill Tertiary Education Campus. It would ensure that the Latrobe Valley is a hub for low emissions technology research and development by encouraging investment in renewable energy, clean coal technology and the provision of related infrastructure to deliver innovations such as carbon capture and storage.

**13** *Researchers*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
\$21M total cost of project. \$8M over 5 years requested from Australian Government. Shovel ready in 2014.

### Decentralisation of Vic and Aus Gov jobs

Expansions of Victorian and Australian government offices through decentralisation into Latrobe City (Moe, elsewhere). Latrobe City has quality office space available readily to expand the presence of state and commonwealth government offices. The NBN will be connected to Traralgon in 2014-15.

**250+** *Potential jobs created*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
Savings to government due to reduced office overheads. Policy commitment to decentralise.





# Liveability:

## Gippsland's regional city.

“ We are excited to have an opportunity to promote our regional lifestyle, our unique city and our business and tourism potential to the rest of Australia and beyond ...

We need to see a holistic approach to development with opportunities to use the natural features of the land, to link pathways and community infrastructure, to ensure a connectedness both within the development itself and to the wider community ”

### The Opportunity

Latrobe City is one of Victoria's four major regional centres, and the hub for commercial, education and health services in Gippsland.

Latrobe City offers many unique benefits for those who live here, including a distinct natural environment, a relaxed lifestyle, extensive retail and hospitality options, sporting and recreational facilities, and top-notch health and education facilities. All of these attractions are less than two hours from Melbourne, and are well connected by road and rail.

Melbourne's population will grow significantly over the next 20 years, and this presents a corresponding opportunity for Latrobe City to enlarge its population, diversify its economic base, and improve its facilities for its current community, and for those set to join us.

### The Challenge

Following the privatisation of the electricity sector in the 1990s, local government spending and planning programs were wound back. Council has an ambitious program of planned upgrades of recreational and community facilities and will continue to work to implement these.

In enhancing liveability, Council will continue to plan strategically and implement strategies and planning policies that support development while maintaining a unique regional lifestyle.

# Liveability

## Moe Rail Precinct Revitalisation Project – Moe Activity Centre Plan

The revitalisation of the Moe rail precinct will attract new life and jobs to central Moe with additional services and opportunities for this community. A new civic centre will greatly enhance the town's liveability and encourage investment in Moe.

**47** *Construction jobs created*

**135** *Jobs created by revitalisation*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$15.8M** required from Victorian and Australian governments.

## Gippsland Regional Aquatic Centre

The project includes the redevelopment of the existing Traralgon outdoor swimming pool into a new indoor/outdoor aquatic facility with geothermal heating and cooling, disability access and children's facilities. The centre would be the only competition 50 metre indoor facility between eastern Melbourne to the New South Wales border and will be the centre of swimming in the Gippsland region.

**64** *Estimated jobs created in construction*

**35** *Ongoing jobs*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$36M** cost of project, with **\$15M** from Australian government, **\$9M** from Victorian Government.

## Latrobe Performing Arts & Convention Centre (LPACC)

A new complex will meet expectations and the demand for performing arts and convention activities. It will attract inbound performances and events which will deliver enhanced liveability outcomes for the region. The attraction of conventions and large scale functions will contribute significantly to the tourism and hospitality industry.

**22** *Estimated jobs created in construction*

**16** *Ongoing jobs*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$11M** required from Victorian or Australian Government. Centre is designed with a full business case completed.

## Realignment of Traralgon bypass

Morwell and Traralgon would be permanently severed by the currently proposed freeway route, in order to maintain access to a coal field that is unlikely to be developed. A more southerly route will allow better planning for growth and urban consolidation, strengthening the state identity of Latrobe as Gippsland's city.

*Construction industry jobs  
(more residential building opportunities)*

**PROJECT COST AND ASSISTANCE REQUIRED:**  
**Decision required from Victorian Minister for Roads.**



### Unlocking Traralgon Courthouse redevelopment

The historic Traralgon Courthouse is an iconic building managed by Latrobe City Council. Future use is yet to be determined and the building will require significant internal works and modifications in order to accommodate the public.

*Future employment*

.....  
**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$200 000 requested from Victorian Government.**

---

### Gippsland Plains Rail Trail final link

Completion of the section of the rail trail from Traralgon to Toongabbie requires major works including the construction of two bridges, signage, trail construction and amenities. Completion of the trail presents valuable opportunities for small businesses in small towns along the trail.

*Construction plus jobs retention in the tourism and hospitality sectors.*

.....  
**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$600 000 required from the Victorian Government on a 1:1 basis**

---

### Morwell Family and Children's Hub / Early Learning Centre

The hub will include childcare services, preschool services, maternal and child health services, a community centre and access to allied health services. A key goal of the project is to ensure that the Morwell community has access to high quality children's services and educational programs. The project would be part of a larger project involving the regeneration and integration of three of Morwell's primary schools (a partnership between DEECD, local government and community).

**25** *Estimated jobs created in construction*

.....  
**3** *Initial FTE additional early childhood specialists*

.....  
**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$5M required from Victorian Government.**

---

### Tyers Waste Water Management

Tyers township has potentially significant public health risks and environmental pollution issues, caused by a lack of adequate waste water management infrastructure. The project will deliver the community's preferred solution to waste water management issues within the Tyers Township, this being the planning, detailed design and installation of a reticulated waste water system.

*Construction jobs created*

.....  
**PROJECT COST AND ASSISTANCE REQUIRED:**  
**\$5.5M required from Victorian Government.**



## Latrobe City Council

141 Commercial Road, Morwell, 3840

**Telephone:** 1300 367 700

**Facsimile:** (03) 5128 5672

**TTY:** (03) 5135 3822

P.O. Box 264, Morwell, 3840

**Email:** [latrobe@latrobe.vic.gov.au](mailto:latrobe@latrobe.vic.gov.au)

**www.latrobe.vic.gov.au**

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# Economic Sustainability Strategy

## Final Report



Prepared for Latrobe City Council by MWH Australia

June 2011



This document has been prepared specifically for Latrobe City Council in relation to this project and should not be relied upon by other parties nor used for any other purpose without the specific permission of MWH.

## REVISION SCHEDULE

REV. NO.	DATE	DESCRIPTION	PREPARED BY	REVIEWED BY	APPROVED BY
1.0	20/12/10	Preliminary draft	P Charlton	C Mumme	P K Tan
2.0	09/02/11	Draft	P Charlton	C Breen	P K Tan
3.0	01/03/11	Draft	P Charlton	A O'Connor	P K Tan
4.0	21/03/11	Draft	A O'Connor	P Charlton	P K Tan
5.0	12/04/11	Draft for Consultation	P Charlton	A O'Connor	P K Tan
6.0	06/06/11	Final	P Charlton	A O'Connor	P K Tan
7.0	28/06/11	Adopted	P Charlton	A O'Connor	P K Tan





## Foreword

We are pleased to present this Economic Sustainability Strategy for Latrobe City. The document describes the framework by which Latrobe City Council will work with our community to cultivate sustainable economic development in Latrobe City and contribute to the delivery of the liveable, vibrant and enterprising region described in the Latrobe 2026 community vision.

Latrobe City is recognised as one of Victoria's four major regional centres, along with Ballarat, Bendigo and Geelong. With a Gross Regional Product (GRP) of approximately \$4 billion and annual business turnover estimated at \$10.3 billion, the City makes a significant contribution to the Victorian economy. Employment growth in Latrobe City is strong, and in recent years this growth has exceeded that in the other three major regional centres<sup>1</sup>.

The Economic Sustainability Strategy is a blueprint for how Council will work with our community, industry, small business and government partners to drive economic growth and achieve outcomes including:

- Consolidating and expanding our position as a major regional city within Victoria and the centre point of Gippsland's economy
- Continued job creation and reduced unemployment rate
- Growth in gross regional product
- Smooth transition to a low carbon economy

Latrobe City is operating in a rapidly changing economic landscape. Population growth, technology advances, the ageing workforce, globalisation and a future low carbon economy present both challenges and opportunities for Latrobe City. Our history of industrial enterprise, successful adaptation and innovation means we are extremely well positioned to embrace change and harness new opportunities to further diversify and strengthen our economy. Latrobe City Council will take a lead role in preparing our community to prosper from these changes, in particular the transition to a low carbon future.

Latrobe City Council's role is to facilitate private and public sector investment and to help create an attractive investment "climate". We will do this by:

### **Creating an enabling business environment:**

Our actions in this area will make it easy for businesses to invest, adapt and grow.

Latrobe City Council intends to be at the forefront of delivery of planning permit assessments and visionary strategic land use planning. We will lead and support regional planning and delivery of initiatives to prepare our community for a low carbon future.

Using its connections with other levels of Government, Latrobe City Council will advocate for policy settings that support investment and secure long-term economic prosperity. We will facilitate improvements in infrastructure to support business activity

<sup>1</sup> Compelling Economics, 2011, Employment Comparison Report: Nov 2006-Nov 2010



and community wellbeing and contribute to enhancement of the urban environment to foster sustainable population growth and skills retention.

**Building the Latrobe City investment brand:**

The Latrobe City investment brand will provide a solid foundation upon which Latrobe City Council and the business community can promote our City to investors and effectively engage with private and public sector decision makers.

Latrobe City Council will seek to better understand the enablers and barriers to investment and target promotional activities and strategies to build our city's reputation as an investment location of choice.

**Driving strategic business development:**

We will be uncompromising in our pursuit of iconic projects that create substantial employment opportunities for Latrobe City and the surrounding region.

Opportunities for investment and growth 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. Prospects that will be targeted include:

- **Food processing:** Gippsland is increasingly becoming the food bowl for Victoria. Latrobe City Council will maximise opportunities for food processing investment within the municipality with an aim of attracting the next large project within this sector
- **Power generation:** Latrobe City will harness its competitive strengths in power generation and heavy engineering in order to build on, and further enhance our reputation as Victoria's energy heartland with a particular focus on new technologies and sustainable uses for our vast brown coal resource
- **Education and Training:** We will partner with the education sector to promote Latrobe City as the location of choice for both Australian and international students within regional Victoria
- **Shared Services:** Latrobe City will mobilise its skilled workforce and infrastructure capacity to be a key shared services hub within Australia

Harnessing our local and international business networks, we will assist new and existing businesses to expand and invest in Latrobe City by providing information and data to support decision-making, brokering partnerships and building business capacity.

This document outlines the key economic sustainability strategies and actions planned for the 2011-2015 period. We believe this Economic Sustainability Strategy will foster robust business growth, sustained local employment opportunities and ongoing job security for the Latrobe City community.

Latrobe City is open for business.

The Mayor and Councillors of Latrobe City



# Economic Sustainability Strategy 2011-2015

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## Introduction

Latrobe City is home to approximately 75,300 people, largely residing in the four major population centres of Churchill, Moe-Newborough, Morwell and Traralgon. Over the last five years, the population in Latrobe City and the broader Gippsland region has grown steadily and Latrobe City has become a significant service centre for the Gippsland region, particularly in provision of retail, entertainment, education and health services.

Latrobe City is recognised as one of Victoria's four major regional centres, along with Ballarat, Bendigo and Geelong. Employment growth in Latrobe City is strong, exceeding growth in the other three regional centres.

There has been significant investment in Latrobe City in recent years with major developments including:

- Australian Paper pulp mill upgrade
- International Power 2030 Project
- Latrobe Community Health Centre headquarters
- Gippsland Water factory

A significant amount of capital investment is in the planning pipeline as demonstrated by the following projects:

- National Foods \$55 million expansion
- Mahindra \$22 million investment for an approximate 75% share in ownership of GippsAero
- TRUenergy Combined Cycle Gas Turbine (CCGT) Power Station (capital cost unknown)
- HRL Clean Coal Power Station \$750 million

The broader Gippsland region is rich in natural resources, including forests, fertile land for agriculture, water, natural gas and brown coal. Historically, brown coal electricity generation has been the backbone of the local economy but the economy has diversified to include a range of industries including forestry and paper, manufacturing, agribusiness, retail, hospitality, aviation, health and education. Latrobe City is now home to Australia's largest yoghurt manufacturing facility, the largest pulp and paper manufacturer in Australia, the only regional "Group of Eight" university in Victoria and the only manufacturer of passenger aircraft in Australia.

Latrobe City offers new investors: a skilled labour force, strong road and rail transport links, access to abundant natural resources, established electricity transmission and generation infrastructure, locally based educational institutions and affordable land prices.





A number of current and emerging factors are likely to have significant impact on the economy of Latrobe City into the future. These challenges and opportunities include:

- Existing and anticipated Victorian and Australian government policy and legislation to combat climate change
- The value of the Latrobe City coal resource and emerging technologies that may enable sustainable use
- Changing workforce demographics, in particular an ageing workforce
- Globalisation and the growing profile of the Latrobe region domestically and internationally
- The emergence of government policies aimed at supporting community development and economic growth in regional areas
- An increasingly mobile society enabling easy access to Latrobe City from Melbourne metropolitan area and beyond
- Forecast population growth in Victoria

In light of these factors, Latrobe City Council has undertaken a review of its Economic Sustainability Strategy. This document describes the key elements of the revised strategy, which will apply from 2011-2015.

The Strategy is intended to:

- Provide a framework to direct Latrobe City Council economic development activities
- Guide 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
- Identify emerging challenges and opportunities and corresponding actions to assist business to grow and invest

The Strategy aims 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 at a pace exceeding that of other regional centres as measured by:

- Job creation
- Growth in gross regional product
- Reduction in unemployment rates



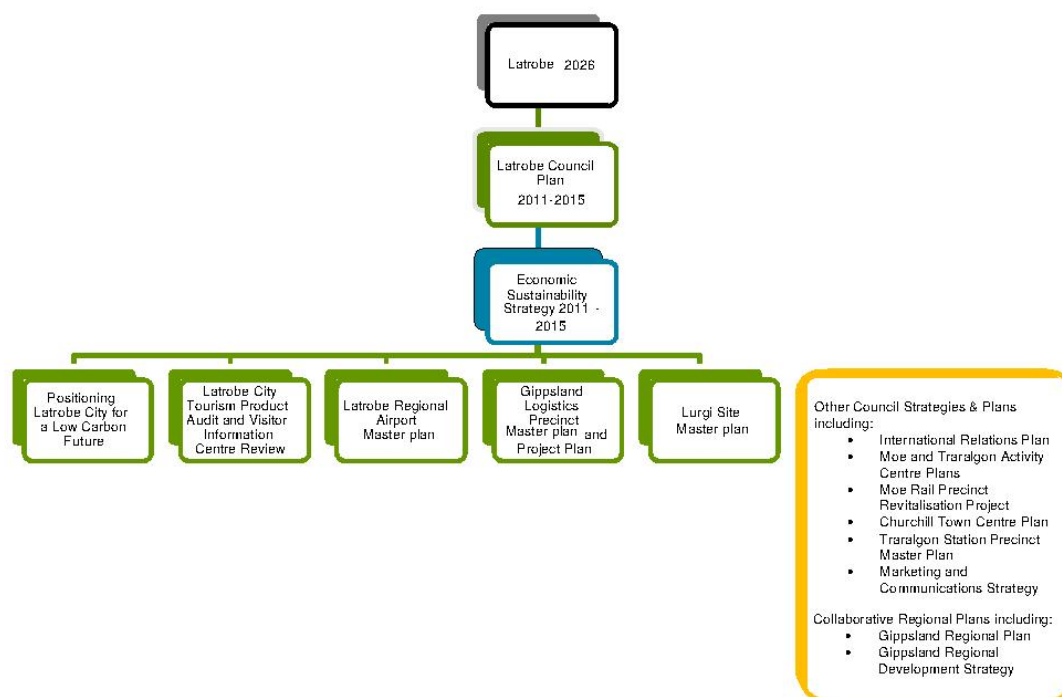
## Latrobe City Council's Economic Sustainability Objectives

The community vision for the Latrobe Valley, Latrobe 2026, describes the preferred future for Latrobe Valley. In 2026, the Latrobe Valley will be a liveable and vibrant region, sustainable and enterprising with collaborative and inclusive leadership. One of the primary priorities identified by the community in the vision is diversification and expansion of local industry to ensure continued growth of the local workforce.

Latrobe City Council has developed the Latrobe City Council Plan 2011-2015, which describes the strategic direction needed to achieve the 2026 vision. The Plan includes the following economic sustainability objectives:

- Facilitate investment attraction of new firms to contribute to economic diversification, employment creation and meeting the challenges of a carbon constrained economy
- Develop and implement economic development actions to encourage business retention and growth
- Promote and support the development of existing and new infrastructure to enhance the social and economic well-being of the municipality
- Ensure well planned infrastructure that enhances the marketability of the municipality to industries, residents and investors
- Utilise economic modelling to demonstrate the possible impact of economic development strategies
- Conduct focussed feasibility studies to determine potential major public infrastructure with significant economic benefits
- Support the skill development requirements of local industry
- Strengthen the economic sustainability of the region by actively encouraging partnerships with other local governments, industry and community agencies
- Promote and support the development of the tourism and events sector
- Develop, collate and publish a range of economic indicators annually

Latrobe City Council recognises the growing community concern about climate change and it supports international and Australian policies to reduce greenhouse gas emissions. The likely future constraints on carbon-based emissions that will arise from these policies have significant implications for the ongoing sustainability, vitality and well-being of the Latrobe City community. In 2010, Latrobe City Council developed a policy entitled *Positioning Latrobe City for a Low Carbon Emissions Future*. The policy identifies the expected implications of Government mitigation policies on the City and proposes transition arrangements to enable Latrobe City to optimise its transition and continue to prosper under future Government greenhouse gas schemes.



**Figure 1: Latrobe City Council Policy Context**

Both the Latrobe City Council Plan and the Positioning Latrobe City for a Low Carbon Emission Future include actions to update the Economic Development Strategy to reflect the challenges and opportunities that will arise in the 2011-2015 period, including the imperative to effectively manage the transition to a low carbon economy.

Figure 1 shows the relationship between the Economic Sustainability Strategy and the other Latrobe City Council strategies, policies and plans that influence economic development activities undertaken by council. The Economic Sustainability Strategy 2011-2015 incorporates the initiatives identified in the policy for a low carbon future and these other relevant strategies and describes how the economic development objectives outlined in the Latrobe City Council Plan will be achieved.

An underlying principle of the revised Economic Sustainability Strategy is that the economic development activities undertaken by Latrobe City Council are intended to complement, rather than duplicate, services provided by other Government agencies and private sector accountants, consultants, solicitors, financiers and training providers.



Rather than setting and implementing economic and marketing plans for each sector (a task better suited to those operating within each sector), Latrobe City Council believes it can add the most value to Economic Sustainability by:

- Advocating in the interests of the business and broader community
- Facilitating capacity building, networking opportunities and partnerships in the business community
- Providing information, data, modelling and advisory services to support investment efforts
- Exhibiting strong leadership and supporting regional partnerships to ensure coordinated regional plans are in place
- Ensuring that Latrobe City Council's services related to economic development are delivered efficiently
- Promoting Latrobe City and pursuing investment opportunities
- Supporting job creation and economic diversification in key employment zones
- Proactively identifying and aggressively pursuing new investment opportunities





## 2011-2015 Economic Sustainability Strategy

Latrobe City Council's Economic Sustainability Strategy aims 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 by:

- Facilitating sustainable economic development in Latrobe City
- Diversifying the economic base
- Capturing opportunities arising from a low carbon economy
- Delivering growth in employment opportunities and job security for the Latrobe City community

Latrobe City Council's existing economic development program has supported the strong economic growth enjoyed by Latrobe City in recent years. The previous economic development strategy included many initiatives that have contributed to economic growth and it is intended that these activities will continue. While Latrobe City Council will keep doing what we are doing well, we intend to augment our existing program with targeted measures aimed at accelerating investment and generating the momentum needed to respond to the rapidly changing economic environment in which we operate.

To achieve sustainable economic development, Latrobe City Council plans to focus on three equally important and inter-dependent groups of activities (Figure 2):

- Providing strategic business development services for new and existing businesses
- Building the Latrobe City investment brand
- Creating an enabling business environment that fosters business activity and supports further investment

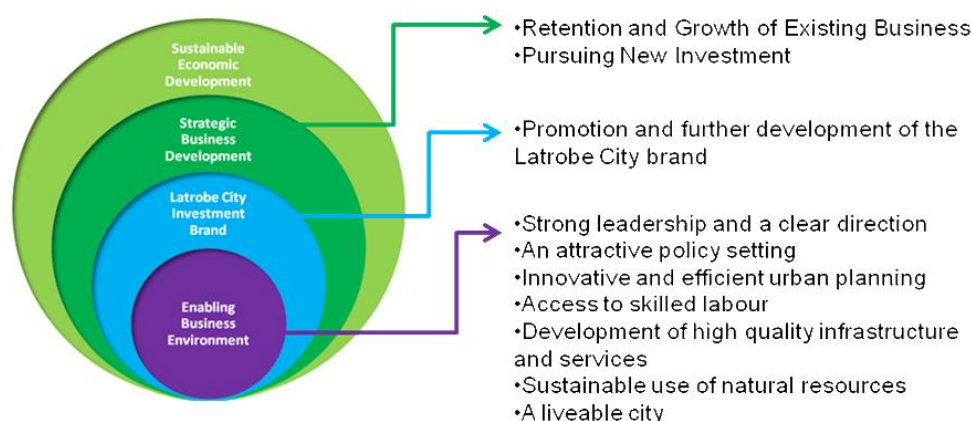


Figure 2: Achieving Sustainable Economic Development



Strategic business development activities aim to enhance growth in employment by retaining existing businesses in Latrobe City and maximising opportunities for expansion and new investment. Harnessing our local and international business networks, Latrobe City Council will assist new and existing businesses to expand and invest in Latrobe City by providing information and data to support decision-making, brokering partnerships and building business capacity.

The focus of Latrobe City Council's business development activities is twofold:

- Providing assistance to existing Latrobe City businesses to maintain their competitiveness and to expand or diversify their operations in Latrobe City
- Identifying and aggressively pursuing new investment by businesses currently operating outside the municipality

Latrobe City Council will build a strong, progressive and recognised Latrobe City investment brand that emphasises the liveability of the City. Our investment brand will provide a foundation upon which Latrobe City Council and the business community can promote Latrobe City to investors and effectively engage with private and public sector decision makers to achieve long term economic development outcomes. Latrobe City Council will seek to better understand the barriers and enablers to investment and target promotional activities and strategies to build our city's reputation as an investment location of choice.

Latrobe City Council will also play a key role in providing an enabling business environment that allows new investors and existing industries to readily establish, operate and expand their businesses. Our actions in this area will make it easy for businesses to invest, adapt and grow.

Latrobe City Council intends to be at the forefront of delivery of statutory planning assessments and visionary strategic land use planning. We will lead and support regional planning and delivery of initiatives to prepare our community for a low carbon future.

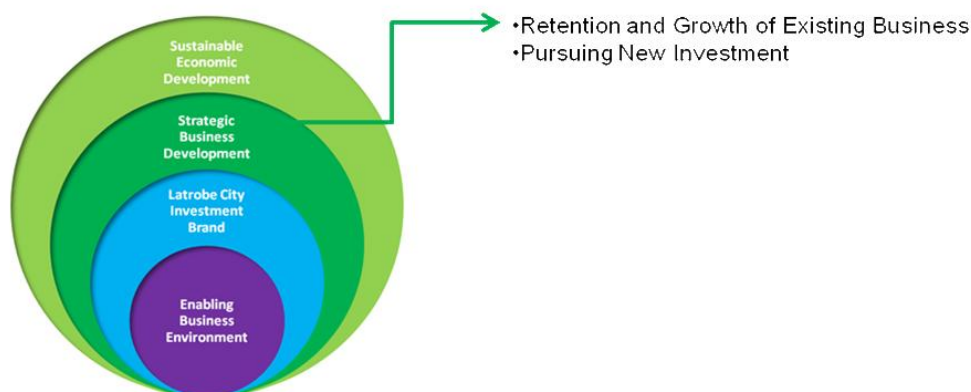
Using its connections with other levels of Government, Latrobe City Council will advocate for policy settings that support investment and secure long-term economic prosperity. We will facilitate improvements in infrastructure to support business activity and community wellbeing and contribute to enhancement of the urban environment to foster sustainable population growth and skills retention.

The following sections describe the strategies that Latrobe City Council plans to employ in each of these three areas to contribute to robust and sustainable economic development in Latrobe City.



## Strategic Business Development

Latrobe City Council's strategic business development services aim to support existing businesses to grow and increase their competitiveness and to attract new businesses and industries to Latrobe City.



**Figure 3: Strategic Business Development**

Latrobe City's business development services will be targeted to ensure that available resources are directed toward the business development opportunities that provide the greatest benefit to the community and build on the unique strengths and competitive advantages of the region. In line with Council's Economic Development Assistance Policy (2008), priority is given to initiatives based on:

- Direct and indirect employment
- Expansion potential
- Diversification of the local economy
- Likely impact on the profile and liveability of Latrobe City
- Strategic linkages with other industries
- Extent of new investment
- Impact on existing businesses or suppliers within Latrobe City

### ***Retention and growth of existing businesses***

Over 4,500 businesses operate in Latrobe City and up to 20% of these have indicated an intention to expand their operations in the 2011-2015 period.<sup>2</sup> Assisting these existing businesses to maintain their competitiveness and to grow or diversify their operations is a key plank of Latrobe City's Economic Sustainability Strategy.

Latrobe City Council will maintain relationships and connections with the business community to ensure that it has an in depth understanding of the issues and trends facing companies operating in the municipality and to identify gaps in provision of services

<sup>2</sup> Industry and Investment Survey, 2010





needed by business. Latrobe City Council will continue to develop its database of Latrobe City businesses and the Industry and Investment Survey will also continue to be conducted bi-annually to provide up to date information on the priorities of businesses in Latrobe City. Results of the survey will be analysed to identify key trends and Latrobe City Council will communicate findings to the business community.

Working in partnership with the private sector and other levels of government, Latrobe City Council will keep the business community apprised of emerging developments in the operating environment including:

- Developments in the Government policy setting, including issues such as the emerging carbon emissions regulations, and implications for business
- Australian and Victorian Government funding and initiatives of relevance to Latrobe City businesses
- Conferences and networking events of potential interest to the business community
- Economic activity in Latrobe City, including industry expansions and new investment projects
- Economic development data and services offered by public and private sector agencies and by Latrobe City Council

To ensure effective two way communication and widespread coverage, a variety of communication strategies will be employed including continued production of the Business Connect newsletter and frequent updates of the Latrobe City internet economic development pages.

Our plans include a heightened focus on developing communication channels to improve our reach to small and medium business enterprises:

- Strengthening of informal communication networks
- Maintaining lines of communication with law firms, accountants and others who provide services to the business community and can act as a conduit for communication

Latrobe City Council will continue to support regional industry networking, partnership and knowledge sharing events. These events are highly valued by stakeholders and provide a further opportunity for two-way communication between business and Latrobe City on issues of relevance to specific industry sectors. The forums also provide an opportunity for networking and the development of partnerships between industry sector organisations. Additionally, networking events provide an opportunity for cost-effective delivery of knowledge and skills development programs targeted to the interests of the industry group.

Through informal and formal communication networks with business, Latrobe City Council will continue to work with industry to identify skill gaps and training needs not being met by others. Latrobe City Council will work in partnership with the business community to co-ordinate the development and delivery of high quality training programs that are targeted to the identified needs of businesses.





Latrobe City Council will continue to promote and advocate for local industry sectors in the broader community, maintaining representation on advocacy and governance bodies such as the National Timber Council's Taskforce, Timber Towns, the Powerworks Board and others as appropriate.

Latrobe City Council will act as a broker between industry, regulators, other private and public sector agencies, skills providers and educators to assist businesses to plan for growth and to implement their identified growth strategies. We will continue to offer services to project proponents to progress investment proposals including:

- Provision of statistical data
- Advice on the local business environment including relevant networks
- Provision of development site information and assistance in identifying suitable sites
- Advice about Victorian and Commonwealth Government industry assistance
- Assistance with the co-ordination of Latrobe City Council and other agency regulatory permits and approval processes

Latrobe City Council compiles statistical data for Latrobe City and can make this information available to businesses to support investment decision making. In addition, economic modelling capability is available to assess the economic impact of potential public and private sector projects. Output from this model can be utilised to demonstrate the possible net benefits of economic development strategies and individual projects to government decision makers, media and other audiences. Latrobe City Council will utilise modelling as required to support its advocacy efforts and business investment decision making.

The ratio of exports outside Latrobe City is relatively low in proportion to regional product (see Appendix 1) and an opportunity exists for increased exports to wider Gippsland and international markets. In the 2011-2015 period, Latrobe City 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 (e.g. the sister city initiative)
- Developing the Gippsland Logistics Precinct, which will allow efficient and cost effective movement of freight to and from the Gippsland region

Latrobe City is the educational centre for Gippsland, offering some of the finest educational facilities in regional Australia. Due to a strong relationship between education providers and industry, Latrobe City has been a leader in vocational education and industry training for many years. The city is home to the only regional "Group of Eight" university in Victoria, Monash Gippsland, which provides tertiary education to local and international students. An opportunity exists to collaborate with Monash University and other education providers to grow the education sector's share of the international education market, building on Latrobe City Council's existing international relations program. Latrobe City intends to build partnerships with the education sector to explore



and capture international education opportunities of mutual benefit in the 2011-2015 period and to position Latrobe City as the location of choice for international students within regional Victoria.

The tourism sector is in a unique position to enhance economic activity in Latrobe City. Increased tourism and events add custom for aligned businesses including those in the retail and hospitality industry. The sector also plays a role in increasing the profile of Latrobe City as a preferred location for investment.

Latrobe City Council will continue to have a direct and substantive role in promoting and supporting the development of the tourism and events sector in Latrobe City through support of the Latrobe City Business Tourism Association, promotion of the City to prospective visitors and attracting and supporting events.

We will also continue to collaborate with Destination Gippsland to promote regional tourism and to identify and facilitate tourism industry development programs.

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

Latrobe City Council recognises the benefits of local procurement to the Latrobe City economy and as a consequence purchasing decisions typically consider local content of goods and services as one of a number of selection criteria. Latrobe City Council's procurement policies are designed to ensure that purchasing of goods and services is efficient and is in line with probity principles, necessitating inclusion in tender processes of suppliers outside of Latrobe City. Latrobe City Council will provide opportunities for local businesses, along with external providers, to tender for provision of goods and services and to demonstrate the competitiveness of local products and services.

Latrobe City Council will also promote opportunities for local procurement within the Latrobe City business community and for major projects in the broader region by:

- Coordination of the Gippsland Major Projects Summit
- Introducing suppliers to industry operators or project developers by direct referrals and industry networking events
- Continued support and utilisation of the Industry Capability Network





### ***Pursuing new investment***

Attracting new businesses and industries to Latrobe City is the second key business development activity in Latrobe City's economic development program. Effectively targeting new industries and opportunities will help to diversify the economy and will generate ongoing employment opportunities in Latrobe City.

Latrobe City Council will continue its work to attract international investment by:

- Facilitating visits to Gippsland by potential investors
- Coordinating overseas trade delegations
- Supporting key business organisations including; Economic Development Australia; VECCI Regional Business Council; Destination Gippsland Ltd; and the Gippsland Business Awards
- Delivering presentations to conferences and target industry groups
- Maintaining positive relationships with Victorian and Australian Governments

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:

- International investment: building on the international relations program and sustained international market interest in Latrobe City to attract international investment
- Low emissions and renewable energy technologies: securing Victoria's next major power development in Latrobe City. Latrobe City will harness its competitive strengths in power generation and heavy engineering in order to build on, and further enhance our reputation as Victoria's energy heartland
- Food processing facilities: attracting large scale value-add food manufacturing processors utilising local and imported product. Gippsland is increasingly becoming the food bowl for Victoria. Latrobe City Council will maximise opportunities for food processing investment within the municipality with an aim of attracting development of the next large project within this sector
- Shared services: harnessing the strengths of Latrobe City to attract call centres and business services seeking affordable, accessible and well serviced central office locations. Latrobe City will mobilise its skilled workforce and infrastructure capacity to be a key shared services hub within Australia
- Alternative coal use: promoting the development of coal derivative technologies including fertiliser production, coal to oil and coal to gas technologies
- Soil carbon programs: building regional capacity for production of carbon offsets through forestry, bio-char and/or soil carbon management for sale into local and international markets along with development of aligned services (e.g. brokerage agencies) located in Latrobe City's commercial hub
- 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
- Aviation industries: attracting aviation related businesses including aerospace industries, adventure tourism firms, aviation training facilities and related service providers to establish or expand their operations on the expanding Latrobe Regional Airport site
  - Road and rail industries: securing freight industry investment, utilising the rail network and Gippsland Logistics Precinct, to provide freight services to local industry
  - Advanced manufacturing facilities: attracting technology industries including robotics, computer technologies and control systems manufacture
  - Employment Zones: developing the Lurgi Plant, Gippsland Logistics Precinct and Latrobe Regional Airport as concentrated employment zones (see the box below for further details)

As part of shaping Latrobe City's low carbon future, we will advance Latrobe City as a centre of knowledge and research in low carbon technologies including carbon capture and storage (CCS), clean coal and soil carbon sequestration. In 2011-2015, our focus will be on expediting delivery of the initiatives identified in our policy *Positioning Latrobe City for a Low Carbon Emissions Future*:

- Lobbying Government to establish low emissions coal research projects in Latrobe City
- Supporting proponents to access funding to establish low emissions and alternative coal research projects in Latrobe City
- Promoting carbon capture and storage projects (such as the CCS project and CO2CRC initiatives) in the broader community
- Supporting the proposal for establishment of the Centre of Excellence for Sustainable Technologies in Gippsland
- Working with Clean Coal Victoria, Brown Coal Innovation Australia and other coal technology agencies to identify and pursue investment opportunities in brown coal
- Working with Monash University and the Department of Primary Industries (DPI) to investigate opportunities for soil carbon research and pilot programs in Latrobe City and/or Gippsland region





### Latrobe City Employment Zones

With an emphasis on job creation, industry diversification and the ability to offer opportunities to prospective investors, Latrobe City has three areas of significant commercial importance:

- Former gas and fuel Lurgi plant
- Gippsland Logistics Precinct
- Latrobe Regional Airport

The three areas mentioned are referred to as Employment Zones, and are of significant interest in terms of future prosperity and growth for the municipality.

#### Former Gas and Fuel Lurgi Plant site at Morwell

In 2001, Latrobe City Council resolved that it would “purchase for a nominal amount the decontaminated former Gas and Fuel Lurgi Plant site at Morwell”. The purpose of this resolution was to retain the land in public ownership and, in the future, develop a heavy industry park on the site to facilitate the attraction of industry to the site and therefore increase economic development in the municipality.

Demolition and remediation works on the Lurgi Site were completed on behalf of the Victorian Government in 2006. Since that time Council officers have worked at length with the Victorian Government Property Group to secure the land to be used as a Heavy Industry Park.

A master plan for the site was produced by Council Officers and consultants and adopted by Council in 2006. The master plan ensured that the land would sufficiently accommodate existing industry whilst allowing for future growth, with the opportunity to accommodate firms on Industrial 2 Zoned land (IND2Z).

#### Gippsland Logistics Precinct

Latrobe City Council has had a significant long term interest and involvement in facilitating an open access intermodal freight terminal to meet the needs of our region. The development of the Gippsland Logistics Precinct will establish a centre for the efficient and cost effective movement of freight to and from the Gippsland region.

A key strategic action of Council's is to “Promote and support the development of existing and new industry, and infrastructure to enhance the social and economic well-being of the Valley”. The development of the Gippsland Logistics Precinct is a key priority under this action.

#### Latrobe Regional Airport

Latrobe Regional Airport is wholly owned by Latrobe City Council on behalf of the residents and ratepayers of Latrobe City. The Airport is a key economic and community facility providing significant employment opportunities, vital business and community services and valuable recreation and tourism facilities.

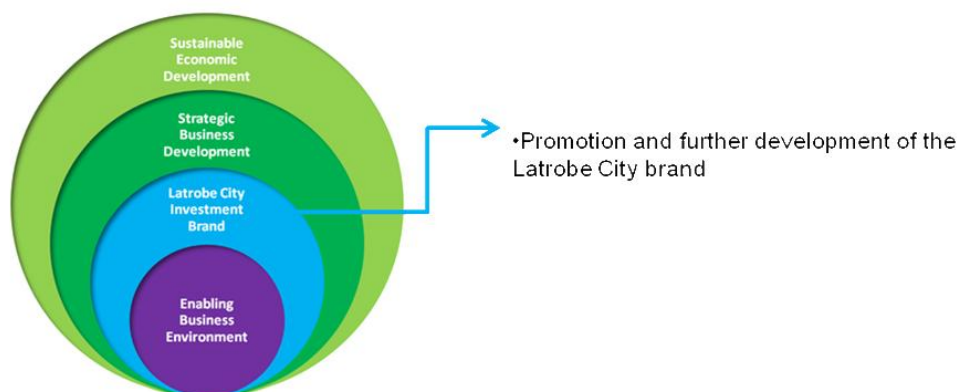
Recent development and expansion has created new development opportunities for aviation related businesses. Exciting employment and growth opportunities exist at the Latrobe Regional Airport, and one particular firm, GippsAero has plans for significant expansion on the site.

The purpose of the Latrobe Regional Airport Master Plan is to facilitate the appropriate development of the Latrobe Regional Airport and surrounds over the next 20 years, which in turn, will increase employment, output and investment out of, and into the Latrobe Regional Airport.



## Building the Latrobe City Investment Brand

Business stakeholders consulted during development of this strategy identified the profile of Latrobe City in the broader community as an obstacle to investment and growth. Stakeholders report that the current perception of Latrobe City makes it difficult to attract and retain staff, students, investors and customers to the region. Participants identified enhancing the image of Latrobe City as a high priority issue pivotal to future economic development.



**Figure 4: Building the Latrobe City Investment Brand**

Latrobe City's profile in the broader community is the foundation upon which partnerships with investors, industry, government and research institutions to progress economic development initiatives are developed. As well as impacting on external perceptions of Latrobe City, the image of the region can also affect the views and optimism of those already working and residing in Latrobe City.

Latrobe City Council currently works to promote the municipality to potential investors, visitors and other stakeholders by:

- Promoting "success stories"
- Running road-shows for Government officers to improve understanding and familiarity with Latrobe City
- Contributing and harnessing benefits from regional advertising campaigns, such as the Regional Cities campaign
- Producing targeted promotional campaigns for national and international investment markets and presentations to relevant conferences, expos and industry groups
- Producing and distributing marketing materials that promote Latrobe City as an attractive place to live, visit and work
- Showcasing Latrobe City at investment forums and conferences

The consensus view of the business stakeholders, along with anecdotal evidence collected over many years, suggests that there is an opportunity to develop a



comprehensive, targeted and co-ordinated approach to further build the image of Latrobe City.

In 2011-2015, Latrobe City Council plans to work in partnership with the business community to understand if and how the perception of our region affects resident attraction, visitation and investment decisions and to develop targeted programs to enhance the profile of Latrobe City in the broader community.

The proposed approach involves:

- Commissioning market research to better understand the internal and external perceptions of Latrobe City and to identify opportunities and barriers to investment
- Analysing research findings and identifying targeted programs to further develop Latrobe City's community profile, building on the municipality's history of innovation and industry

The Latrobe City Marketing and Communications Strategy 2005-2008 will be reviewed during the 2011-2015 period. While the Marketing and Communications Strategy primarily concerns itself with the Latrobe City Council brand (as opposed to the branding of the broader Latrobe City municipality) there is an opportunity to review the scope of the Strategy to include development of programs for promotion of the municipality.





## Creating an enabling business environment

Latrobe City Council plays a key role in creating, or assisting others to create, a business environment that is attractive to existing and new business owners and investors.

Discussions with industry stakeholders have identified the following elements of the business environment as important to sustain business investment and growth:

- Strong leadership and a clear direction
- An attractive policy setting
- Efficient and rigorous planning processes
- Access to skilled labour
- High quality infrastructure and services
- Well managed natural resources
- A liveable city

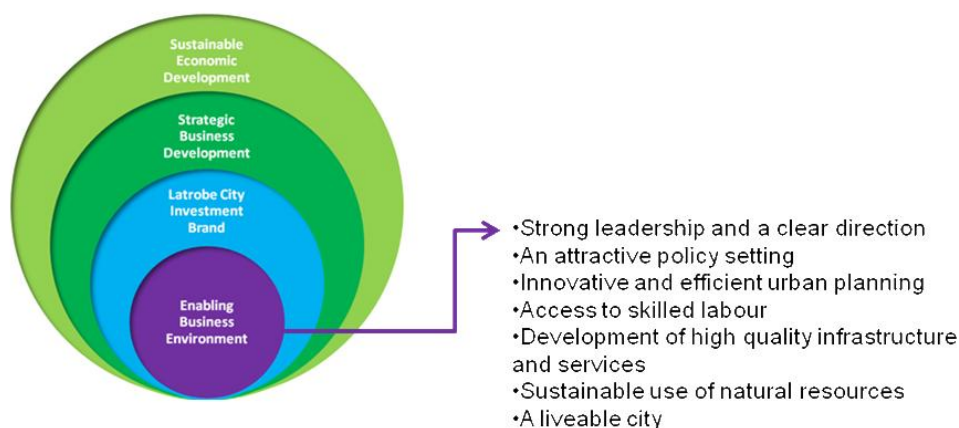


Figure 5: Creating an Enabling Business Environment

### ***Strong leadership and a clear direction***

Latrobe City Council intends to take a lead role in consolidating Latrobe City's position as a major regional centre and in preparing the community to prosper under a low carbon future. In addition to demonstrating strong, proactive leadership ourselves we will seek-out opportunities to cultivate community leadership and innovation in the Latrobe City business community.

Where regional approaches are required, for example in promotion of agri-business and tourism or in preparation for a low carbon emissions future, Latrobe City Council will continue to work in partnership with the Gippsland Local Government Network (GLGN) and with sector specific regional associations to develop effective regional plans, to organise a collective voice to government and to promote industry sectors.





Latrobe City Council will work to foster the development of new leaders and entrepreneurs by continuing to support the Gippsland Business Awards, the Latrobe City Business Tourism Association and its People's Choice Awards along with local business peak bodies.

Additionally, our plans for 2011-2015 include:

- Expansion of our program of local business networking events
- Increased focus on facilitating local business and individual participation in Victorian and Australian Government leadership development initiatives
- Working in partnership with the local business community to develop leaders and entrepreneurs.

Latrobe City Council will work to prepare Latrobe City and the broader Gippsland region for a low carbon emissions future by implementing the initiatives identified in its policy *Positioning Latrobe City for a Low Carbon Emissions Future* including:

- Forming a Latrobe City Low Carbon Emissions Future Transition Committee to oversee the implementation of the Low Carbon Emissions Future policy
- Maintaining its alliance with other coal industry Councils and working with this group to undertake Social Impact Analysis to identify the likely impacts of a carbon price on Latrobe City
- Supporting the Victorian Government's plans for a socio-economic study into impacts of power station shutdowns and investigating opportunities to link socio-economic work with Coal Alliance work described above
- Seeking Government support for "Carbon Assist" positions to assist businesses to manage the transition to a low carbon economy and for local Council positions to assist in regional planning for the transition
- Implementing communication strategies to maintain investor confidence during the transition period
- Facilitating community participation in the Climate Communities scheme to increase understanding of climate change and encourage energy efficiency and emissions reduction initiatives in the community
- Advocating for formulation of proactive plans to manage impacts and put in place contingency measures as indicated by Social Impact Analysis studies

It is recognised that many of the low carbon transition actions require regional cooperation and coordination. In 2011-2015, Latrobe City will lead the formation of a GLGN carbon transition sub-committee to develop a Gippsland Low Carbon Economy Transition Plan, as recommended in the Gippsland Regional Plan, and will advocate for the formation of a regional governance structure for delivery of Australian Government funding and programs related to the transition (potentially utilising existing Regional Development Committees).



### ***An attractive policy setting***

Over 2011-2015, Latrobe City Council will work to ensure that the municipality's interests are considered effectively in formulation of government policies and strategies. Latrobe City Council will foster and strengthen existing relationships with the Victorian and Australian Governments and will engage with them to understand policy direction and to lobby for continued support for regional development and a smooth transition to a low carbon emissions future.

In order to influence policy effectively, it is important that communication with other levels of Government is targeted, consistent and co-ordinated. Latrobe City Council will work to strengthen its relationships and communication networks with Victorian and Australian Government ministers and senior departmental officers. We plan to:

- Identify existing communication pathways to Victorian and Australian governments and any gaps in communication arrangements
- Coordinate the lines of communication between existing and planned advisory committees (e.g. Latrobe City Low Carbon Emissions Future Transition Committee, the Gippsland Regional Plan Low Carbon Transition Sub-committee and the Regional Managers Forum) where appropriate to ensure that communication and advice is coordinated and consistent

Using these communication channels, we plan to provide input to Victorian and Australian Governments as early as possible in policy setting processes to ensure that the impacts of initiatives on the community are well considered. Over the 2011-2015 period, Victorian and Australian Governments will continue to develop and potentially implement their Carbon mitigation policies and Latrobe City Council's focus will be on:

- Engaging all levels of Government in pro-active dialogue regarding the impact of a carbon price on the Latrobe City community and economy
- Providing regular briefings on Latrobe City's transition policy and specific transition needs for the relevant Victorian and Australian Government Ministers as well as Shadow Ministers

Latrobe City Council will advocate for local representation on stakeholder committees advising Victorian and Australian Governments and guiding the growth and development of the region (e.g. proposed Australian Climate Change Action Fund Committee, Victorian Government's Leadership Forum, Regional Development committees and Local Government advisory panels).

Latrobe City will lobby for increased expansion of Victorian and Australian Government offices in Latrobe City and will work with these agencies to seek to have local suppliers provided with the opportunity to tender for provision of goods and services used by these local offices.



### ***Innovative and Efficient Urban Planning***

Latrobe City Council's strategic land use planning and statutory permitting functions play a key role in ensuring that development is properly considered and contributes to the long term urban character and liveability of Latrobe City.

Latrobe City Council will conduct innovative urban planning and employ efficient processes that support the long term aspirations of the growing community and assist efforts to build the profile of Latrobe City in the broader community. In 2011-2015, we plan to continually improve the planning process by working with developers to deliver high quality urban design and development that contributes to the character and liveability of Latrobe City.

While maintaining robust and transparent processes is a priority, Latrobe City Council also recognises that efficient processing of planning applications and Planning Scheme Amendments can be a significant benefit and attraction for developers and investors. Latrobe City Council will continue to investigate and implement opportunities for continuous improvement in statutory assessment processes.

The complexity of planning legislation and the necessary involvement of other regulatory agencies can make it difficult for users to navigate planning processes. To address this issue, Latrobe City Council plans to progress the following initiatives in the 2011-2015 period:

- Working with users and stakeholders of the planning system to progressively increase understanding of the planning process
- Identifying significant and major development initiatives and applying a cross division, comprehensive planning approach to ensure the response to these applications is coordinated
- Maintaining constructive relationships with external stakeholders and regulators to ensure planning processes are as efficient as possible
- Continually improving its planning processes while ensuring ongoing compliance with legislation

To achieve this Latrobe City Council plans to:

- Conduct developer forums and community engagement processes that ensure that the needs of users and stakeholders are understood
- Explore new and innovative methods of planning assessment (e.g. online planning application submission and assessment)
- Collect statistics to report on performance and identify opportunities to further improve planning processes

Limited land availability in Latrobe City and the Gippsland region has been identified as a key constraint to industrial and residential development. In addition, existing industrial sites





are experiencing encroachment of residential areas, which may lead to future additional constraints to operation of the facility<sup>3</sup>.

Strategic planning priorities for 2011-2015, aimed at resolving land availability constraints and balancing industrial, commercial residential, environmental, community and recreational needs include:

- Development, implementation and periodic review of township structure plans
- Development, implementation and periodic review of Main Town Activity Centre Plans
- Development and implementation of an Industrial Land Strategy
- Development of precinct based development plans for a variety of land use activity (residential, commercial, industrial etc.)
- Development and implementation of policies relating to the future use of rural land
- Development and implementation of recreation and open space strategies
- Maintenance and updating of Planning Scheme controls relating to environmental features within the municipality (environmental significance, flood, wildfire etc)
- Review of future natural resource management

In relation to the management of coal resources in particular, Latrobe City Council will work closely with DPI, through Clean Coal Victoria, to ensure that any future development of the currently unallocated coal resource is undertaken with due consideration of social, environmental and economic factors and with consideration of the implications of future carbon pricing on the optimal use of natural resources.

Latrobe City Council intends to provide input to the development of the Gippsland Integrated Land Use Plan to provide direction and priorities for addressing population growth while enabling sustainable development of agricultural, industrial, commercial, residential and coal related land uses in the Gippsland region. Latrobe City Council will seek to ensure that interested stakeholders, including industry and business representatives, are consulted in this planning process.

### ***Access to skilled labour***

The changing business environment arising from new investment and factors such as the transition to a low carbon economy will necessitate the development of skills in new areas. Industry, education and training sectors acknowledge that this is best done in a planned and co-ordinated way to ensure that education and training programs are developed which adequately meet the future skills needs of the region and Victoria generally. Targeted education and training will increase Latrobe City's competitive advantage, workforce participation and productivity.

Latrobe City Council will contribute in the Skills Victoria *Skilling the Valley* initiative, which aims to identify future industry and employment opportunities and develop new skills in the Latrobe Valley.

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<sup>3</sup> Latrobe Regional Airport Master plan, 2009





Over the 2011-2015 period, Latrobe City will support and provide input to the Skilling the Valley actions, which include:

- **Strong Foundations for Gippsland:** A coordinated high profile effort aimed at ensuring that every citizen of the region has the opportunity to develop the abilities to participate in the modern economy by having the necessary foundation level skills. This will involve a coordinated action by local training and education providers to promote and provide foundation level life, numeracy, literacy and language skills training and support into Gippsland. This will improve the employability of the participants and also their ability to gain maximum benefit from the tertiary education opportunities being delivered.
- **State of the Valley Report:** A benchmark report will be commissioned that will provide a 'snapshot' of the Gippsland region. This report will contribute to the development of the Latrobe Valley Industry and Employment Roadmap. The report will include a range of economic, demographic and educational indicators, as well as an inventory of descriptors of other government led activities and or programs taking place in the region.
- **Preparing for the Future:** A scoping exercise will be completed to ascertain availability and access to possible avenues of skills and training opportunities to up-skill cohorts of workers impacted by a transition to a low carbon economy, either through scholarship programs or local delivery of training.
- **Worker Engagement:** A survey of workers employed in industries most likely to be impacted by transition to a low carbon economy will be commissioned. It will determine their age, gender, and qualification level, last engagement with formal education, career intentions and career interests. This information will inform the development of a transitional workforce development strategy which effectively leverages the VTG and ensures that workers who are likely to be affected are engaged in the process of planning for their future.
- **Skilling the Valley Project Officers:** The Skilling the Valley initiative is to be supported locally by the creation of four new positions to be established in stakeholder organisations to help deliver coordinated outcomes of the initiative. One of these positions, which will focus on establishing a network of Economic Development Officers across the region to engage with community and drive long term planning, will be based at the Latrobe City Council offices.

The Industry and Investment Survey, conducted by Latrobe City Council every second year, provides valuable information on the skills requirements of local business and Council plans to continue to collect and analyse this information to identify skills gaps and tailor training and capacity building programs accordingly.

### ***Development of high quality infrastructure and services***

High quality roads, freight and public transport systems, water, electricity networks, natural gas infrastructure, and telecommunications facilities are vital to enable businesses to operate effectively and to attract new investment. Using its connections with other levels of Government, Latrobe City Council will continue to advocate for access to funding and priority infrastructure development in Latrobe City.



Infrastructure programs that are currently underway will continue to be progressed over the 2011-2015 period. These programs include:

- Morwell Logistics Precinct
- Churchill Town Centre plan
- Moe Activity Centre Plan and the Moe Railway Precinct Revitalisation project
- Development of the Traralgon Activity Centre plan and the Traralgon Station Precinct Master Plan

Latrobe City Council will also continue to progress the Gippsland Logistics Precinct development, a 64 hectare site three kilometres east of the Morwell CBD, adjacent to the existing Gippsland Intermodal Freight Terminal (GIFT), which will support local business expansion by providing a central facility for the efficient and cost effective movement of rail freight to and from the Gippsland region. Latrobe City Council has led the feasibility study and development of the indicative business case and has identified funding sources to support development of the precinct. Council has endorsed the next stage of the project where Expressions of Interest will be called for operation of the terminal and site development.

Latrobe City will lobby for early National Broadband Network (NBN) roll-out in Gippsland and will look for opportunities for its businesses to reap early benefits from the NBN system. It will look at opportunities to pilot projects that use high-speed broadband to improve regional services and lifestyles (e.g. provision of Latrobe City health services to remote areas in Gippsland).

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
- Lobbying for improving transport links: Improved rail services and road linkages will facilitate access to Latrobe City by populations from the outer eastern suburbs of Melbourne, increasing opportunities for students and workers to travel into Latrobe City on a daily basis
- Lobbying for improved freight links: The Gippsland Regional Plan identifies freight upgrades through the Gippsland Gateways initiative as a priority area and Latrobe City plans to work with the GLGN to secure Government support for this important initiative. Latrobe City will also lobby for continued effective access to Melbourne's ports to enable expansion of export markets
- Employment Zone Development: Developing the required infrastructure to enable development of the Lurgi Plant, Gippsland Logistics Precinct and Latrobe Regional Airport employment zones
- Implementation of the Latrobe Regional Airport Master plan: The Latrobe Regional Airport Master Plan (2009) describes a plan for development of this vital community asset over the next 20 years, in a manner that is compatible with the environment and the local community and which caters for future changes in the aviation industry





### ***Sustainable use of natural resources***

Latrobe City Council is committed to managing and protecting its natural environment to meet the Latrobe 2026 objective “to ensure a lasting legacy for future generations.”

The Gippsland region is rich in many natural resources. Managing these resources for the long term benefit of the region and the community will optimise social, environmental and economic outcomes.

Emerging Victorian and Australian Government carbon and energy policies will provide opportunities to harness local resources to achieve long term sustainability outcomes. For example, the Australian Government Carbon Farmers initiative will create opportunities for the generation of carbon credits through forestry and agricultural projects (e.g. soil bio-sequestration or biomass production) for sale into domestic and international global carbon markets. Latrobe City Council will support the agribusiness sector to access markets under this initiative.

Given the diversity of land use across Gippsland, a collaborative approach across local governments in the region will be required to capture opportunities arising from carbon policies (e.g. carbon sequestration and biomass production) and the existing Gippsland Local Government Network (GLGN) provides a mechanism to progress new initiatives at a regional level in association with other Councils. While the operational component of many of these opportunities will be located in neighbouring Councils, there is a potential role for supporting services such as administration, aggregation, research and education programs to be located in Latrobe City.

The Gippsland Regional Plan (GRP) has identified 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 will 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 adjust to an economy in transition in a time of climate change. The Centre will be a collaboration between Monash Gippsland, Gippsland regional stakeholders, TAFE and councils with the involvement of Monash Clayton, the Monash Sustainability Institute. The Centre will also utilise a broad range of expertise from other research organisations and CSIRO. The Centre will focus on education, research and industry integration to assist the transition to new technologies now and well into the future.<sup>4</sup> The Centre will bring regional innovation, diversification of skills, research and development capability and commercial enterprise and will greatly assist businesses to capture opportunities that arise in a carbon constrained world.

The Gippsland Region Sustainable Water Strategy has found that the Gippsland Region is one of the few areas in Victoria where the available water resources have not been fully allocated. In addition, it is anticipated that while climate change will lead to reduced rainfall in the region, relative to other districts, Gippsland will retain superior rainfall. This

<sup>4</sup> Monash University Gippsland and the Gippsland Regional Plan, 2010, Gippsland Centre for Sustainable Technologies- A priority of the Gippsland Regional Plan 2010





available water could be used to support additional development and agricultural activity in the region; with Gippsland increasingly becoming the food bowl of Victoria. Latrobe City Council will work closely with the Department of Sustainability and Environment and the Catchment Management Authority to ensure that allocation of water supplies balances the needs of both the local and the broader Victorian communities.

Latrobe City Council will build its partnerships with the Victorian Government to further advance the research agenda in environmental and natural resource management and to lobby for a larger Victorian Government presence in the region through regional offices particularly for the Department of Sustainability and Environment (DSE) and/or the Department of Primary Industries (DPI).

The significant natural assets and biodiversity of the Gippsland region present tourism opportunities and the Latrobe City economy, utilising a hub and spoke model, can benefit from these regional strengths. Latrobe City Council will continue to work with Destination Gippsland and Tourism Victoria to progress regional tourism initiatives as described in the Strategic Business Development section of this strategy.

The Latrobe City economy is heavily dependent on revenue and employment from coal fired electricity generation and associated industries, with over 20% of Gross Regional Product being derived from this industry.<sup>5</sup> While Latrobe City supports the balanced use of the coal resource, it will maintain a strategic focus on transitioning to an economy that is not overly reliant on one coal end use.

### ***A Liveable City***

The availability of services within Latrobe City, and the municipality's proximity to Melbourne are key factors in attracting people to live and work in the region. The City offers high quality health care and educational opportunities, affordable housing and a wide range of recreational, cultural and sporting facilities.

The municipality has an active cultural community, with a calendar of events and festivals throughout the year aimed at both residents of Latrobe City and tourists from other areas. This cultural program is supported by a growing restaurant and entertainment sector.

Along with maintaining and continually improving the built and natural environments, the services and cultural experiences in Latrobe City will provide long term economic benefits as more people choose to work, live and visit the area.

Latrobe City Council will lead the community to identify, evaluate and prioritise initiatives that contribute to a liveable and vibrant community by:

- Conducting innovative urban planning with foresight to differentiate the region from outer suburban areas of Melbourne, ensuring this aspect is considered in development of the Gippsland Integrated Land Use Plan
- Seeking to attract new cultural experiences and events to Latrobe City

<sup>5</sup> Economic Importance of Latrobe Coal & Electricity Industry, Compelling Economics 2008



- Supporting local sporting clubs to access grant funding for improvement of sporting facilities
- Advocating for health, education and transport infrastructure that improves the liveability of the City



## Measuring progress and reviewing the strategy

The Economic Sustainability Division of Council formulates a four year rolling business plan each year, which will incorporate the identified Economic Development strategic themes and will detail specific actions, priorities and resourcing to deliver the Strategy.

It is expected that the strategy can be implemented within the current Economic Sustainability Division structure (Figure 6) and staffing levels. However, Latrobe City Council will review progress in implementing strategy and will adapt resourcing and delivery models as needed to ensure that the strategy is delivered effectively.

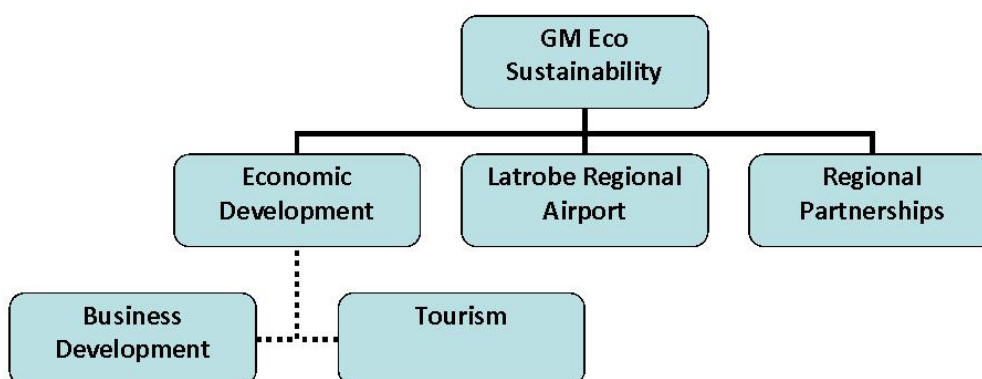


Figure 6: Economic Sustainability Division Structure

Progress on implementation of the strategy will be monitored and reported to Council on an annual basis and published on the Latrobe City website. The implementation report will include data on the number of:

- Responses to business enquiries
- Media releases produced
- Contacts developed
- Delegations organised

Latrobe City Council will develop, collate and publish economic development indicators, which measure Latrobe City's economic progress over the 2011-15 period. These indicators cannot be used directly to assess the success of implementation of this Economic Sustainability 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 or supplement the Strategy accordingly.

An annual assessment of economic development performance in Latrobe City relative to the other major regional centres will be undertaken, with focus on:

- Gross Regional Product
- Employment rates/job growth





- Unemployment rates
- Mean taxable income
- Population growth

In addition, performance against the following indicators will 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
- Population forecasts

The Economic Sustainability Strategy will be reviewed annually and the list of strategy actions (see Appendix 4) will be revised and supplemented accordingly. A full review of the strategy will be undertaken in 2015 in preparation for the next four year planning period.



## Acknowledgements

Latrobe City Council would like to acknowledge the following business, industry and community stakeholders who participated in workshops to identify economic development issues and opportunities. The candid and constructive input of these organisations to the strategy review process has enabled Latrobe City Council to formulate a targeted strategy that it believes will meet the needs of the business community and lead to long term sustained economic growth.

Advance Morwell	Department of Innovation, Industry and Regional Development	Loy Yang Power
Agribusiness Gippsland	Destination Gippsland	MBD Energy
ASIC	Environmental Clean Technologies	Regional Development Victoria
Auschar	Exergen	Telstra Call Centre
Australian Paper	Gippsland Regional Waste Management Group	TRU Energy
Baw Baw Latrobe Local Learning and Employment	HRL	VECCI
Branstrans	Ignite Energy	Viatek Sage IT Services
Central Gippsland Institute of TAFE	Latrobe Business Tourism Association	Victorian Farmers Federation
Committee for Moe	Latrobe Community Health Services	Richards Harvesting & Haulage
Department of Human Services, Housing Call Centre		



## Appendix 1: Profile of the Latrobe City Economy

Latrobe City is located approximately 1.5 hours drive east of Melbourne, in the Gippsland region of south-eastern Victoria. The City is home to approximately 75,300 people, largely residing in the four major population centres of Churchill, Moe-Newborough, Morwell and Traralgon. In the last decade, the population has grown steadily and it is anticipated that this growth will continue at a rate of approximately 0.92% per annum over the 20 year period from 2011-2031<sup>6</sup>.

Latrobe City is one of Victoria's strongest regional economies with a Gross Regional Product (GRP) of approximately \$4 billion and a total estimated annual business turnover of \$10.3 billion. Latrobe City's Gross Regional Product (GRP) represents 1.8% of Victoria's Gross State Product.

Latrobe City is home to over 4,500 businesses, of which the vast majority (94%) are small businesses employing less than 20 staff. Approximately 5.5% of businesses are medium size, employing between 20 and 200 staff, while large businesses with more than 200 staff comprise less than 1% of the total.<sup>7</sup>

The main industry sectors, in terms of output, are manufacturing (approximately \$3 billion), electricity, gas and water supply (approximately \$1.7 billion) and construction (approximately \$1.4 billion). These are followed by property and business services and the retail trade (Figure 7).

Value added<sup>8</sup> is highest for the electricity, gas and water supply sectors, followed by manufacturing and construction (Figure 8).

Retail, health and community services and manufacturing sectors provide the highest employment in Latrobe City followed by manufacturing, education and construction (Figure 9).

<sup>6</sup> ID demographers, [www.id.com.au](http://www.id.com.au), Latrobe City Council Population Forecasts, August, 2010

<sup>7</sup> ABS Census Data, Businesses by Industry Division by Statistical Local Area by Employment Size Ranges, June 2009

<sup>8</sup> Value added is defined as the difference between the sale price of a product and the cost of the purchased material and services used to produce the product.



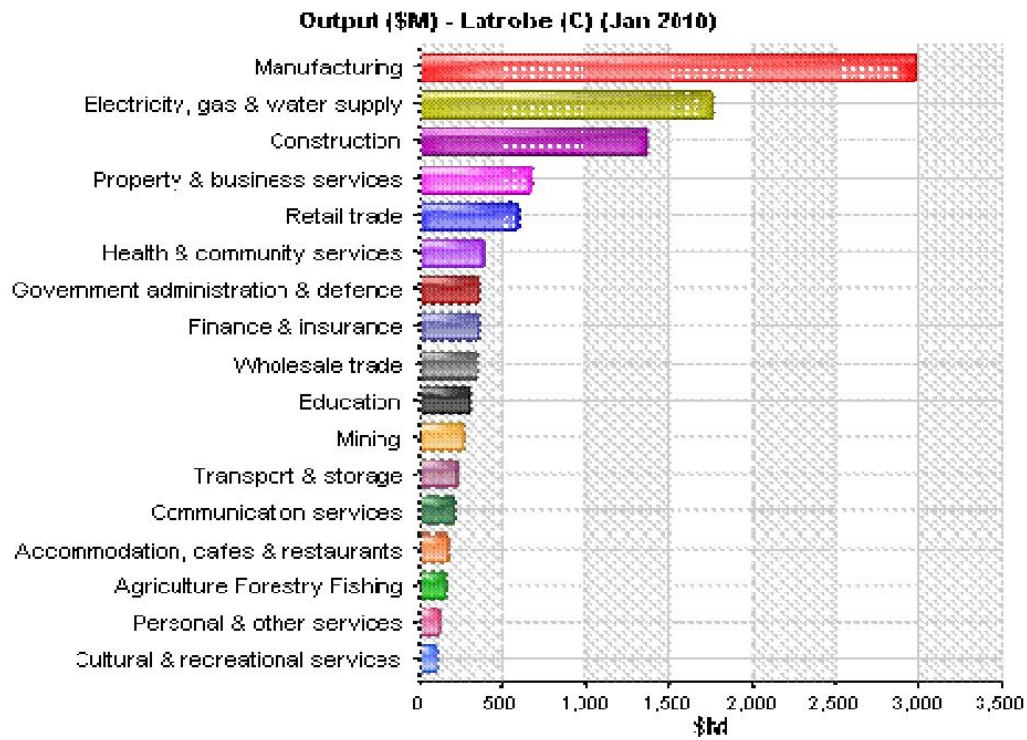


Figure 7: Latrobe City Industry Sector Output

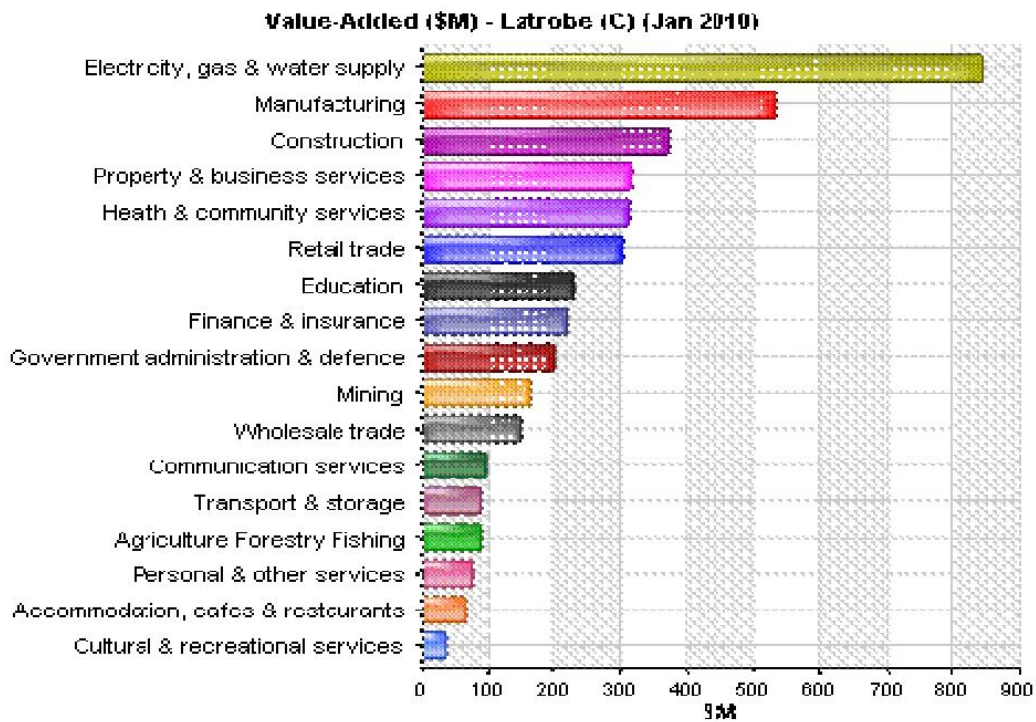


Figure 8: Latrobe City Industry Sector Value Added<sup>9</sup>

<sup>9</sup> Value added is the difference between the total sales revenue of the sector and the total cost of non-labour inputs

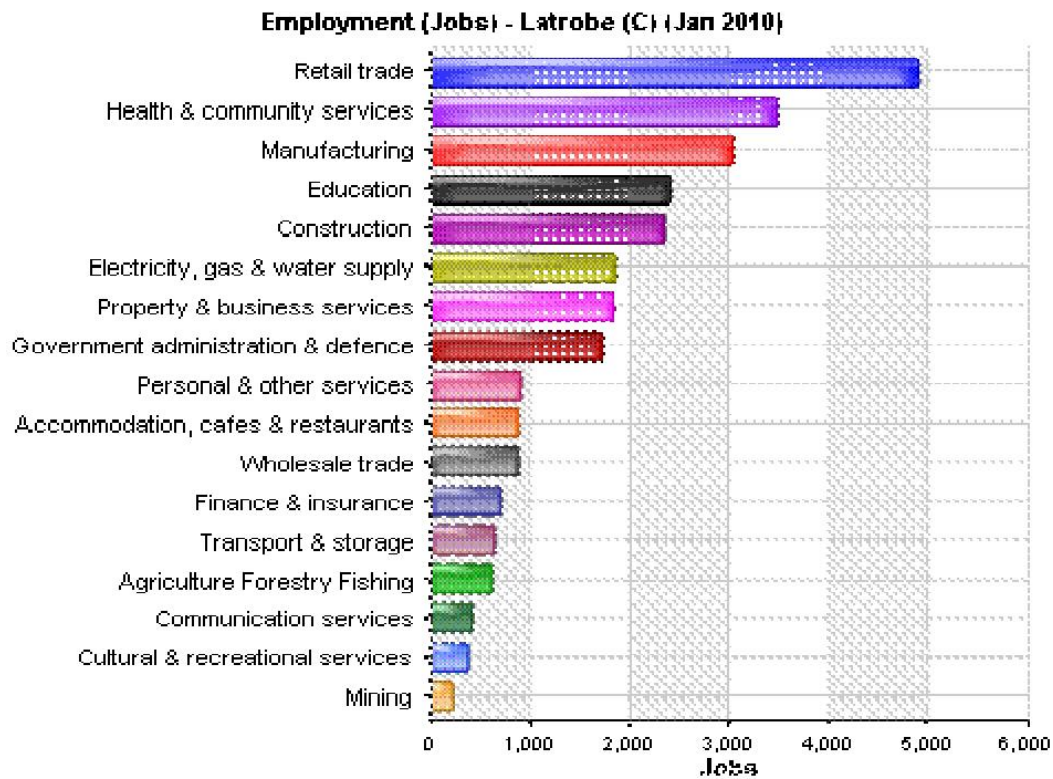


Figure 9: Latrobe City Industry Employment

The Gippsland region is rich in natural resources, including forests, fertile land for agriculture, water and natural gas reserves. The Latrobe Valley hosts one of the world's largest deposits of lignite (brown coal).

The Latrobe City economy is heavily dependent on revenue and employment from coal fired electricity generation and associated industries, with over 20% of Gross Regional Product being derived from these industries<sup>10</sup>.

Although brown coal electricity generation has historically been the backbone of the local economy, in recent years the economy has diversified to include a range of industries.

Latrobe City is home to Australia's largest yoghurt manufacturing facility, the largest pulp and paper manufacturer in Australia, and the only manufacturer of passenger aircraft in Australia.

<sup>10</sup> Economic Importance of Latrobe Coal & Electricity Industry, Compelling Economics, 2008





A significant amount of capital investment is planned or underway within Latrobe City as demonstrated by the following projects:

- National Foods \$55 million expansion
- Mahindra \$22 million investment for an approximate 75% share in ownership of GippsAero
- TRUenergy Combined Cycle Gas Turbine (CCGT) Power Station (capital cost unknown)
- HRL Clean Coal Power Station \$750 million

Most Latrobe City businesses report sales (69% of sales dollars) into the municipality, with some exports the broader Gippsland region (17%). Sales beyond Gippsland account for 14% of sales with exports to overseas markets accounting for less than 1% of sales. This suggests that much of the locally produced goods and services remain in Latrobe City<sup>11</sup> and indicates that an opportunity exists for increased exports to wider Gippsland, national and international markets.

## Recent Economic Achievements

The focus of the previous Economic Development Strategy (2004-2008) was facilitating investment in six target sectors:

- Energy
- Forestry, Timber and Paper
- Food and Agribusiness
- Advanced Manufacturing and Aviation
- Services, Tourism and Events
- New and Emerging industries

Latrobe City Council's activities over the 2004-2008 period have focused on facilitating investment in these key areas by:

- Providing high quality data services and facilitating partnerships within the business community
- Working towards improvements in liveability, community capacity building and governance
- Transforming the built and natural environment

Latrobe City has worked to build and maintain constructive partnerships with other levels of Government and to enhance industry connectivity by co-ordinating and hosting industry forums. Latrobe City continues to advocate on behalf of their community for policy settings that foster investment and job creation.

<sup>11</sup> Latrobe City Council Employment and Industry Survey Report, 2010  
Economic Sustainability Strategy Review, June 2011



Key achievements over the 2004-2008 period include:

#### **Retention and expansion of National Foods**

In 2010, National Foods announced the closure of the firms' outer Sydney facility, with much of the production from the site moving to Morwell. The Morwell facility is currently undergoing a \$55 million upgrade, which will increase production from 60,000 to 86,000 tonnes of product per year.

#### **Purchase of Gippsland Aeronautics (creation of GippsAero)**

Mahindra has invested US \$22 million to acquire a major stake of GippsAero. GippsAero has commenced the recruitment of new employees and is investing in new systems and infrastructure. Currently employing 104 people, the firm aims to double this number in coming years.

#### **B.M.C growth**

Based in Morwell, B.M.C's High Voltage, Electrical and Instrumentation department provides a complete portfolio of asset management, installation and maintenance services for clients with high and low voltage assets in diverse industry sectors including:

- Power generation, transmission and distribution
- Mining
- Light and heavy industrial manufacturing
- Pulp and paper
- Water and sewerage utilities
- Petrochemical production.

B.M.C has grown steadily over the past 3-4 years, after securing many local and national contracts. The employee numbers have risen from 90 to 170 over this period.

#### **Kiel Industries**

Kiel Industries is a niche manufacturer and supplier of over 500 products including moulded plastic bins, crates, manhole covers, spa baths, calf feeders, slimline water tanks and Triton orange and white road barriers. The company also manufacture plastic pallets in different sizes and styles.

Since relocating from South Gippsland to Latrobe City, the firm has experienced significant growth. Employees now total 22, up from 15 over the past 3 years.

A number of major projects have been completed in recent years including:

#### **Australian Paper pulp mill upgrade**

Australian Paper completed the mill's \$340 million upgrade in December 2008, with the redeveloped facility featuring an elemental, chlorine-free bleaching plant that delivers world-class environmental performance. Australian Paper's Maryvale operation generates approximately \$500 million each year in economic activity for the region.



### International Power 2030 Project

Finalised in 2009, this project involved a range of initiatives retrofitting low emission technologies at Hazelwood. The total cost of the project was \$370 million.

### Latrobe Community Health Centre headquarters

Officially opened in October 2010, the new \$21 million Latrobe Community Health Service Morwell Centre is the largest, most modern community health service ever to be built in Victoria. The new building includes specialist facilities for clinical, consulting and dental services.

### Thiess John Holland – manufacture of concrete panels for Eastlink

Completed in 2008, Thiess John Holland utilised the DiFabrizio facility on Tramway Road, Morwell to manufacture concrete panels for the Eastlink project. The project employed 100 people, was finished on budget and ahead of schedule.

### Gippsland Water Factory

The \$209 million Gippsland Water Factory will treat up to 35 million litres of domestic and industrial wastewater each day. It will provide approximately eight million litres of high-quality recycled water for use by local industry, saving three billion litres of potable water a year. During construction, 300 locals were employed and the factory has increased industry investment and jobs in the region.

While unemployment in Latrobe City is higher than in other regional centres, modelling utilising ABS Labour Force data shows that in the period 2006-2010, total employment rose steadily in Latrobe City. Total Employment, as expressed as Annualised Growth Rate, grew at a greater rate in Latrobe City compared to other major regional centres (Table 1).

**Table 1: Annualised Employment Growth Rate by Local Government Area<sup>12</sup>**

Local Government Area	Total Employment – Annualised Growth Rate
Latrobe City	4.98%
Ballarat	3.55%
Bendigo	3.43%
Geelong	-0.55%

Average wage and salaries in Latrobe City have also grown in recent years. In the 2007/08 year Latrobe City average wages were slightly higher than for Victoria as a whole (Table 2).

**Table 2: Average Wages and Salaries<sup>13</sup>**

	2003-04	2004-05	2005-06	2006-07	2007-08
Latrobe City	\$35,761	\$36,872	\$38,938	\$40,797	\$42,851
Victoria	\$36,882	\$38,421	\$39,861	\$41,260	\$42,782

<sup>12</sup> Compelling Economics, 2011, Employment Comparison Report: Nov 2006-Nov 2010

<sup>13</sup> Australian Bureau of Statistics - Estimates of Personal Income for Small Areas, Time Series, 2003-04 to 2007-08 released September 2010





## Economic Assets

Latrobe City is the principal service centre for the Gippsland region. It offers high quality health facilities, including Latrobe Regional Hospital, Maryvale Private Hospital and Latrobe Community Health Services. It also offers access to education facilities, including Monash University, GippsTAFE, Apprenticeships Group Australia, the Gippsland Education Precinct and a wide range of private and public primary and secondary schools. Major shopping centres and a range of accommodation and entertainment venues are also present in Latrobe City.

Latrobe City has strong transport linkages with high quality infrastructure in place and planned, including:

- A four lane freeway link to Melbourne, with heavy load capacity and a planned upgrade to a four lane highway between Traralgon and Sale
- Frequent passenger rail services between Melbourne and Latrobe City
- Freight services that connect with the National Rail Network to Melbourne ports
- Latrobe Regional Airport, recognised as one of the best regional airport facilities in Australia. The airport is located adjacent to the Princes Freeway in Morwell and it is a 40 minute flight from Tullamarine and Essendon airports

Latrobe City offers investors access to abundant natural resources; including brown coal, water and natural gas provided via high pressure pipeline. Competitively priced, fully serviced industrial and commercial land is readily available.

Significant electricity transmission infrastructure connects the power generators in the Latrobe Valley to consumers in Melbourne and throughout Victoria, providing opportunities for location of new electricity generation facilities in the Latrobe Valley. The presence of electricity generation facilities also provides potential for large industry co-location with power generation to reduce costs and system losses.

Some important services available to businesses in Latrobe City include:

- High quality and wide ranging employment providers
- Professional legal, accounting, finance, insurance and business consulting services
- Dedicated Latrobe City Council departments managing municipal planning, infrastructure, economic development, building, health and local laws
- Regionally-based Victorian and Australian Government business assistance facilities
- Existing businesses servicing heavy industry



## Industry Sectors

Profiles of the key sectors and issues and opportunities facing these key industries are described in the following paragraphs.

### *Coal and electricity generation*

The Latrobe Valley (which includes Baw Baw Shire Council, Latrobe City Council and Wellington Shire Council) hosts one of the world's largest deposits of lignite (brown coal). Coal was first mined for large scale electricity production in the 1920s and this has remained the major use of the resource. The brown coal electricity generators in the Latrobe Valley currently supply around 90% of Victoria's electricity.

The high moisture content of brown coal makes it unsuitable, without further treatment, for bulk export and results in relatively high levels of greenhouse gas emissions per unit of electricity output. The introduction of a carbon price will affect the profitability of generators utilising traditional technologies but will also provide opportunities for research and development throughout the energy industry. In addition, alternative uses of brown coal (e.g. for production of oil products or fertilisers) are likely to become viable in the future.

Latrobe City Council supports the sustainable use of brown coal as an energy source and is working with generators, clean coal researchers and government agencies to develop clean coal pilot plants and research facilities.







### *Retail*

Latrobe City is the retail centre for Gippsland and is home to Mid Valley, one of Victoria's largest regional shopping centres, and Stockland Plaza. Latrobe City also boasts access to a wide range of national retailers and speciality shops.

The retail sector provides the highest employment of any sector in Latrobe City providing close to 4,000 jobs. The sector contributes \$385 billion to the local economy annually.

### *Manufacturing*

Latrobe City has a broad manufacturing base that has been established on the foundation of electricity generation. The industry has steadily expanded over the years and Latrobe City is now emerging as a centre for engineering fabrication and manufacture. Companies such as Safetech and Fishers have based their operations in Latrobe City and are supplying local, state, national and international markets. Latrobe City hosts a variety of engineering firms as well as design and manufacturing specialists.

Latrobe City is home to GippsAero, the manufacturer of the GA8 Airvan which is the only passenger aircraft manufactured in Australia. The eight seat aircraft has been sold into both domestic and international markets. The development and expansion of the Latrobe Regional Airport has created further opportunities for aviation related businesses to establish on allotments with taxiway access to the main runway, providing opportunities for aerospace industries, aviation adventure tourism, aviation training firms and related service providers to establish or expand their operations on the site.







### *Agriculture, dairy and food processing*

The Latrobe Valley, with its temperate climate, reliable rainfall and rich fertile soils supports a vibrant agricultural industry.

Businesses within Latrobe City provide agribusiness services to the surrounding agricultural areas as well as those located within the municipal boundaries.

National Foods, one of Australia's largest food and beverage groups specialising in milk, fresh dairy foods, juice, soy beverages and speciality cheeses has established a state of the art dairy processing plant in Latrobe City utilising the raw dairy products produced in Latrobe City and the surrounding Gippsland region.

The agribusiness sector has identified an opportunity for further investment in value-add food processing facilities in Latrobe City utilising local production and imported product in the off season.

Indications are that climate change will likely result in reduced rainfall in the region. However, relative to other districts, Gippsland is expected to retain superior rainfall. The contribution of above state-average rainfall could provide a competitive advantage for Gippsland and the potential for the region to become the food bowl of Victoria.

A price on carbon will open up markets for farmers in carbon management and sequestration schemes. For example, the Australian Government Carbon Farmers Initiative will create opportunities for the generation of carbon credits through forestry and agricultural projects for sale into domestic and international global carbon markets.

Opportunities for production of biomass crops and algae for electricity and fuels production will also arise once a price on carbon is introduced providing further markets for agricultural products.





### *Timber, forestry and paper production*

Latrobe City's unique and abundant natural resources support a productive timber and forestry industry providing softwood, value-added hardwood, and paper products sold to domestic and export markets.

Australian Paper is one of the largest integrated paper manufacturing facilities in the southern hemisphere. The long-established Maryvale complex, a continually expanding operation, leads in the manufacture of high performance packaging supplies and office paper.



A future price on carbon will open up markets for forestry projects to sequester carbon. As with agricultural schemes, forestry projects would be eligible under the Australian Government Carbon Farmers Initiative and other proposed schemes to generate carbon credits for sale into domestic and international global carbon markets.

### *Information technology and business services*

Latrobe City is emerging as a leader in regional Victoria in the field of information communication technology. Combining traditional industries with new technologies, the industry has developed a highly skilled workforce and has built capacity to service the growing demands of expanding local industry and business. For example, Sage Technology provides innovative IT solutions to commercial and industrial businesses throughout Australia and internationally.

Latrobe City enjoys cost effective telecommunications and excellent infrastructure, including fibre optic cable and access to broadband services.

The shared business services sector in Latrobe City continues to grow in its own right, with increasing numbers of private and government call centres operating across the region.

Growth in this sector will be driven by expansion of existing Latrobe City businesses and new investment in the region. Improvements in technologies, including the rollout of the





National Broadband Network (NBN) will provide opportunities for new products and services.

### *Education and training*

Latrobe City is the Educational Centre for Gippsland, offering some of the finest educational facilities in regional Australia. Due to a strong relationship between education providers and industry, Latrobe City has been a leader in vocational education and industry training for many years.



Major facilities for higher education and training located in Latrobe City include:

- Monash University, Gippsland Campus: The only regional “Group of Eight” university in Victoria, Monash Gippsland provides tertiary education to local and international students. Faculties include medicine, science, engineering, information technology, business, economics, nursing, humanities, education, art and design. Distance education facilities cater for local and international students
- Gippsland Education Precinct: Australia’s first fully integrated secondary, vocational and tertiary educational complex providing education pathways all on one campus





- GippsTAFE - Central Gippsland Institute of TAFE: Provides educational services to Gippsland, Victoria and overseas. GippsTafe delivers broad-based training programs on and off-site
- Apprenticeships Group Australia: Apprenticeships Group Australia, which has its headquarters in Latrobe City, is one of Australia's largest leading providers of apprenticeships to industry
- i-Gain: Training specialists who offer quality learning and adult education

The changing business environment arising from new investment and factors such as the transition to a low carbon economy will necessitate the development of skills in new areas. There is an opportunity for the education and training sector to build on its relationship with industry to develop and deliver programs that meet the needs of Latrobe City and Victorian industry in the future.

Population growth in the south-eastern suburbs of Melbourne and in the Gippsland region along with potential for attraction of greater numbers of international students provide further opportunity for growth of this sector in Latrobe City.

### *Health*

Latrobe City is a centre for provision of health services to the broader Gippsland region and, along with contributing to community wellbeing; the sector contributes to the economy of Latrobe City. Latrobe City offers high quality health facilities, including Latrobe Regional Hospital, Maryvale Private Hospital, Latrobe Community Health Services and numerous aligned medical providers. Growth in this sector will be driven by population growth in Latrobe City and the Gippsland region but may also arise from advances in technology (e.g. availability of the National Broadband Network (NBN) will provide opportunities for provision of medical services to remote communities).



### *Tourism and events*

The tourism industry in Latrobe City is predominantly made up of small businesses, with a few medium sized businesses operating in the accommodation and conference sector. The tourism industry is estimated to inject \$92.8 million per year into the local economy, providing approximately 891 jobs.<sup>14</sup>



The Latrobe City Tourism Product Audit has identified that Latrobe City is not a primary leisure tourism destination. However, Latrobe City has competitive strengths including a strong economic base, international investment partners, experience in events and a ready conference market upon which to develop its tourism and events sector.

The audit identifies events, business tourism and conferencing as market opportunities that would enhance the trade of existing retail, food and entertainment businesses.

<sup>14</sup> Latrobe City Tourism Product Audit  
Economic Sustainability Strategy Review, June 2011



## Government Policy Trends and their Impact on the Latrobe City Economy

Emerging Australian and Victorian Government strategies and policies related to carbon, energy and regional development will influence economic sustainability in Latrobe City over the period 2011-2015.

Recent policy announcements indicate an increasing recognition by state and federal governments of the importance of regional areas to future growth and prosperity in Victoria and Australia. The latest Victorian and Australian policies and strategies have typically emphasised:

- A preference for regional planning approaches
- Increased partnerships between state and local government (e.g. advisory committees to provide input on impact of government policies on local government areas)
- Increased funding to expedite infrastructure development, services and economic development in regional areas and a move toward regional governance structures to administer the programs
- Skills development
- Decentralisation of government offices into regional areas
- The Regional Development Australia (RDA) partnership between Australian, Victorian and local governments to support the growth and development of regions

The Australian Government has set targets to reduce the country's greenhouse gas emissions by between 5 and 25% by 2020 (The target is to be agreed subject to global agreement on mitigation targets). To achieve Australia's target, the Government plans to put in place a scheme to establish a price for carbon emissions. The design of the scheme to be adopted is not yet clear; however, the Government favours a market-based emissions trading scheme as the most cost effective way to reduce Australia's greenhouse gas emissions.

The Australian Government is implementing a number of other greenhouse gas mitigation strategies:

- The Carbon Farmers Initiative will enable generation of carbon offsets and credits by farmers through forestry, revegetation and soil carbon sequestration schemes for sale into domestic and international markets
- Australia's Renewable Energy Target (RET) requires electricity wholesalers to source a proportion of their electricity from renewable sources. The scheme will see 20% of Australia's electricity generated from renewable sources by 2020
- The Clean Energy Initiative supports research, development and demonstration of carbon capture and storage, large scale solar and other renewable energy technologies





The Victorian Climate Change Act sets an emissions reduction target of 20% by 2020 (based on 2000 levels) and amends the Environment Protection Act 1970 to enable the Environment Protection Authority Victoria to regulate greenhouse gases. Recent Victorian Government proposed policies and strategies to deliver emissions reduction targets have placed emphasis on:

- Innovation to capitalise on the new jobs and skills, new technologies and new markets that will arise under a future low carbon economy
- Providing transition support to regions, businesses and communities impacted by the introduction of a price on carbon
- Facilitating the uptake of low emissions energy technologies

Regardless of the final form of the Australian and Victorian Government carbon policies, there are a number of probable outcomes with potential impacts on the Latrobe City economy.

Coal fired electricity generation accounts for over half of Victoria's total greenhouse gas emissions. Reducing emissions from brown coal fired electricity generation in the Latrobe Valley is therefore likely to be a key focus of the mitigation schemes under consideration. As a consequence, introduction of these schemes is likely to decrease the competitiveness of the brown coal fired generators located in the Latrobe Valley, leading to structural adjustment pressures on Latrobe City.

Australian and Victorian Governments have recognised the potential impacts on the Latrobe Valley and have committed resources to assisting in managing the transition to a low carbon economy. While introduction of mitigation schemes will present challenges, these schemes will also provide new opportunities for Latrobe City to establish carbon sequestration, renewable energy and other low emissions technology schemes and research programs in the City, and to provide services to similar schemes in the broader Gippsland region.



## Appendix 2: How the Strategy was developed

The process used to develop the revised Economic Sustainability Strategy is shown in Figure 10. The approach was designed to enable input by stakeholders at an early stage of the process.

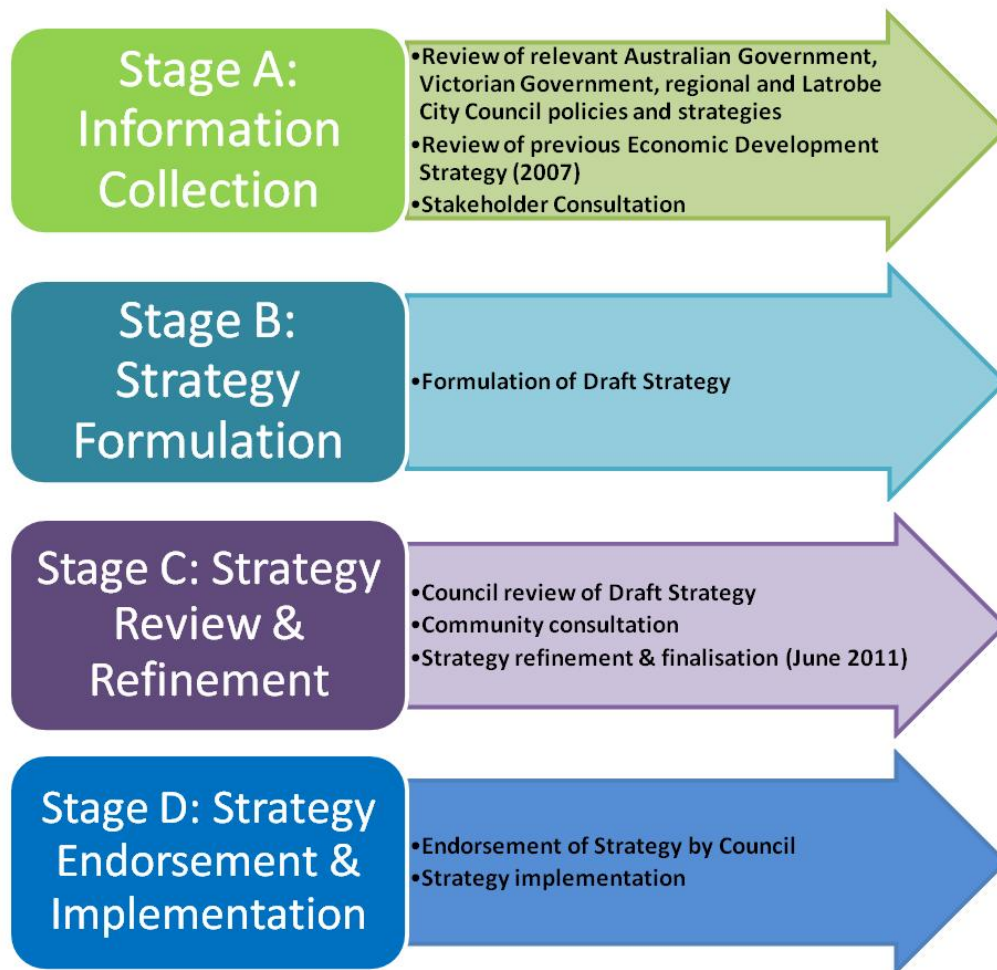


Figure 10: Strategy Review Process



During the Information Collection stage (Stage A), business stakeholders were invited to attend workshops, participate in a phone survey or provide written input on:

- Investment opportunities
- Infrastructure, services, skills and education needs to support economic development and community wellbeing
- Hurdles to economic growth and prosperity
- Opportunities for Council to support the community, business growth and investment in Latrobe City

Thirty-four organisational representatives participated in the consultation process.

In addition, during Stage A, relevant Australian and Victorian Government policies and the following Council and regional plans were reviewed and relevant economic development actions identified:

- Gippsland Regional Plan (2010)
- Gippsland Regional Skills Forum - Skills Action Plan (2009)
- Tourism and Events Strategy Review (2009)
- Positioning Latrobe City for a Low Carbon Emissions Future (2010)
- Latrobe City Council Employment and Industry Survey Report (2010)
- Churchill Town Centre Plan (2007)
- Moe Activity Centre Plan (2007)
- Traralgon Activity Centre Plan background documents (2010)
- Destination Gippsland Regional Plan (2008)
- Gippsland Logistics Precinct Project Plan (2010)
- Latrobe City Business Tourism Association – Business & Communication Plan (2010/2011)
- Latrobe City Tourism Product Audit (2010) and Visitor Information Centre Review (2010)

In Stage B (Strategy Formulation), the draft 2011-2015 Economic Sustainability Strategy was developed in consultation with an advisory group comprising representatives from across Latrobe City Council operations.

In Stage C (Strategy Review and Refinement), the draft Economic Sustainability Strategy was reviewed with Council prior to further stakeholder and community consultation.

The Strategy was adopted by Council on 27<sup>th</sup> June, 2011 and will be progressively implemented over the 2011-2015 period.





## Appendix 3: Opportunities and Challenges Identified by Stakeholders

A key input to the Economic Sustainability Strategy review was feedback from a stakeholder consultation process. The following organisations participated in this process:

Advance Morwell	Department of Innovation, Industry and Regional Development	Loy Yang Power
Agribusiness Gippsland	Destination Gippsland	MBD Energy
ASIC	Environmental Clean Technologies	Regional Development Victoria
Auschar	Exergen	Telstra Call Centre
Australian Paper	Gippsland Regional Waste Management Group	TRU Energy
Baw Baw Latrobe Local Learning and Employment	HRL	VECCI
Branstrans	Ignite Energy	Viatek Sage IT Services
Central Gippsland Institute of TAFE	Latrobe Business Tourism Association	Victorian Farmers Federation
Committee for Moe	Latrobe Community Health Services	Richards Harvesting & Haulage
Department of Human Services, Housing Call Centre		

Stakeholders identified a number of economic development opportunities and challenges during these discussions as summarised in Table 3.



Table 3: Opportunities and Challenges

<i>Stakeholder Group</i>	<i>Opportunities</i>	<i>Challenges</i>
All Sectors	<ul style="list-style-type: none"> <li>• Re-establish / upgrade freight terminal in Morwell</li> <li>• Potential for a direct link to Westernport/Hastings Port</li> <li>• Regular air transport services</li> <li>• Duplication of rail lines between Dandenong and Melbourne</li> <li>• Conference and events facilities</li> <li>• Improved waste disposal and recycling services and facilities</li> <li>• Availability of Victorian and Australian Government funding and support for regional areas and for low carbon transition</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon and energy policy uncertainty</li> <li>• Need to transition to a low carbon economy</li> <li>• Potential closure of the power stations</li> <li>• Population growth</li> <li>• Availability of resources (land, water, energy, forests)</li> <li>• Planning (and other regulatory) requirements</li> <li>• Climate change</li> <li>• Competitiveness of the region</li> <li>• Value of the Australian dollar (impacts on tourism, import/export markets)</li> <li>• Perception of the area</li> <li>• Availability of skilled workforce</li> <li>• Ageing workforce</li> <li>• Availability of co-ordinated public transport</li> </ul>



<i>Stakeholder Group</i>	<i>Opportunities</i>	<i>Challenges</i>
All Sectors (continued)		<ul style="list-style-type: none"> <li>• Difficulty to attract qualified people to the region</li> <li>• Competing sectors and locations (mining boom attracting engineers elsewhere)</li> <li>• Future skills needs</li> <li>• Competing land uses – encroachment of residential areas on farming and industrial areas, availability of land for development</li> <li>• Competition from other regional areas</li> <li>• Parochialism between towns/areas within the region</li> <li>• Inflated energy sector wages putting upward pressure on wages in other businesses</li> <li>• General resistance to change and lack of entrepreneurial skills</li> <li>• Access to part time jobs and entertainment for students</li> <li>• Water availability and allocation is an issue for industry and agribusiness:</li> </ul>





<i>Stakeholder Group</i>	<i>Opportunities</i>	<i>Challenges</i>
Tourism and Events	<ul style="list-style-type: none"> <li>• Government investment in tourism infrastructure</li> <li>• Build Business tourism</li> <li>• Build tourism related to visiting friends and relations</li> <li>• Staging and managing more events</li> <li>• Support for Destination Gippsland and for regional recreational tourism initiatives</li> <li>• Update of 2007 Gippsland Sustainable Tourism project (maintenance of local level tourism industry information and performance data)</li> <li>• Review status of Gippsland events network</li> <li>• Identifying and bid for those key major events that best suit the region</li> <li>• Increase the benefit from these events by engaging the community in a wide range of associated activities, thus multiplying the benefits of the event</li> <li>• Enhancement of the Latrobe City tourism website <a href="http://www.visitlatrobevalley.com">www.visitlatrobevalley.com</a></li> <li>• Marketing and promotional capability arising from development of new IT technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Poor growth prospects for regional tourism</li> <li>• A constraint to growing the events market is the lack of accommodation available during the week in Latrobe City due to the high level of demand for accommodation by the corporate and business sector. The effect of this is to constrain Latrobe City's events hosting capacity to weekends and holidays.</li> <li>• An emerging issue is a trend towards events bidding. Events "owners" and/or their representatives are promoting their events to prospective venues for a fee. This is done on the basis that the event will bring benefits to the host location. The ability of event owners to credibly demonstrate the extent of that benefit is patchy. There is a risk of entering a bidding war on the basis of uncertain outcomes. Latrobe City Council Events officers are alert to this risk.</li> <li>• As per 'All Sectors'</li> </ul>



<i>Stakeholder Group</i>	<i>Opportunities</i>	<i>Challenges</i>
Education & Training. Research and Unions	<ul style="list-style-type: none"> <li>• Opportunity to increase student numbers:</li> <li>• International students</li> <li>• Students from outer eastern suburbs of Melbourne</li> <li>• Monash University has an institution-to-institution arrangement with a Chinese University. Concept could be expanded (potential linkages to the sister city scheme)</li> <li>• TAFE sector has potential for significant growth, particularly if it can build services for industry</li> <li>• Opportunity to work closer with industry and other stakeholders to plan skills need and build brand</li> <li>• TTC – infrastructure for online teaching and learning could be expanded across curriculum</li> <li>• Industry/Latrobe City Council could increase support of apprenticeship programs</li> <li>• Continue to work with education institutions to provide job placements (e.g. kindergartens)</li> <li>• Advocate for a youth component in the Gippsland Business Awards</li> <li>• Latrobe City website upgrade</li> </ul>	<ul style="list-style-type: none"> <li>• As per 'All Sectors'</li> </ul>



<i>Stakeholder Group</i>	<i>Opportunities</i>	<i>Challenges</i>
Energy	<ul style="list-style-type: none"> <li>• Expansion of Latrobe City Council organised energy sector forums</li> </ul>	<ul style="list-style-type: none"> <li>• Gas network will be a constraint in future</li> <li>• Energy sector forums are valued by the sector</li> <li>• Seasonal nature of contractor workload</li> <li>• As per 'All sectors'</li> </ul>
Agribusiness	<ul style="list-style-type: none"> <li>• Gippsland as food-bowl for Victoria</li> <li>• Additional food processing facilities</li> <li>• Tourism experience built around food industry</li> <li>• Urea production</li> <li>• Algae production (produces feedstock along with oil/energy)</li> <li>• Latrobe City as a service centre for agri-business in Gippsland</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change (relative small impact on rainfall compared to other areas)</li> <li>• Algae production still an emerging technology</li> <li>• As per 'All sectors'</li> </ul>
Manufacturing & Technology	<ul style="list-style-type: none"> <li>• Business mentoring</li> <li>• Prioritise Latrobe City Council activities to give greater priority to helping companies</li> </ul>	<ul style="list-style-type: none"> <li>• As per 'All sectors'</li> </ul>





<i>Stakeholder Group</i>	<i>Opportunities</i>	<i>Challenges</i>
Forestry & Paper	<ul style="list-style-type: none"> <li>Latrobe City Council working closer with advocacy bodies</li> </ul>	<ul style="list-style-type: none"> <li>Limited recycling facilities (e.g. industrial plastics, some metals still going to landfill)</li> <li>As per 'All Sectors'</li> </ul>
Business Associations	<ul style="list-style-type: none"> <li>Need for one voice representing business associations in region</li> </ul>	<ul style="list-style-type: none"> <li>Planning requirements seen as an obstacle to development</li> <li>As per 'All Sectors'</li> </ul>
Government	<ul style="list-style-type: none"> <li>Population growth - Innovative planning that differentiates Latrobe City from areas closer to Melbourne.</li> <li>Victorian Government Regional Victoria campaign initiatives</li> <li>Prolonged effort at urban renewal</li> <li>Waste to energy</li> </ul>	<ul style="list-style-type: none"> <li>As per 'All sectors'</li> </ul>



## Appendix 4: Economic Sustainability Actions

The boxes below contain the strategic corresponding to each of the key areas considered in the Economic Sustainability Strategy.

Planning details for specific actions including prioritisation, resourcing and timeframes will be considered and reported in the Annual Business Plan.

### 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:
  - Maintain comprehensive database of businesses operating in Latrobe City
  - Continue to develop productive relationships with local business representatives
  - Conduct the bi-annual industry and investment survey to provide up to date information to Latrobe City Council on business priorities and economic trends
2. Keep the business community apprised of emerging developments in the business operating environment so that they can effectively prepare and adapt to change:
  - Publish results of the bi-annual industry and investment survey
  - Publish the Business Connect newsletter quarterly
  - Maintain up-to-date information on the Latrobe City intranet site
  - Strengthen informal communication networks and establish lines of communication with business service firms who can act as a conduit for communication to small and medium business enterprises
3. Facilitate regional industry networking, partnership and knowledge sharing events to build business capacity and connectedness:
  - Continue existing forums with key industry sectors including the power industry, major food producers and the property development sector.
  - Investigate opportunities to expand the networking program to other industry groups
4. Support skills development in local industry:
  - Partner with business to identify skills gaps and co-ordinate development of training programs to fill these gaps



5. Promote and advocate for local industry sectors in the broader community, maintaining representation on:
  - National Timber Council's Taskforce
  - Timber Towns
  - Powerworks board
  - Others as appropriate
  
6. Provide assistance to businesses to grow and expand:
  - Assist businesses to plan for growth through referrals and support of development projects
  - Offer up to date information and economic modelling services to support industry investment decisions including:
    - Land prices
    - Property availability
    - Economic benefits of projects including contribution to jobs growth and Gross Regional Product
  - Assist proponents to identify suitable sites and provide site information
  - Provide advice on Government industry assistance programs and funds
  - Identify major projects and facilitate communication, regulatory permitting and approvals processes involving Council and other agencies
  
7. Intensify efforts to expand domestic and international markets for local goods and services by:
  - Collaborating 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 (e.g. the sister city initiative)
  - Progressing the development of the Gippsland Logistics Precinct, which will allow efficient and cost effective movement of freight to and from the Gippsland region
  
8. Position Latrobe City as the location of choice for international students:
  - Build partnerships with the education sector to explore and capture international education opportunities of mutual benefit in the 2011-2015 period





9. Play a substantive role in promoting and supporting the development of the tourism and events sector in Latrobe City:
  - Support the Latrobe City Business Tourism Association to attract visitors to Latrobe City, expand its industry membership base and build industry capability and skills
  - Support Destination Gippsland in promotion of the broader region
  - Implement the recommendations of the Tourism Product Audit to further Latrobe City's position as a centre of business and events tourism:
    - Position Latrobe City as the events and conferencing centre for broader Gippsland
    - Investigate opportunity for establishment of an iconic event for Latrobe City
    - Promote a cohesive effort by the three major centres to secure funding and events of mutual benefit
  
10. Promote opportunities for local procurement by Latrobe City Council and in the wider business community:
  - Coordinate the Gippsland Major Projects Summit
  - Connect industry operators with project developers
  - Support the Industry Capability Network
  - Ensure Latrobe City Council's own procurement processes provide opportunities for local businesses to tender for provision of goods and services and to demonstrate the competitiveness of local products and services

### **Actions for Pursuing New Investment**

1. Promote Latrobe City to domestic and international investors to increase international investment:
  - Facilitate visits by potential investors
  - Coordinate overseas trade delegations
  - Support key business organisations including; Economic Development Australia; VECCI Regional Business Council; Destination Gippsland Ltd; and the Gippsland Business Awards
  - Deliver presentations to conferences and target industry groups
  - Maintain positive and effective relationships with Victorian and Australian Governments



## 2. Actively pursue the following investment opportunities:

- International investment: building on the international relations program and sustained international market interest in Latrobe City
- Power generation: securing Victoria's next major power development in Latrobe City.
- Food processing facilities: attracting development of the next large project within this sector
- Shared services: harnessing the strengths of Latrobe City to attract call centres and business services seeking affordable, accessible and well serviced central office locations
- Alternative coal use: promoting the development of coal derivative technologies including fertiliser production, coal to oil and coal to gas technologies
- Soil carbon programs: building regional capacity for production of carbon offsets through forestry, bio-char and/or soil carbon management for sale into local and international markets along with development of aligned services (e.g. brokerage agencies) located in Latrobe City's commercial hub
- 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
- Aviation industries: attracting aviation related businesses including aerospace industries, adventure tourism firms, aviation training facilities and related service providers to establish or expand their operations on the expanding Latrobe Regional Airport site
- Road and rail industries: securing freight industry investment, utilising the rail network and Gippsland Logistics Precinct, to provide freight services to local industry
- Advanced manufacturing facilities: attracting technology industries including robotics, computer technologies and control systems manufacture
- Employment Zones: developing the Lurgi Plant, Gippsland Logistics Precinct and Latrobe Regional Airport as concentrated employment zones (see the box below for further details)



### 3. Position Latrobe City as a centre of knowledge and research in emerging technologies:

- Lobby Government to establish low emissions coal research projects in Latrobe City
- Support proponents to access funding to establish low emissions and alternative coal research projects in Latrobe City
- Promote carbon capture and storage projects (such as the CCS project and CO2CRC initiatives) in the broader community
- Support and progress the proposal for establishment of the Centre of Excellence for Sustainable Technologies in Gippsland
- Work with Clean Coal Victoria, Brown Coal Innovation Australia and other coal technology agencies to identify and pursue investment opportunities in brown coal
- Partner with Monash University and the Department of Primary Industries (DPI) to investigate opportunities for soil carbon research and pilot programs in Latrobe City and/or Gippsland region

### **Actions for Building the Latrobe City Investment Brand**

1. Actively promote Latrobe City to potential visitors, investors and other stakeholders to improve their understanding and familiarity with Latrobe City:
  - Promote “success stories”
  - Expand the program of road-shows for Victorian and Australian Government officers
  - Harness benefits from regional advertising campaigns, such as the Regional Cities campaign
  - Produce targeted promotional campaigns for national and international investment markets and presentations to relevant conferences, expos and industry groups
  - Produce and distribute marketing materials that promote Latrobe City as an attractive place to live, visit and work
  - Showcase Latrobe City at investment forums and conferences
  
2. 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 to develop targeted programs to enhance the profile of Latrobe City in the broader community, including:





- Commission market research to better understand the internal and external perceptions of Latrobe City and to identify opportunities and barriers to investment
  - Analyse research findings and identify targeted programs to further develop Latrobe City's community profile, building on the municipality's history of innovation and industry
3. Consider whether the scope of the Latrobe City Marketing and Communications Strategy review should include the branding of the broader Latrobe City municipality (along with the Latrobe City Council brand)

### **Actions for Providing Strong Leadership and a Clear Direction**

1. Work in partnership with the GLGN and with sector specific regional associations to develop and implement effective regional plans
2. Foster the development of new community leaders and entrepreneurs:
  - Expand the program of local business networking events
  - Facilitate local business and individual participation in Victorian and Australian Government leadership development initiatives
  - Partner with the local business community to develop leaders and entrepreneurs
  - Provide support to the Gippsland Business Awards
  - Support the Latrobe City Business Tourism Association and peak trade and industry bodies
3. Prepare Latrobe City for future carbon emissions regulation by implementing Latrobe City's Low Carbon Emissions Future policy initiatives:
  - Form the Latrobe City Low Carbon Emissions Future Transition Committee to oversee the implementation of the Low Carbon Emissions Future policy
  - Maintain a close alliance with other coal industry Councils
  - Undertake Social Impact Analysis to identify the likely impacts of a carbon price on Latrobe City
  - Support the Victorian Government's plans for a socio-economic study into impacts of power station shutdowns and investigating opportunities to link socio-economic work with the study described above
  - Lobby for Government support for "Carbon Assist" positions to assist businesses to manage the transition to a low carbon economy
  - Seek funding for local Council positions to assist in regional planning for the transition
  - Design and implement communication strategies to maintain investor confidence during the transition period



- Facilitate community participation in the Climate Communities scheme to increase understanding of climate change and encourage energy efficiency and emissions reduction initiatives in the community
  - Lead a process to formulate proactive plans, in association with other agencies, to manage impacts and put in place contingency measures to address potential outcomes identified by Social Impact Analysis studies
4. 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

#### **Actions for Advocating for an Attractive Policy Setting**

1. Seek to influence government policy at an early stage by:
  - Fostering strong relationships and effective lines of communication with Australian and Victorian Government ministers and departments
  - Identifying existing communication pathways to Victorian and Australian governments and any gaps in communication arrangements
  - Coordinating the lines of communication between existing and planned advisory committees including the Latrobe City Low Carbon Emissions Future Transition Committee, the Gippsland Regional Plan Low Carbon Transition Sub-committee and the Regional Managers Forum to ensure that communication and advice provided to Government is coordinated and consistent
  - Engaging all levels of Government in pro-active dialogue regarding the impact of a carbon price on the Latrobe City community and economy
  - Providing regular briefings to Victorian and Australian Government Ministers as well as Shadow Ministers on Latrobe City's low carbon transition policy and specific transition needs for the relevant
2. Ensure local representation on stakeholder committees to ensure Latrobe City needs are recognised and considered:
  - Victorian Government's Leadership Forum
  - Regional Development committees
  - Local Government advisory panels
  - Climate change and carbon transition advisory committees as formed
3. 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



### **Actions for Conducting Innovative and Efficient Urban Planning**

1. Conduct innovative and efficient urban planning:
  - Work with developers to ensure high quality urban design and development
  - Work to improve users and stakeholders understanding of the planning process
  - Introduce a cross divisional comprehensive approach for significant and major development initiatives
  - Conduct forums with developers and the community to ensure the needs of planning process users and stakeholders are understood
  - Maintain constructive relationships with referral agencies and other stakeholders
  - Continually improve planning processes while ensuring ongoing compliance with legislation
  - Explore new and innovative methods of planning assessment (e.g. online planning application submission and assessment)
  - Collect statistics to report on performance and identify opportunities to further improve planning processes
  
2. Develop robust strategic plans to resolve land availability constraints and balance the needs of industrial, residential, environmental and recreational land users:
  - Develop, implement and periodically review township structure plans
  - Develop, implement and periodically review of Main Town Activity Centre Plans
  - Lobby the Victorian Government to make the Lurgi site available for industrial use
  - Develop and implement an Industrial Land Strategy
  - Develop precinct based development plans for a variety of land use activity (residential, commercial, industrial etc.)
  - Develop and implement policies relating to the future use of rural land
  - Develop and implement recreation and open space strategies
  - Update Planning Scheme controls relating to environmental features within the municipality (environmental significance, flood, wildfire etc)
  - Work with DPI, through Clean Coal Victoria, to ensure that any future development of the currently unallocated coal resource is undertaken with due consideration of social, environmental and financial factors and with consideration of the implications of future carbon pricing on the optimal use of natural resources.
  - Provide input to the development of the Gippsland Integrated Land Use Plan to provide direction and priorities for addressing population growth while enabling sustainable development of agricultural, industrial, commercial, residential and coal resources in the Gippsland region





### **Actions for Increasing Access to Skilled Labour**

1. Support and provide input to the Skilling the Valley initiative
2. Conduct the bi-annual Industry and Investment Survey to identify business skills requirements and tailor training and capacity building programs to address these needs

### **Actions for Developing High Quality Infrastructure and Services**

1. Progress strategic infrastructure development programs currently underway:
  - Churchill Town Centre plan
  - Moe Activity Centre Plan and the Moe Railway Precinct Revitalisation project
  - Development of the Traralgon Activity Centre plan and the Traralgon Station Precinct plan
  - Employment Zone Development (Gippsland Logistics Precinct, Lurgi site and implementation of the Latrobe Regional Airport master plan)
  - NBN system rollout
  - Energy Innovation Centre/Conference Facility Feasibility Assessment
2. Lobby for improved commuter transport links to increase opportunities for students and workers to travel into Latrobe City on a daily basis
3. Work with the GLGN to progress the Gippsland Gateways initiative and to improve freight links into Gippsland

### **Actions for Facilitating Sustainable Use of Natural Resources**

1. Support implementation of the Gippsland Sustainable Water Strategy to ensure the allocation of water supplies balances the needs of both local and broader Victorian communities
2. Promote Gippsland as the food bowl of Victoria to support initiatives to attract food processing industries and increase markets for Gippsland produce
3. Advance the research agenda in environmental and natural resource management
4. Progress regional tourism initiatives with Destination Gippsland and Tourism Victoria to provide opportunities for Latrobe City businesses to benefit from passing trade



### **Actions for Contributing to a Liveable and Vibrant Community**

1. 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
2. Conduct innovative urban planning with foresight to differentiate the region from outer suburban areas of Melbourne, ensuring this aspect is considered in development of the Gippsland Integrated Land Use Plan

# RECREATION AND COMMUNITY INFRASTRUCTURE



**14. RECREATION AND COMMUNITY INFRASTRUCTURE**

Nil reports

# COMMUNITY LIVEABILITY

**15. COMMUNITY LIVEABILITY**

Nil reports



# PLANNING AND GOVERNANCE

16. PLANNING AND GOVERNANCE

**16.1 PLANNING PERMIT APPLICATION 2013/10 - 2 LOT  
SUBDIVISION AT 475 OLD MELBOURNE ROAD, TRARALGON**

General Manager

Planning and Governance

For Decision

**PURPOSE**

The purpose of this report is to determine Planning Permit Application 2013/10 for a two lot subdivision at 475 Old Melbourne Road, Traralgon.

**DECLARATION OF INTERESTS**

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

**STRATEGIC FRAMEWORK**

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

*Latrobe 2026: The Community Vision for Latrobe Valley*

*Strategic Objectives – Built Environment*

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

*Latrobe City Council Plan 2013 - 2017*

*Strategic Direction – Planning for the future*

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

*Legal*

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

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

## **BACKGROUND**

### **SUMMARY**

Land:	475 Old Melbourne Road, known as Lot 1 on LP 71328.
Proponent:	Beveridge Williams
Zoning:	Rural Living Zone, Schedule 3
Overlay	Design and Development Overlay, Schedules 1, 7 and 8 Airport Environs Overlay, Schedule 2

A Planning Permit is required:

- To subdivide land in the Rural Living Zone in accordance with Clause 35.03-3 of the Scheme;
- To subdivide land in the Design and Development Overlay in accordance with Clause 43.02-3 of the Scheme;
- To subdivide land in the Airport Environs Overlay in accordance with Clause 45.02-3 of the Scheme.

### **PROPOSAL**

The application seeks to subdivide the subject lot into two lots, resulting in lot sizes of 2.07 hectares and 8.31 hectares respectively. Proposed lot 1 will be located to the western side of the lot, with a frontage to both Airfield Road and Old Melbourne Road with a new proposed access onto Airfield Road. The balance of the lot will be encompassed within proposed lot 2. The proposed lot will address the frontage of Old Melbourne Road and encompass the existing dwelling and utilise the existing vehicle crossing onto Old Melbourne Road.

An overview of the proposed subdivision is as follows.

#### **Proposed Lot 1 will:**

- Have an area of 2.07 hectares formed in a rhomboid shape;
- Have 113.5 metres of frontage to Old Melbourne Road along its north boundary and 176.5 metres of frontage to Airfield Road along its west boundary;
- Gain access from Airfield Road via a new crossover;
- Be connected to reticulated water, electricity and telecommunications; and,
- Be traversed by an existing overhead power line in its northern portion.

Proposed Lot 2 will:

- Have an area of 8.31 hectares formed in an irregular shape;
- Have 366.3 metres of frontage to Old Melbourne Road along its north boundary
- Accommodate the existing dwelling and its associated on-site wastewater management system, driveway and shedding in its eastern portion;
- Continue to gain access from Old Melbourne Road via the existing crossover;
- Continue to be connected to reticulated water, electricity and telecommunications via existing infrastructure; and,
- Be traversed by an existing overhead power line in its northern portion.

For further information on the proposed subdivision, refer to Attachment 1.

**SUBJECT LAND AND SURROUNDS**

The subject site sits within the corridor between Morwell and Traralgon and is at the junction of two roads being Airfield and Old Melbourne Roads.

The area has a mix of uses. West of the subject site is the Latrobe Regional Airport with its main runway located one kilometre to the southwest of the subject site, north west of the subject site is a timber plantation areas to the north east and east of the subject site are used for rural living purposes.

Four of the lots that immediately abut the subject site to the east and south, i.e. at 35, 45 & 55 Easterly Drive and at 465 Old Melbourne Road, are used and developed for rural residential purposes. The dwellings thereon are typically quite large and well established with good shedding. The remaining abuttal is to Lot 1 on Lodged Plan No. 94411, which is vacant and sits on the northeast corner of Airfield Road and Easterly Drive. These five abutting lots have areas ranging from 2 hectares at 55 Easterly Drive to 4 hectares at 465 Old Melbourne Road. Landscaping on these lots ranges from extensive manicured gardens to pasture grass and native vegetation.

This pattern of development is repeated on the north side of Old Melbourne Road opposite the subject site, although lots are typically less than 8,000m<sup>2</sup>, i.e. at numbers 460, 466, 470, 480 and 490 Old Melbourne Road. Both Old Melbourne Road and Airfield Road are two-way line marked bitumen roads with rural style swale drainage down both sides. The Old Melbourne Road verge areas are quite heavily vegetated, particularly on the south side where they abut the subject site.



### **HISTORY OF APPLICATION**

A history of assessment of this application is set out in *Attachment 2*.

The provisions of the Scheme that are relevant to the subject application are included in *Attachment 3*.

The site context is illustrated in *Attachment 4*.

The zoning of the subject land and surrounds is included in *Attachment 5*.

### **LATROBE PLANNING SCHEME**

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

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

Clause 11.02-1 – Supply of Urban Land has an outlined objective to *‘ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses’*. One of the strategies identified to achieving this objective is *‘restrict(ing) low-density rural residential development that would compromise future development at higher densities’*.

Clause 11.05 – Regional Development details that is an objective under this clause to *‘promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework plan’*.

Clause 16.02-1 – Rural Residential Development has a stated aim to *‘identify land suitable for rural living and rural residential development’* and to *‘manage development in rural areas to protect agriculture and avoid inappropriate rural residential development’*.

Clause 18.04-2 - Planning for airports has a stated objective *“to strengthen the role of Victoria’s airports within the State’s economic and transport infrastructure and protect their ongoing operation*. Strategies to achieve this objective include *“Ensuring that in the planning of airports, land-use decisions are integrated, appropriate land-use buffers are in place and provision is made for associated businesses that service airports*

#### **Local Planning Policy Framework**

##### **Municipal Strategic Statement (Clause 21)**

Clause 21.04-2 – Built Environment Sustainability: Settlement has an outlined objective to *‘encourage a wider variety of housing types,*

*especially smaller and more compact housing, to meet the changing housing needs of the community’.*

The includes ‘*encourage(ing) diversity of dwelling type(s) to provide greater choice and affordability*’, and “*Ensure(ing) that current and forecast Latrobe Regional Airport operations are taken into account in planning for the use and development of land within the Morwell-Traralgon Corridor*”.

Clause 21.04-3 – Built Environment Sustainability: Rural Living details as an objective to ‘*identify appropriate locations for rural residential activity*’ and ‘*support rural living or low density residential development in appropriate locations, taking into account current supply and demand for these types of subdivisions*’.

### **ZONE – RURAL LIVING ZONE, SCHEDULE 3**

The purpose of the Rural Living Zone is to:

- To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- To provide for residential use in a rural environment.
- To provide for agricultural land uses which do not adversely affect the amenity of surrounding land uses.
- To protect and enhance the natural resources, biodiversity and landscape and heritage values of the area.
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.

The proposed subdivision is considered to be generally in accordance with the purpose of the zone as it will provide for additional agricultural or residential activities in the area; if appropriate planning approval is obtained.

Clause 35.03-5 details the decision guidelines (as appropriate) of the Rural Living Zone that must be considered in the assessment of a planning permit application:

#### **General issues**

It is generally considered that the proposal is consistent with this decision guideline. Given that the proposal is for a subdivision, with no proposed use or development, it is considered that the proposed subdivision is consistent with both the State and Local Planning Policy Framework and any subsequent development and or use application will have to address the Airport Environs Overlay and the Design and Development Overlays.

#### **Agricultural issues**

As detailed previously there is no proposed use as part of this application and the only change is a cadastral one. As a result it is considered that the application is considered consistent with this decision guideline.

Environmental issues

As detailed previously there is no proposed change to the use of the land and there is no proposed development as part of this application. As a result there will be no discernible change to the existing physical or environmental conditions of the land. It also should be noted that the proposed access off Airfield Road, is a considered a better design outcome as the frontage of proposed lot 2 onto Old Melbourne Road has a considerable amount of established vegetation that could be impacted upon if access was provided from Old Melbourne Road as opposed to Airfield Road.

**OVERLAYS****Clause 43.02 Design and Development Overlay – Schedules 1, 7 and 8**

Clause 43.02-3 specifies that a permit is required to subdivide land affected by the Design and Development Overlay and, that:

*“Subdivision must occur in accordance with any lot size or other requirement specified in a schedule to this overlay.*

*A permit may be granted to subdivide land which is not in accordance with any lot size or other requirement in a schedule to this overlay, unless the schedule specified otherwise.”*

The purpose and decision guidelines contained within the overlay and each respective schedule do not make specific reference to the preferred density of subdivisions, the nature of such subdivisions or allude to any specific characteristics or goals which should be achieved through subdivision of land within the overlay.

Schedule 1 to Clause 43.02 (Major Pipeline Infrastructure) provides the following Design Objective:

*“To ensure that all buildings and works and in particular buildings designed to accommodate people are sufficiently separated from high pressure pipelines to avoid a safety hazard.”*

It is noted that the schedule does not specifically exempt a subdivision from the need for a planning permit.

Given that the proposed subdivision does not entail any building and works beyond driveway construction and fencing it will not, in itself, have any impact upon the high pressure pipeline that the overlay has been established to protect. It is also noted that this asset does not transverse the site itself. Hence, it is submitted that none of the decision guidelines are pertinent to the proposal and, therefore Schedule 1 to the overlay will not be discussed in further detail in this report.

Schedule 7 (Latrobe Regional Airport – Obstacle Height Area No. 1) to Clause 43.02 provides the following Design Objective:

*“To ensure that all buildings and works are within specified height limits and that appropriate external building materials are used to avoid creating*

*a hazard to aircraft flight paths in the vicinity of Latrobe Regional Airport and to facilitate safe aircraft operations.*

*To ensure that flight paths associated with Latrobe Regional Airport are protected from the encroachment of inappropriate obstacles which may affect the safe and effective operation of the Airport.”*

It is noted that the schedule does not specifically exempt a subdivision from the need for a planning permit.

As the proposed subdivision does not entail any building and works beyond driveway construction and fencing, it will not have any impact upon aircraft using the Latrobe Regional Airport, which the overlay has been established to protect.

Hence, it is considered that none of the decision guidelines are pertinent to the proposal and, therefore, Schedule 7 to the overlay shall not be discussed any further in this report.

Schedule 8 (Latrobe Regional Airport – Obstacle Height Area No. 2) to Clause 43.02 has the exact same design objective and decision guidelines as schedule 7 to Clause 43.02.

As a result it is not considered necessary to further discuss the relevance of Schedule 8 to Clause 43.02 of the Latrobe Planning Scheme further in this report.

### **Clause 45.02 Airport Environs Overlay (Schedule 2)**

Clause 45.02 Airport Environs Overlay (Schedule 2) to Clause 45.02 provides the following Objective:

The purposes of the Airport Environs Overlay are:

- *“To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *To identify areas which are or will be subject to high levels of aircraft noise, including areas where the use of land for uses sensitive to aircraft noise will need to be restricted.*
- *To ensure that land use and development are compatible with the operation of airports in accordance with the appropriate airport strategy or master plan and with safe air navigation for aircraft approaching and departing the airfield.*
- *To assist in shielding people from the impact of aircraft noise by requiring appropriate noise attenuation measures in new dwellings and other noise sensitive buildings.*
- *To limit the number of people residing in the area or likely to be subject to significant levels of aircraft noise.”*

Clause 45.02-3 provides that a permit is required to subdivide land affected by the Airport Environs Overlay and goes on to say that,

*“An application to subdivide land must be referred to the airport owner under Section 55 of the Act unless in the opinion of the responsible*



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*authority the proposal satisfies requirements or conditions previously agreed in writing between the responsible authority and the airport owner.”*

Clause 45.02-5 provides the following decision guidelines for an application to develop land within the Airport Environs Overlay:

- *“The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *Whether the proposal will result in an increase in the number of dwellings and people affected by aircraft noise.*
- *Whether the proposal is compatible with the present and future operation of the airport in accordance with the appropriate airport strategy or master plan.*
- *Whether the design of the building incorporates appropriate noise attenuation measures.*

*The views of the airport owner.”*

An assessment against the Airport Environs Overlay will be discussed in greater detail in the issues section of the report.

### **ISSUES**

#### **Strategic direction of the State and Local Planning Policy Frameworks & the Draft Traralgon West Structure Plan**

The current strategic direction for Traralgon is included within Clause 21.05-6 of the Scheme, as the structure plan illustrates the key strategic directions which planning should achieve. However the current structure plan does not include the subject land.

The Traralgon Growth Area Review project 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.

The Traralgon Framework Plan and the Traralgon West Structure Plan form part of the draft TGAR documents.

The Draft Traralgon West Structure Plan places the subject land in Area 7. The area of objective 7 includes *“The remainder of existing Rural Living zoned land in the precinct should be retained as such, to respond to the potential impacts of odour associated with the Australian Paper Mill. Opportunities for new development in line with the potential allowable under existing zoning are supported where they are supported by the EPA and Australian Paper”*.

Given the subject land is in excess of 10 hectares, that the proposed lot areas are in excess of the minimum lot size area required to meet the zone schedule, that the use of the land for a dwelling is already

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established and that the change is only a cadastral one (no development application), it is considered that the proposal is considered to be generally consistent based on an assessment against the State and Local Planning Policy Framework.

The issue regarding the potential constraints of the Australian Paper Mill (AP) is discussed in greater detail in the next section of this report.

### Constraints presented by the Paper Mill

The constraints presented by the AP relate primarily to the buffer distances required for industrial air emissions. EPA Publication AQ2/86 Buffer Distances for Industrial Residual Air Emissions recommends that the Mill has a buffer EPA buffer zone for up to 5 km. The buffer ultimately seeks to prevent sensitive uses encroaching on industrial areas and conversely to prevent industrial uses encroaching on sensitive uses.

The AQ2/86 document recommends that where a new sensitive use development is proposed within the recommended buffer distance it should not proceed unless site specific variation of the recommended distance is approved by EPA. However, as it was highlighted in this report earlier, the current proposal does not involve a new sensitive use or development. Although it will provide for an additional dwelling opportunity in the future.

Comments have been sought from AP in relation to the proposed subdivision; AP did not object to the proposed subdivision.

Whilst the EPA opposes to the intensification of development within the buffer and objects to the subject application, the zoning of the subject land restricts the further intensification of the subject site and the surrounding area. The schedule to the zone establishes the minimum lots sizes required when subdividing land in the Rural Living Zone; therefore the possible future intensification of the development is controlled with this provision.

It is further noted that as per prior negotiations that have taken place with the AP, Latrobe City Council and the Environment Protection Authority, AP have taken part in negotiations regarding subdivision applications within "the Urban Amenity Buffer Zone" within the Rural Living Zone area of Traralgon West. It was detailed by written correspondence on 28 June 2013 from representatives of AP "*Based on the information below (subdivision potential of the rural living zone) Australian Paper will accept subdivision within the Buffer zone to the extent allowed by the existing zoning*". This position was further verified by AP in their specific response to notification of this application where they offered no objection to the proposal.

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It should be noted that no formal written position from the EPA has been received on this point in relation to AP's general position on subdivision in the existing buffer area.

It is considered that the proposed subdivision does not significantly increase the intensity of activities in the area, rather is simply allowing the already accepted density in relation to subdivision densities, which are established by the schedule to the zone, to be met.

Amenity impacts associated with the Airport

The purpose and decision guidelines of the Airport Environs Overlay have been discussed previously and can be generally summarised as having the aim to ensure that land use and development are compatible with the operation the Latrobe Regional Airport in accordance with the appropriate airport strategy or master plan and consistent with safe air navigation for aircraft approaching and departing the airfield.

Given the location and functioning of the existing runway of the airport, aircraft flight activity already impacts the subject land and the sensitive use (dwelling) that is established on it.

The proposed subdivision will not impact on the flight paths or flight activities associated with the airport as the proposed subdivision of land will not create any additional obstacles for aircraft, impact on the safe and efficient functioning of the airport and will not impact on the possible expansion of the airport. It is further noted that there is no proposed development as part of this application and any future application would trigger any new building to be constructed must comply with any noise attenuation measures required by Section 3 of Australian Standard AS 2021-2000, Acoustics - Aircraft Noise Intrusion - Building Siting and Construction, issued by Standards Australia International Ltd.

The proposed subdivision will however facilitate a new lot within an established Rural Living Zone area that could be used for rural living purposes in the future. As per the requirements under Clause 45.02-3 of the Scheme the application was referred under Section 55 of the Act to the Latrobe Regional Board. It should be noted that the proposed plan for endorsement identifies a building envelope area of 1800 square metres, which is outside the Airport Environs Overlay.

The following has been detailed in the submitted response of the Latrobe Regional Airport:

*"The majority of the property is within the Airport DDO X area which will curtail any future development to less than 5 metres in height.*

*The balance of the land is within the DDO Y area which has a height limit of 15 metres.*

**ORDINARY COUNCIL MEETING MINUTES  
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*The two lots in the subdivision are directly impacted by the flight paths of both the existing 03/21 runway and the new parallel runway as proposed in the Airport Master Plan 2009.”*

The comments in relation to building heights are not considered relevant to the assessment of this application as this proposal relates to subdivision only. The Latrobe Regional Board are a Section 55 Referral Authority and in their response make specific reference to the Airport Master Plan of 2009 and that the proposed subdivision is impacted by existing flight paths and will continue to be as a result of the parallel runway proposed as part of the Airport Master Plan.

As detailed previously, one of the decision guidelines of the Airport Environs Overlay is whether the proposal is compatible with the present and future operation of the airport in accordance with the appropriate airport strategy or master plan. Although there is no proposed development with this application and the use of the land for rural living zone purposes is already established on the subject site, the Latrobe Regional Airport Board have considered that it is inconsistent with strategic planning direction of the Latrobe Regional Airport and objected to the proposal.

Further information was submitted to the Latrobe Regional Airport Board to try and address their concerns, however the objection remains outstanding.

**SUBMISSIONS**

The application received two submissions in the form of written objections. The objections are included in *Attachment 6* of this report.

The issues raised were:

- 1 The proposed subdivision will be affected by flight paths both existing and proposed as identified in the Airport Master Plan 2009.

*Officer Comment:*

This issue was discussed in the previous section of the report. The Latrobe Regional Airport Board is a determining referral authority in this application.

In light of this objection and pursuant to Section 61(2) of the Planning and Environment Act 1987, Council must issue a notice of refusal for the proposal.

- 2 The proposed two lots are within the amenity buffer of the paper mill

*Officer Comment:*



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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 should be noted that as part of the Traralgon Growth Areas Review project, Council Officers are in the process of working with both Australian Paper and EPA 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. It should be noted that the "adjusted amenity buffer" has been agreed upon between council officers and AP representatives and as detailed previously AP have consented to accepting subdivisions within the buffer zone to the extent allowed by the existing schedule of the Rural Living Zone.

- 3 The proposed lots may not have the capacity to contain all waste water on site

*Officer Comment:*

It is considered that the revised documentation has accurately 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. These matters can be resolved by way of a condition on the permit requiring a waste water treatment plan be provided prior to the commencement of works.

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

Additional resources or financial cost will only be incurred should the planning permit application require determination at the Victorian Civil and Administrative Tribunal (VCAT).

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

### **INTERNAL / EXTERNAL CONSULTATION**

*Engagement Method Used:*

Notification:

The application was advertised under Section 52(1)(a) and Section 52(1)(d) of the Act by sending notices to all adjoining and adjacent landowners and occupiers; displaying an A3 sign on each site boundary adjoining a road the subject site for a minimum of 14 days.

**ORDINARY COUNCIL MEETING MINUTES  
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The application was referred under Section 55 of the Latrobe Regional Airport Board pursuant to the requirements Clause 45.02-3 Subdivision. They objected in relation to possible future development heights on the site and that the proposed two lot subdivision is directly impacted by both existing and proposed flight paths as identified in the Airport Master Plan 2009.

Notification of the application was sent to the EPA under Section 52(1) (d) of the Act to the EPA. A subsequent objection was received from the authority as discussed above.

A copy of the objections received from both the Latrobe Regional Airport and the EPA is included in Attachment 6

Internal:

The application was referred internally to Council's Infrastructure Planning and Health Services teams for consideration. Council's Engineering and Health Teams do not object to the proposal subject to appropriate conditions.

**OPTIONS**

Pursuant to Section 60(1)(d) of the Act Council must take into consideration the response of a referral authority which it has received, which in this case is the Latrobe Regional Airport Board.

As detailed in the issues section of this report, the Latrobe Regional Airport Board has objected to the application. In turn, Council does not have the power to grant a planning permit for the subdivision of land into 2 lots;

Therefore Council must issue a notice of refusal for the proposal.

**CONCLUSION**

The proposal is considered to be generally consistent with the State and Local Planning Policy Framework and purpose and decision guidelines of the Rural Living Zone. However the proposal is inconsistent with the Airport Environs Overlay and the objection of the Latrobe Regional Board form mandatory grounds pursuant to Section 61(2) of the act and a requirement to issue a notice of refusal for the application.

- Generally consistent with the strategic direction of the State and Local Planning Policy Frameworks
- Consistent with the 'Purpose' and 'Decision Guidelines' of the Rural Living Zone;
- Consistent with the 'Purpose' and 'Decision Guidelines' of the Design and Development Overlay

**ORDINARY COUNCIL MEETING MINUTES  
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- Inconsistent with the purpose and decision guidelines of the Airport Environs Overlay as the proposal will facilitate the possible future intensification of a rural living type use within the Airport Environs Overlay ;
- Generally consistent with Clause 65 (Decision Guidelines); and
- The objection(s) received has been considered against the provisions of the Latrobe Planning Scheme and the relevant planning concerns have been considered and form planning grounds on which the application should be refused.

**Attachments**

1. Proposed Plan of Subdivision
2. History of the application
3. Latrobe Planning Scheme
4. Subject Site
5. Zoning of Land and Surrounds
6. Copy of Objections

**RECOMMENDATION**

**That Council DECIDES to issue a notice of refusal to grant a Planning Permit for the 2 Lot Subdivision at 475 Old Melbourne Road, Traralgon being Lot 1 on LP71328 on the following grounds:**

1. **As a result of an objection from the Latrobe Regional Airport Board and pursuant to Section 61(2) of the Planning and Environment Act 1987, Council must issue a notice of refusal for the proposal.**

**Moved:** Cr Middlemiss  
**Seconded:** Cr Sindt

**That the Recommendation be adopted.**

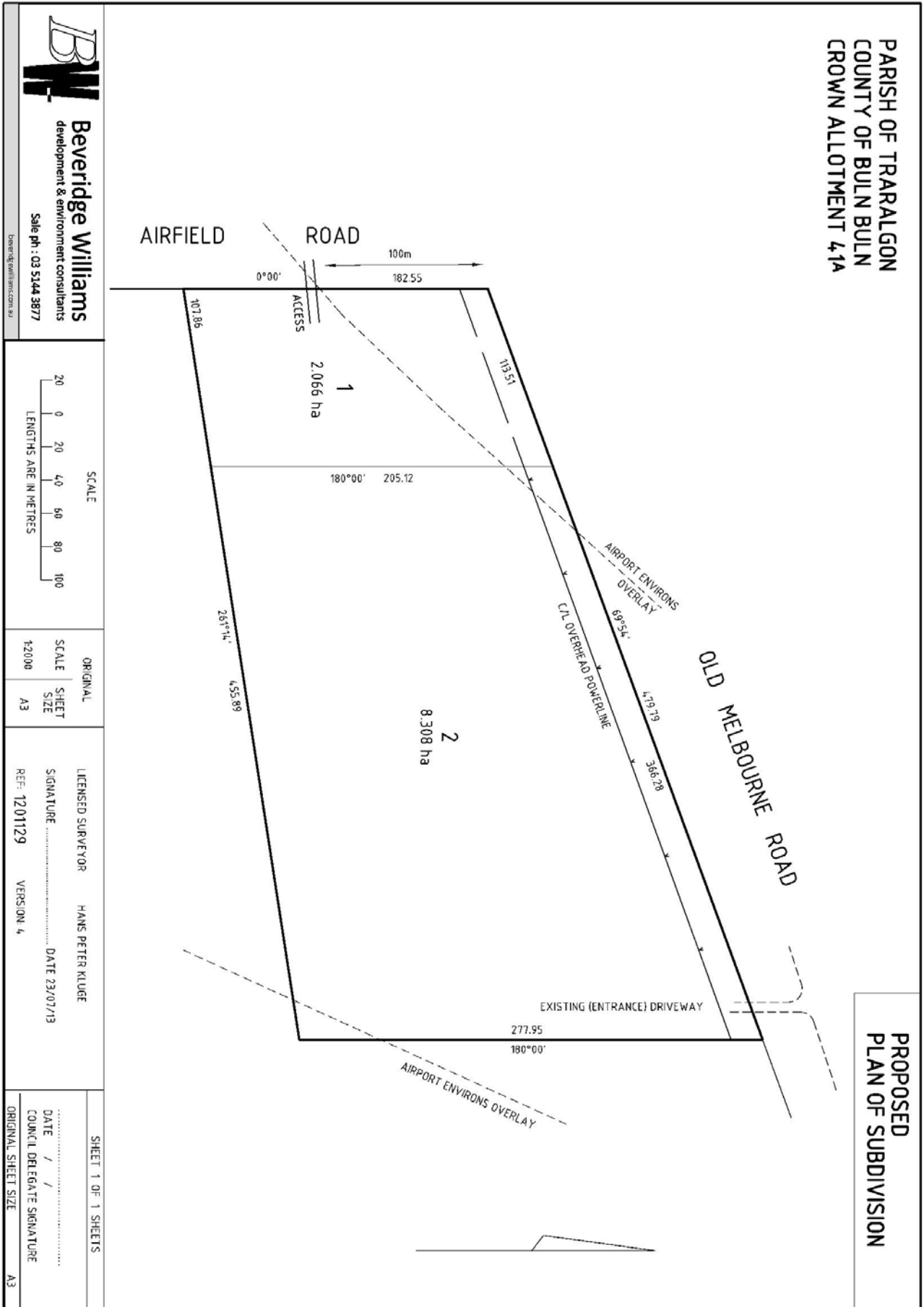
**CARRIED UNANIMOUSLY**

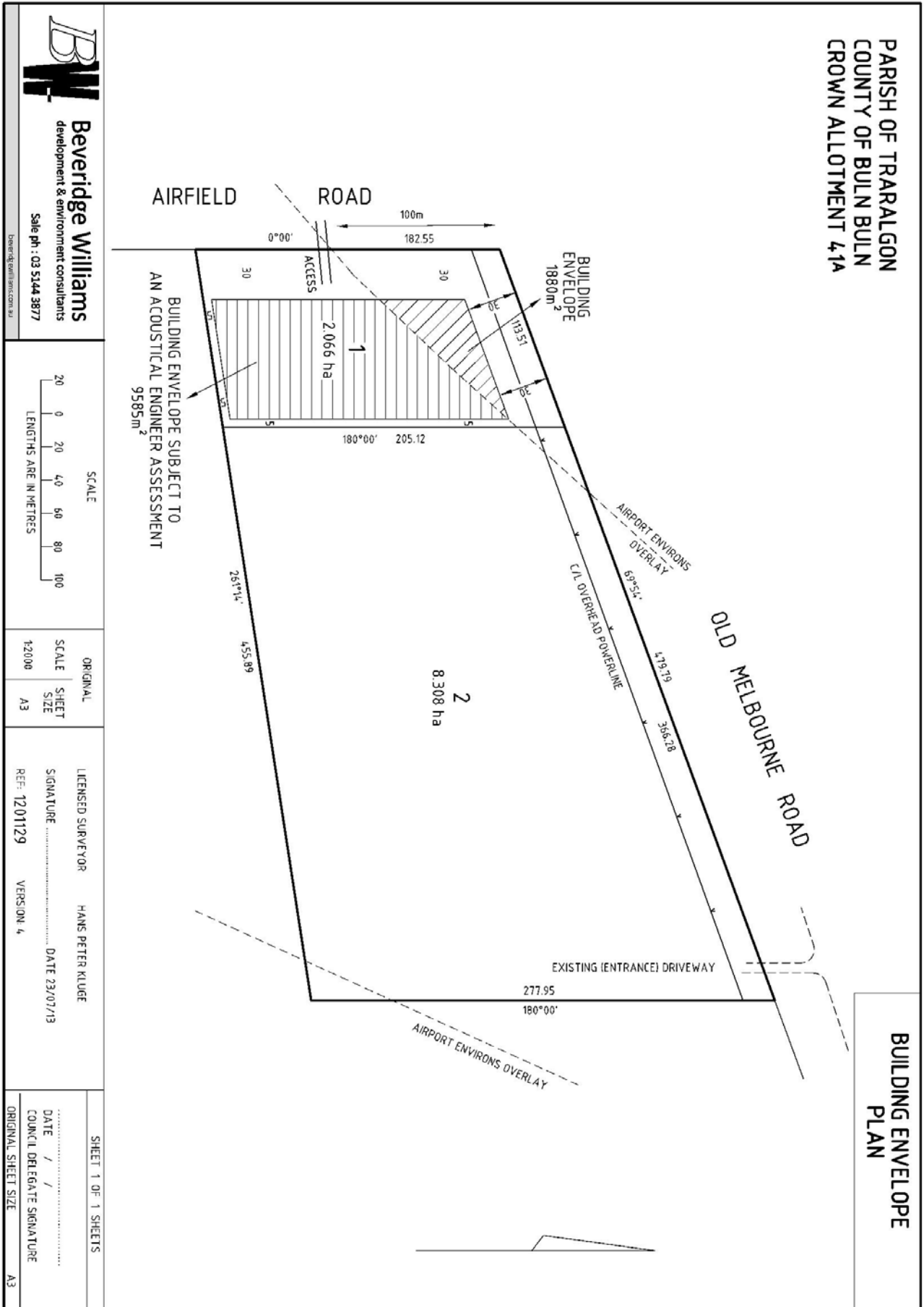
## 16.1

### PLANNING PERMIT APPLICATION 2013/10 - 2 Lot Subdivision at 475 Old Melbourne Road, Traralgon

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3	Latrobe Planning Scheme.....	291
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## History of Application

8 January 2013	Planning permit application received by Council.
22 January 2013	Further Information requested  Application advertised and referred to Gippsland Water, Telstra, SP Ausnet and APA. Application sent to West Gippsland Catchment Management Authority (WGCMA) for comment.  Application referred internally to Infrastructure Planning, Health and Strategic Planning.
23 January 2013	Further information received
24 January 2013	Application referred internally to Infrastructure Planning, Health and Strategic Planning.  Application referred under Section 55 to the Latrobe Regional Airport Board and under Section 52(10(d) to the EPA. .
30 January 2013	Advertising instructions sent to the applicant.
15 February 2013	Statutory declaration received from the applicant
19 February 2013	Objection received from the EPA in relation to waste water concerns and proximity to the APM  Completed statutory declaration returned by the applicant.
25 March 2013	Objection received from the Latrobe Regional Airport Board
6 May 2013	Further information requested from the applicant to address EPA waste water management concerns.
11 June 2013	Revised LCA received.
28 June 2013	Revised response received from the EPA, one point of the objection still considered to be outstanding and concerns regarding waste water have been reduced substantially based on the peer review assessment provided by the applicant of the submitted LCA.
18 July 2013	Further information requested to address concerns of the Latrobe Regional Airport especially in regards to building

	heights.
23 July 2013	Response to further information provided.



## **LATROBE PLANNING SCHEME**

### **State Planning Policy Framework**

Clause 11.02 'Urban Growth'  
Clause 11.05 'Regional Development'  
Clause 15.01 'Urban Environment'  
Clause 16.01 'Residential Development'  
Clause 18.01 'Integrated Transport'  
Clause 18.04 'Airports'  
Clause 19.03 'Development Infrastructure'

### **Local Planning Policy Framework**

Clause 21.01 'Municipal Profile'  
Clause 21.02 'Municipal Vision'  
Clause 21.03 'Natural Environment Sustainability'  
Clause 21.04 'Built Environment Sustainability'  
Clause 21.05 'Main Towns'  
Clause 21.07 'Economic Sustainability'  
Clause 21.08 'Liveability'

### **Zoning – Rural Living Zone-Schedule 3**

The subject land is located within the Rural Living Zone-Schedule 3.

### **Overlays**

The Design and Development Overlay-Schedule 1,7 and 8 affect the land and the Airport Environs Overlay – Schedule 2 .

### **Particular Provisions**

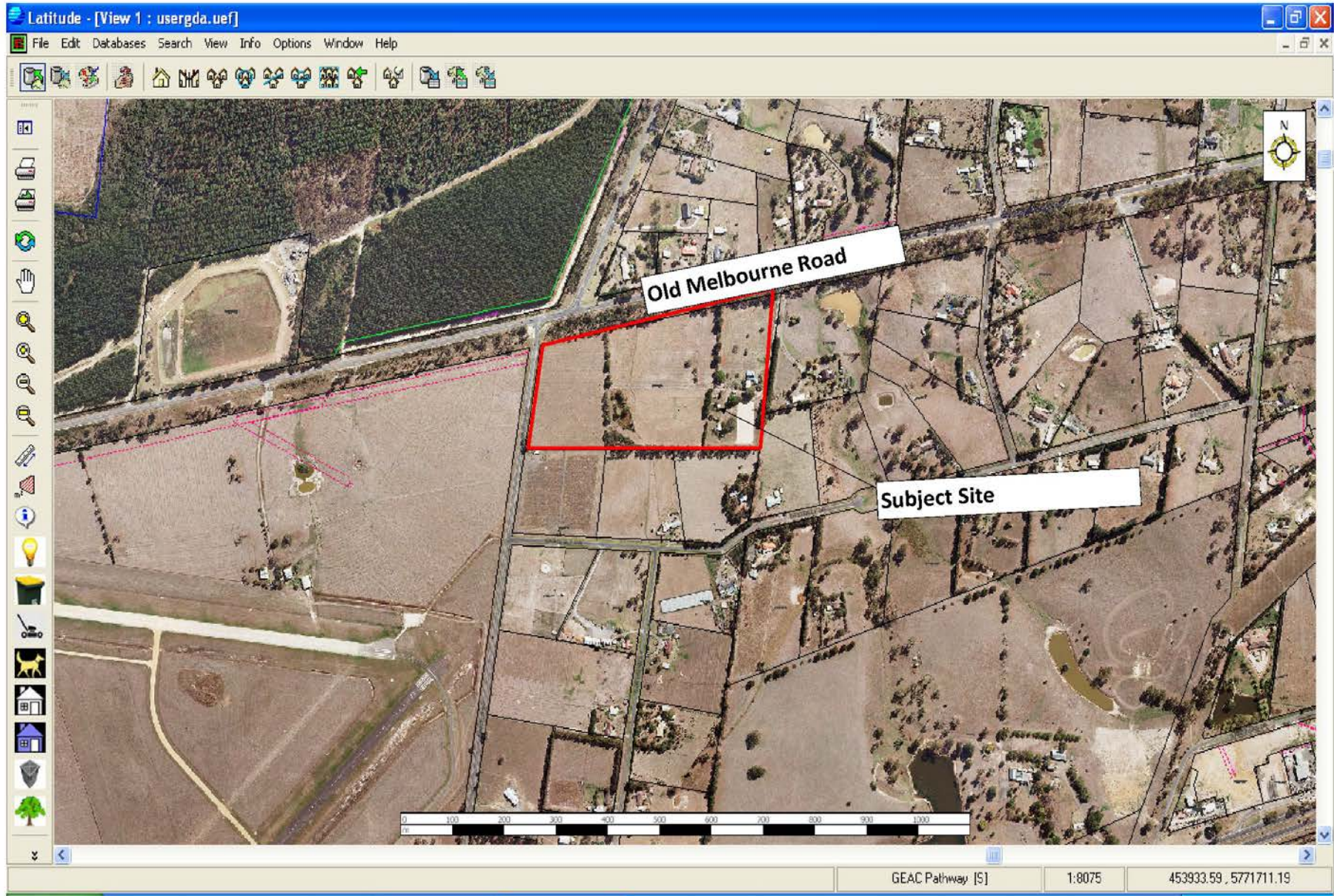
None

### **General Provisions**

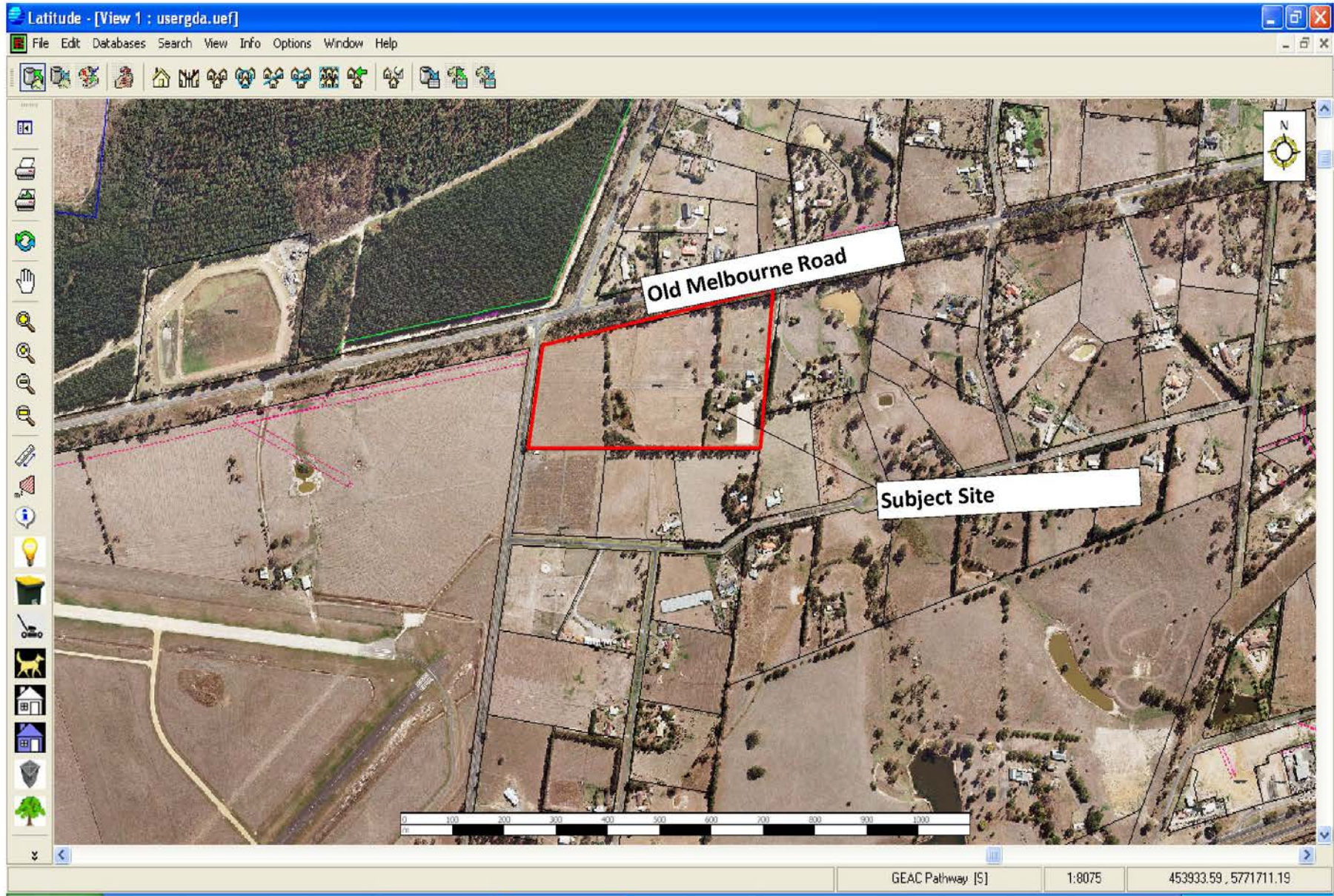
Clause 65 'Decision Guidelines'

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

There are no incorporated documents that relate to the consideration of this application.







## RA Response Comment



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SPEAR Ref #:	S030594H	Property:	475 OLD MELBOURNE ROAD, TRARALGON VIC 3844
Plan Number:	(Not Supplied)	Document Supplied:	25/03/2013
Responsible Authority Ref #:	2013/10	Responsible Authority:	Latrobe City Council
Applicant Ref #:	1201129	Responsible Authority Authenticator:	Jody Riordan
		Applicant Contact:	Beveridge Williams & Co Pty Ltd - Sale
		RA:	Latrobe City Council - Airport

---

The Airport Board considered Planning application 2013/10, 475 Old Melbourne Road Traralgon at its meeting on 4 February 2013, and resolved as follows:-

That the Latrobe Regional Airport Board lodge an objection to the proposed subdivision of Lot 1 LP 71328.

The majority of the property is within the Airport DDO X area which will curtail any future development to less than 5 metres in height.

The balance of the land is within the DDO Y area which has a height limit of 15 metres.

The two lots in the subdivision are directly impacted by the flight paths of both the existing 03/21 runway and the new parallel runway as proposed in the Airport Master Plan 2009.





Mr. Jody Riordan  
Planning Officer  
LATROBE CITY COUNCIL  
PO BOX 264  
MORWELL VIC 3840

Lvl 3, 200 Victoria Street  
Carlton  
Victoria 3053  
GPO Box 4395  
Melbourne, Victoria 3001  
T: 1300 EPA VIC  
DX 210082  
[www.epa.vic.gov.au](http://www.epa.vic.gov.au)

28/06/2013

Reference: 5003746

Dear Mr. Riordan

**RE: PLANNING PERMIT APPLICATION: 2013/10**  
**PROPOSAL: 470 Old Melbourne Road, Traralgon**  
**PREMISES ADDRESS: 475 OLD MELBOURNE RD, TRARALGON VIC 3844**

Thank you for your correspondence in relation to the above application, referred to EPA on 24/06/2013.

EPA is not a statutory referral Authority under Section 55 of the Planning and Environment Act 1987, since this proposal:

- (a) does not require a licence or works approval or amendment to a licence or works approval;
- (b) is not proposed to be used for an industry or warehouse for a purpose listed in the table to Clause 52.10 shown with Note 1 or for which the threshold distance cannot be met; and
- (c) is not a proposed extractive industry intended to be used at a later date for landfill.

EPA does not support Council issuing a planning permit for the above application, given the following considerations:

Australian Paper Buffer

EPA re-iterates below its previous advice in relation to the Australian Paper Buffer (letter dated 18 February 2013).

The application relates to a property which is located approximately 2.7km from the Australian Paper Mill. When making land use decisions, Council must have regard to EPA's revised guidelines: Recommended separation distances for industrial residual air emissions (EPA publication 1518; 2013). This guideline specifies that a paper or paper pulp industry involving the combustion of sulphur or sulphur containing materials requires a 5km separation distance. As the property relating to this application falls within this separation distance, it is likely to be affected by amenity reducing impacts.

The guidelines does allow for the recommended separation distances to be varied under



a detailed study for site specific and location conditions. GHD Pty Ltd, on behalf of Australian Paper, has assessed the odour emissions from the site and developed a revised site specific buffer currently known as the "Adjusted Amenity Buffer". However, the property relating to this application is still located within this adjusted amenity buffer.

To protect both residents and industry alike, EPA re-iterates its previous advice against further intensification of residential areas within the Australian Paper buffer zone.

#### Wastewater Disposal

EPA acknowledges receipt of the Independent review of the Land Capability Assessment (LCA) EWS Environmental, report dated 1 June 2013, provided in response to the recommendation in our previous correspondence (letter dated 18 February 2013). The report provides recommendations for minor adjustments to size, location and orientation of effluent envelopes, and position of cut-off drains in accordance with EPA's Guidelines for Environmental Management - Code of Practice Onsite Wastewater Management (EPA Publication 891.3, 2013) and maintenance requirements, and indicates that there is a low risk of off-site impacts associated with domestic wastewater treatment. EPA remind Council that should they decide to issue a planning permit for this application, that in accordance with Clause 32 of the State Environment Protection Policy (Waters of Victoria), they must ensure that the allotment is capable of treating and retaining all wastewater within the allotment boundary. Consideration of the recommendations within the Independent review report should therefore be made when assessing this application.

If you need additional information or assistance, please contact our Planning Assessment Officer, Martin Juniper on 1300 EPA VIC (1300 372 842).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Garry Kay', is written over a faint rectangular box.

Garry Kay  
Team Leader  
Gippsland Field 1  
EPA Victoria

**16.3 PLANNING PERMIT APPLICATION 2013/224 - LIQUOR LICENCE  
ASSOCIATED WITH AN EXISTING FOOD AND DRINK PREMISES  
(STAR CAFE AND LARDER) ON PART OF GEORGE STREET  
TRARALGON AND PART OF CROWN ALLOTMENT 22. SECTION  
18, TOWNSHIP OF TRARALGON**

**General Manager**

**Planning and Governance**

**For Decision**

**PURPOSE**

The purpose of this report is to determine Planning Permit Application 2013/224 for a restaurant and café liquor license associated with an existing food and drink premises known as Star Café and Larder located on George Street, Traralgon and Crown Allotment 22. Section 18, Township of Traralgon, Parish of Traralgon.

**DECLARATION OF INTERESTS**

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

**STRATEGIC FRAMEWORK**

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

*Latrobe 2026: The Community Vision for Latrobe Valley*

*Strategic Objective – 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*

*Planning for the future*

*Strategic Direction*

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

*Legislation*

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

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

### **BACKGROUND**

#### **SUMMARY**

Land:	Part of George Street (Government Road Reserve), Traralgon and part of Crown Allotment 22. Section 18, Township of Traralgon, Parish of Traralgon.
Proponent:	Janaka Keppitipola and Lanie Korybutiak operators of Star Café Larder
Zoning:	Residential 1 Zone
Overlay:	Heritage Overlay – HO125

A Planning Permit is required to use land to sell or consume liquor in accordance with Clause 52.27 of the Latrobe Planning Scheme.

#### **PROPOSAL**

The application is for a restaurant and café liquor licence for the Star Café and Larder. The proposed licensed area encompasses the floor area of the premises including the dining area, food preparation, store, and verandah.

The restaurant and café liquor licence is proposed to operate between 8 am and 11 pm seven days a week.

There is no proposed change in the number of patrons.

Please note: the premises currently has a BYO (bring your own) permit (permit number 31280946). This permit authorises customers to possess, consume, and control liquor between the hours of 8 am to 12 midnight seven days a week. Please see Attachment 1 for a copy of the existing BYO permit and approved red-line area plan.

The proposed red-line area plan is included as Attachment 2 of this report.

#### **Subject Land:**

In 1990 the Star Café and Larder (former Star Hotel) was relocated to its current location being partly on a disused and unmade section of George Street (Government Road Reserve), Traralgon and partly on Crown Allotment 22. Section 18, Township of Traralgon, Parish of Traralgon (Thomas C Wright Reserve).

The operators of the Star Café Larder lease the premises from Latrobe City Council along with approximately 550 square metres of land around it. This lease boundary is defined by a fence and access to the premises is gained via a sealed pedestrian pathway adjoining Peterkin Street. There is a current BYO permit approved by the Victorian Gambling and Liquor Regulation for the entire lease area.

The building is heritage listed and is more specifically referred to as HO125 within the Latrobe City Heritage Study. The study details that the Star Hotel is '*a rare example of an early Gippsland hotel building, probably*



## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

*the oldest extant hotel building in Central Gippsland. It is one of the oldest surviving buildings in Traralgon, only 'Traralgon Park', 'Brooklea' and the farm house, Dunbar Road, could be contemporary. It provides valuable evidence of the early development of the town'* (Context Pty Ltd, (2010), Latrobe City Heritage Study Volume 3: Heritage Place & Precinct Citations). Note: a planning permit is not required in accordance with the Heritage Overlay.

The building contains a dining area, storage rooms, kitchen, and verandah. Latrobe City Council has recently paid all costs associated with updating the kitchen in order to comply with Food Standards (*Food Act* 1984). The works included the installation of an exhaust canopy, wash basin, replacing shelving and other associated works.

Restroom facilities are provided outside the premises near the north-west corner of the lease boundary. There is a 3 metre by 5 metre storage facility located north-east corner of the lease boundary and a 3 metre by 4 metre outdoor kitchen area is located to the west of the storage facility.

The topography of the land is generally flat with scattered vegetation including shrubs and canopy trees. There is a designated water way in excess of 30 metres from the building.

### **Surrounding Land Use:**

The site is located on the eastern periphery of Traralgon's urban area, approximately 100 metres from the central activity district.

Surrounding the site to the north and east is an established residential precinct within the Residential 1 Zone. To the south and west of the subject site is the Thomas C Wright Reserve (Crown land) within the Public Park and Recreation Zone.

A locality plan is included as Attachment 2 of this report.

### **HISTORY OF APPLICATION**

A history of assessment of this application is set out in Attachment 4.

The provisions of the Scheme that are relevant to the subject application are included in Attachment 5.

### **LATROBE PLANNING SCHEME**

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

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

Clause 11.05-1 Regional settlement networks aims to promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework Plan. The Moe, Morwell and Traralgon cluster is identified as a major regional city where urban growth should be directed.

Clause 15 Built Natural Environment and Heritage states that *'planning should ensure all new land use and development appropriately responds to its landscape, valued built form and cultural context, and protect places and sites with significant heritage, architectural, aesthetic, scientific and cultural value.'*

Clause 15.01-5 Cultural identity and neighbourhood character states that development should respond and reinforce heritage values and built form that reflects community identity.

The objective of Clause 17.01-1 Business is *'to encourage development which meets the communities' needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities'*.

The strategic directions set out in the State Planning Policy Framework set a clear framework that generally supports this proposal.

#### **Local Planning Policy Framework**

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

The objective of Clause 21.08-2 Liveability Overview is *'to enhance the quality of residents' lives by encouraging positive interrelated elements including safety, health, education, quality of life, mobility and accessibility, and sense of place'*.

It is considered that the proposal is consistent with the Local Planning Policy Framework.

#### **Residential 1 Zone**

The subject site is located within the Residential 1 Zone. The primary purposes of the zone are:

- *'To provide for residential development at a range of densities with a variety of dwellings to meet the housing needs of all households;*
- *To encourage residential development that respects the neighbourhood character; and*
- *In appropriate locations, to allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs.'*

The purpose and decision guidelines of the Residential 1 Zone have been taken into account in the assessment of this application however it should be noted that the specific planning permit trigger is Clause 52.27 Licensed Premises.

**Particular Provisions**

Clause 52.27 Licenced Premises

Pursuant to Clause 52.27 a planning permit is required to sell or consume liquor under the Liquor Control Reform Act 1998.

The proposal is for a restaurant and café liquor licence which authorises the sale of liquor for consumption on the licensed premises. However, the predominant activity carried out on site at all times must be the operation and serving of meals. The proposed operating hours are between 8 am to 11 pm seven days a week.

The proposed licensed area encompasses the indoor floor area of the premises including the dining area, food preparation, store, and the outdoor eating area which is located on the verandah.

As discussed previously, the entire lease area (including the grassed area around the building) currently has a BYO permit which enables customers control and consume alcohol from the hours of 8 am to 12 midnight, seven days a week.

**Clause 65 - Decision Guidelines**

Before deciding on an application or approval of a plan, the Responsible Authority must also consider the 'Decision Guidelines' at Clause 65.01, as appropriate.

It is considered that this proposal is consistent with the decision guidelines at Clause 65.01.

**ISSUES**

Restaurant and Café Liquor licence

Clause 52.27 Licenced Premises of the Latrobe Planning Scheme has an outlined purpose to ensure that liquor licences are appropriately located and to ensure that liquor licence premises do not affect the amenity of the surrounding area.

The applicant proposes to obtain a restaurant and café liquor licence enabling the sales and consumption of alcohol between the hours of 8 am to 11 pm seven days a week. The alcohol consumption is proposed to be ancillary to the existing food and drink premises.

The decision guidelines of Clause 52.27 that have to be considered include:

- *The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *The impact of the sale or consumption of liquor permitted by the liquor licence on the amenity of the surrounding area.*

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

- *The impact of the hours of operation on the amenity of the surrounding area.*
- *The impact of the number of patrons on the amenity of surrounding area.*
- *The cumulative impact of any existing licensed premises and the proposed liquor licence, the hours of operation and number of patrons, on the amenity of the area.*
- As detailed previously, the subject site is within the Residential 1 Zone with sensitive land uses (dwellings) within the vicinity. However, it should be noted that the proposed liquor licence hours and red-line area of the restaurant and café liquor licence is more restricted than the current BYO permit.
- More specifically, the proposal would reduce the trading hours from 12 midnight to 11 pm. Furthermore, the proposed red-line area for the restaurant and café liquor licence is constrained to the floor area of the building as opposed to the lease area.
- A condition would be placed on the permit (should one be issued) requiring a venue management plan to be prepared to the satisfaction of the Responsible Authority. The venue management plan would set out measures to be implemented by the permit operator to assist in the orderly management of the liquor licence and to limit any impacts on the amenity of the locality.
- Additionally, the Victoria Commission for Gambling and Liquor Regulations have standard obligations that a licence holder must meet in order to comply with the liquor licence requirements including the responsible service of alcohol.
- It should be noted that all restaurant and café liquor licence stipulate that the predominant activity carried out on site at all times must be the preparation and serving of meals.

Subject to appropriate conditions, it is reasonable to consider that the 'amenity impact' of the proposed licensed food and drink premises is likely to be minor and can be adequately managed.

### Car Parking

A planning permit was issued on the 8<sup>th</sup> of November 1994 which included a requirement for the construction of car parking. However, the car parking was never constructed per endorsed plans.

Council is currently exploring options for off street car parking provisions. More specifically, a request for public works funding has been applied for in order to construct parking.

It should be noted that Clause 52.06 (car parking) is not a planning permit trigger and therefore, it is not considered to be relevant in the assessment



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17 FEBRUARY 2014 (CM430)**

of this application as the application is for restaurant and café licence liquor licence only.

**Submissions**

As a result of the notification process, the application received three objections originally. The objections have been included in Attachment 6 of this report. The issues raised in the objections are as follows:

1. Concerns of the potential increase of noise and nuisance to the residential area.

Officer Comment

The application is for a restaurant and café liquor licence which is proposed to operate Monday to Sunday from the hours of 8 am to 11 pm. However, as stated previously, the Star Café and Larder currently has a BYO permit. This permit authorises the people at the premises to consume alcohol Monday to Sunday between the hours of 8 am to 12 midnight with the exception of Anzac day.

It should be noted that the applicant detailed that the Star Café and Larder would normally operate the liquor licence until 10 pm, however they have applied for a licence until 11 pm to allow for the occasional private function. Council received correspondence from the applicant detailing that if a private function was to be held which may continue until 11 pm they would advise all neighbours in writing prior to event. However, this would be a private agreement and not enforceable via permit conditions.

There is no evidence to suggest that a restaurant and café liquor licence would increase the 'noise and nuisance' in the area. Suitable conditions (including the preparation of a venue management plan) will be placed on any issue of a permit to ensure nuisance and noise is managed to the satisfaction of the Responsible Authority in accordance with the State Environment Protection Policy. These conditions can be actively enforced by Council if required.

2. Concerns that the liquor licence will encourage 'bad behaviour'.

Officer Comment

This application is for a restaurant and café liquor licence which would enable liquor to be sold ancillary to meals. All licences granted in Victoria have a set of standard obligations that a licence holder must meet in order to comply with the requirements of the licence. For example, the *Liquor Control Reform Act 1998* requires the licensee to be aware of their responsibilities not to allow drunk, violent or quarrelsome persons to enter or remain on their licenced premises.

3. Concerns in relation to the potential increase of patrons.

Officer Comment

The number of patrons is not considered relevant in the assessment of this proposal as the premise has existing use rights to operate as a 'food and drink premises'.

There are no proposed changes to patron numbers as a result of this application.

4. Concerns in relation to the lack of on street parking.

Officer Comment

The car parking provisions (Clause 52.06) within the Latrobe Planning Scheme only apply to a new use or an increase of the floor area to an existing use. Therefore, car parking is not considered relevant in the assessment of this application as the premise has existing use rights to operate as a 'food and drink premises' and the floor area is not increasing.

However, Council is currently exploring options for off street car parking provisions. More specifically, a request for public works funding has been applied for in order to construct parking.

**FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Additional resources or financial cost will only be incurred should the planning permit application require determination at the Victorian Civil and Administrative Tribunal (VCAT).

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

**INTERNAL / EXTERNAL CONSULTATION**

*Engagement Method Used:*

Notification:

In accordance with the notice requirements of Section 52(1) of the Act, notice was provided to adjoining property owners and occupiers of the proposal and a sign was displayed on the site for 14 days. As a result of the notification process, the application received five submissions in the form of objections.

A mediation meeting was held on 9 January 2014 at 1:00 pm. subsequently a letter was sent to all objectors containing a template venue management plan as requested at the mediation meeting. As a result of the mediation process one objection was withdrawn.

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

In accordance with the notice requirements of Section 52(1) of the Act, notice was provided to inspector Mick West of the Victoria Police and to the Victorian Commission for Gambling and Liquor Regulations. Both Referral Authorities gave consent to the granting of a planning permit without any conditions.

External:

There were no referral requirements pursuant to Section 55 of the Act.

Internal:

Internal officer comments and advice were sought from the Community Strengthening Team. Council's internal team had no objection to the granting of a permit subject to the inclusion of a condition.

**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.

**CONCLUSION**

The proposal is considered to be:

- Consistent with the strategic direction of the State and Local Planning Policy Frameworks;
- Consistent with the 'Purpose' and 'Decision Guidelines' of Clause 52.27 Licensed Premises;
- Consistent with relevant Particular Provisions and Clause 65 (Decision Guidelines).

**Attachments**

1. BYO Permit and red-line area
2. Proposed red-line area
3. Site Context Plan
4. History of application
5. Relevant Planning Scheme Ordinance
6. Submissions

**RECOMMENDATION**

**That Council issues a Notice of Decision to Grant a Planning Permit for a Restaurant and Café Liquor License Associated with an Existing Food and Drink Premises known as Star Café and Larder Located at George Street, Traralgon with the following conditions:**

- 1. The use as shown on the endorsed plans must not be altered without the written consent of the Responsible Authority.**
- 2. Prior to the use commencing a Venue Management Plan must be submitted to and approved by the responsible authority. The venue management plan must set out the measures to be implemented by the Licensee to assist in the orderly management of the liquor licence to limit any impacts of the use on the amenity of the locality. The venue management plan must include (but not be limited to):**
  - a) The operator of the premises will participate in the Traralgon Liquor Accord.**
  - b) Emergency Procedure Management plan.**
  - c) Responsible serving of alcohol guidelines and staff responsibilities.**
  - d) Management of patron entrance (including queuing) and exit from the premises**
  - e) The identification of all noise sources associated with the licensed premise (including, but not limited to, music noise, external areas allocated for smokers and queuing lines).**
  - h) Hours of operation for all parts of the premise.**
  - i) Details of the provision of music including the frequency and hours of entertainment provided by live bands and DJs.**
  - j) The identification of noise sensitive areas including residential uses and accommodation in close proximity to the licensed premise.**
  - k) Measures to be undertaken to address all noise sources identified, including any on and off-site noise attenuation measures.**
  - l) Details of staffing arrangements including numbers and working hours of all security staff.**



- m) **Standard procedures to be undertaken by staff in the event of a complaint by a member of the public, the Victoria Police, an authorised officer of the responsible authority or an officer of the liquor licensing authority.**
- p) **Details of any measures to work with neighbours or other residents in the immediate area to address complaints and general operational issues.**
- q) **Any other measures to be undertaken to ensure minimal amenity impacts from the licensed premise.**

**Any amendment to venue management plan must be submitted to and approved by the Responsible Authority. The permitted use must be conducted in accordance with the provisions of this plan to the satisfaction of the responsible authority.**

- 3. **The use and development must be managed so that the amenity of the area is not detrimentally affected, through the:
  - a) **transport of materials, goods or commodities to or from the land;**
  - b) **appearance of any building, works or materials;**
  - c) **emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil;**
  - d) **presence of vermin;**or otherwise, to the satisfaction of the Responsible Authority.**
- 4. **Except with the prior written consent of the Responsible Authority, the consumption on the licensed premises permitted by this permit must operate only between the following times:
  - a) **Monday to Sunday 8.00 am to 11.00 pm****
- 5. **The predominant activity carried out on the premises, must be the preparation and serving of meals for consumption on the premises.**
- 6. **Any external lighting must be designed, baffled and located so as to prevent any adverse effect on adjoining land to the satisfaction of the Responsible Authority.**
- 7. **Noise levels emanating from the premises must not exceed those required to be met under State Environment Protection Policy (Control of Noise from Commerce, Industry and Trade), No. N-1.**

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

8. The operator of this permit must comply with any conditions set by the Victorian Commission for Gambling and Liquor Regulation.
9. The operator of this permit and the Manager must take all necessary steps to ensure that no noise or other disturbances emanates from the premises which may cause a nuisance to adjoining occupiers or detriment to the amenity of the neighbourhood, in the opinion of the Responsible Authority.
10. This permit will expire if the use is not started within two years of the date of this permit, or if the use ceases for a period of two years or greater.

The Responsible Authority may extend the periods referred to if a request is made in writing before the permit expires, or within six months of expiry of permit.

**Moved:** Cr Kam  
**Seconded:** Cr Middlemiss

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

## 16.3

### **PLANNING PERMIT APPLICATION 2013/224 - LIQUOR LICENCE ASSOCIATED WITH AN EXISTING FOOD AND DRINK PREMISES (STAR CAFE AND LARDER) ON PART OF GEORGE STREET TRARALGON AND PART OF CROWN ALLOTMENT 22. SECTION 18, TOWNSHIP OF TRARALGON**

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4	History of application .....	319
5	Relevant Planning Scheme Ordinance .....	321
6	Submissions .....	323

**BYO Permit**

**Permit No. 31 280946**

---

Subject to the provisions of the Liquor Control Reform Act 1998 and any conditions specified in the permit, the permit authorises liquor to be consumed, possessed or controlled on the premises up to and including 31 December 2014

---

Permittee JANAKA KEPPIPOLA

Address PO BOX 1228  
for service TRARALGON 3844  
of notices

Licensed 17 PETERKIN STREET  
premises TRARALGON 3844  
address

Trading as STAR CAFE LARDER

---

**BYO PERMIT AUTHORISATION**

This permit authorises liquor to be consumed, possessed or controlled on the premises during the hours specified below.

**AMENITY**

The permittee shall not cause or permit undue detriment to the amenity of the area to arise out of or in connection with the use of the premises to which the permit relates during or immediately after the trading hours authorised under this permit.

**TRADING HOURS**

Monday to Sunday Between 8am and 12 midnight  
Trading hours on ANZAC Day must not commence before 12 noon and must cease no later than the finishing times specified above.

**APPROVALS/CONSENTS**

Section 120. Persons under the age of 18 years are permitted on the premises other than in the company of a responsible adult during the trading hours but no later than 11 p.m. on any day.

End of Conditions - Printed on 06/01/2014



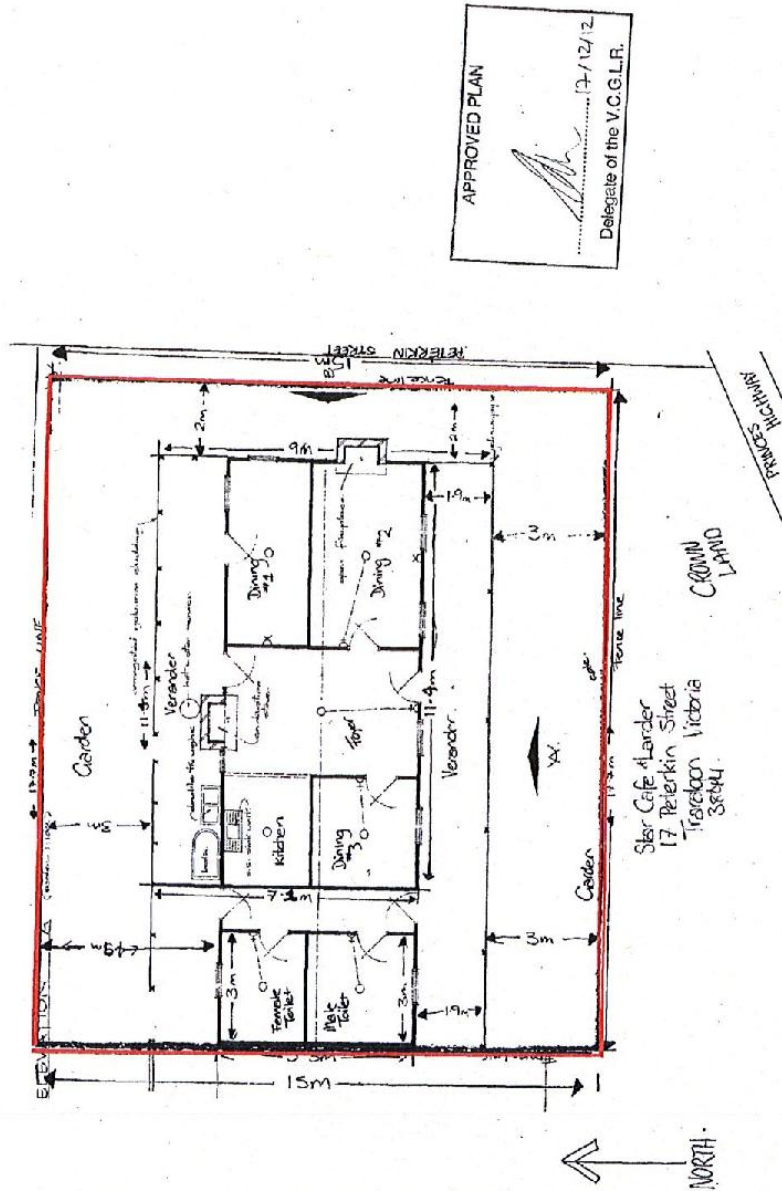
STAR CAFE LARDER

17 PETERKIN STREET, TRARALGON

31280946

54375A01

54375P01 III



Licensed Area = Red Line  
No Scale

Extracted from drawBRIDGE on 16-Jan-2014 13:45

License: 31280946 - Premises: 54375 [Plan 1, Sheet 1] [Sheet Size: A3]

Date of Approval: 17 Dec 2012







**History of Application**

9 August 2013	Planning Permit application received by Council.
23 September 2013	Letter was sent to the applicant requesting that they advertise their application by sending letters to adjoining landowners and occupiers, as well as placing a sign on site for 14 days under Section 52(1)(a) and Section 52(1)(d) of the Act.  Application was referred internally to Council's Health team for comment.
27 September 2013	Application was amended.
9 October 2013	Applicant submitted statutory declaration to Council confirming that advertising had been completed as requested.
9 October 2013	A letter was sent to the objectors detailing the nature of the amended application. The objectors were given the opportunity to object solely to the outbuilding (kitchen area).
23 October 2013	One objection received.
15 October 2013	Response received from Council's Health team.

**Latrobe Planning Scheme**

**State Planning Policy Framework:**

Clause 11.05 Regional development  
Clause 15 Built environment and heritage  
Clause 15.01-5 Cultural identity and neighbourhood character  
Clause 17.01-1 Business

**Municipal Strategic Statement:**

Clause 21.01 Municipal profile  
Clause 21.04 Built environment sustainability  
Clause 21.04-4 Heritage overview  
Clause 21.07 Economic sustainability

**Zoning:**

The subject site is zoned Residential 1 Zone.

**Overlays:**

The subject site is within the Heritage Overlay.

**Particular Provisions**

Clause 52.27 Licensed Premises

**General Provisions:**

Before deciding on an application, the Responsible Authority must also consider the 'Decision Guidelines' of Clause 65 as appropriate.

**Incorporated Documents**

None



Planning and Environment Act 1987

OFFICE USE ONLY  
Date Received

OBJECTION TO GRANT OF PLANNING PERMIT

WHO IS OBJECTING?

I/We (names in block letters) IAN + LINDA MACKENZIE  
 Of (Address) 23 MUNRO ST TRARALGON  
 Postcode 3844 Telephone No. SILENT (Home) — (Work)  
 Fax No. : —

WHAT APPLICATION DO YOU OBJECT TO?

WHAT IS THE PERMIT APPLICATION NUMBER? 2013/224  
 WHAT IS PROPOSED? A LIQUOR LICENCE  
 WHAT LAND IS PROPOSED TO BE USED OR DEVELOPED? THE STAR CAFE LARDER  
 WHO HAS APPLIED FOR THE PERMIT? Mrs LARIE KORYBUTIAK

WHAT ARE THE REASONS FOR YOUR OBJECTIONS?

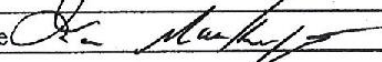
MY MAIN REASONS WILL BE EXTRA PEOPLE IN THE STREET AT NIGHT AND BEING THE BEHAVIOUR IN A QUITE RESIDENTIAL AREA. AND PARKING. ITS DANGEROUS COMING OFF THE HIGHWAY INTO 2 ROWS OF TRAFFIC IF SOME ONE IS COMING UP PETERKIN ST. ALSO USUALLY WITH LATE NIGHT RECEPTION THEY WILL HAVE A DJ MUSIC - MAN - THUMPING AWAY. THE KITCHEN WAS DESIGNED AS A TEA ROOM SHUTTING AT 5.00PM. AND THAT IS WHAT IT SHOULD REMAIN !!  
THERE IS ENOUGH LICENCE MEAS UP THE STREET TAKE THE BUSINESS UP THERE OUT OF A RESIDENTIAL.

LATROBE CITY COUNCIL  
 INFORMATION MANAGEMENT  
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 11 DEC 2013  
 R/O: \_\_\_\_\_ Doc No: \_\_\_\_\_  
 Comments/Copies Circulated to:  
 Copy registered in DataWorks  Version for \_\_\_\_\_

HOW WILL YOU BE AFFECTED BY THE GRANT OF A PERMIT?

NOISE	FROM	DRUNKEN	BEHAVIOR
EXTRA	CARS	PARKING	
CAR	COMING	& GOING	(EXTRA
TRAFFIC	IN	STREET.	
THIS IS A QUITE RESIDENTIAL AREA			
INTERUPING MY WAY OF LIVING ON HOT			
NIGHTS WITH MY WINDOWS OPEN + NOISE COMING IN			
AN EXTRA 35 CARS IN THE AREA AT ONCE			

(If there is not enough room. Attach a separate sheet)

Signature 	Date
---------------------------------------------------------------------------------------------	------

IMPORTANT NOTES ABOUT OBJECTIONS TO PERMIT APPLICATIONS

1. This form is to help you make an objection to an applicant in a way which complies with the *Planning and Environment Act 1987*, and which can be readily understood by the responsible authority. There is no requirement under the act that you use any particular form.
2. Make sure you clearly understand what is proposed before you make an objection. You should inspect the application at the responsible authority's office.
3. To make an objection you should clearly complete the details on this form and lodge it with the responsible authority as shown on the Public Notice-Application for Planning Permit.
4. An objection must:
  - \*state the reason for your objection; and
  - \*State how you would be affected if a permit is granted.
5. The responsible authority may reject an application which it considers has been made primarily to secure or maintain a direct or indirect commercial advantage for the objector. In this case, the Act applies as if the objection had not been made.
6. Any person may inspect an objection during office hours.
7. If your objection related to an effect on property other than at your address as shown on this form, give details of that property and of your interest in it.
8. To ensure the responsible authority considers your objection, make sure that the authority receives it by the date shown in the notice you were sent or which you saw in a newspaper or on the site.
9. If you object before the responsible authority makes a decision, the authority will tell you its decision.
10. If despite your objection the responsible authority decides to grant the permit, you can appeal against the decision. Details of the appeal procedures are set out on the back of the Notice of Decision which you will receive. An appeal must be made on a prescribed form (obtainable from the Administrative Appeals Tribunal) and accompanied by the prescribed fee. A copy must be given to the responsible authority. The closing date for appeals is 21 days of the responsible authority giving notice of its decision.
11. If the responsible authority refuses the application, the applicant can also appeal. The provisions are set out on the Refusal of Planning Application which will be issued at that time.



12 December 2013

Emil Swiety

19 Peterkin Street

Traralgon 3844

Attn: Robyn Trites

Attn: Jody Riordan

Latrobe City Council

PO Box 264

Morwell 3840

To whom it may concern,

APPLICATION NO: 2013/224 PERMIT FOR LIQUOR LICENCE 17 Peterkin Street Traralgon (CAFE LARDER)

With regard to the planning permit application (2013/224) that is currently being considered for a liquor licence at 17 Peterkin Street Traralgon, I would like to take the opportunity submit an objection based on the application being detrimental to the amenity of the area.

The application documentation indicates that the premises will have seating for 40-50 patrons, with a maximum of 75 patrons, will be open from Friday to Sunday 8am to 10 pm and at any other times by appointment, is centrally located, and will showcase local beers and wines.

From my point of view granting this permit will result in unreasonable noise and nuisance to our residential area and locating licensed premises of this type is totally inappropriate for the area where we have the right to a quiet residential occupation.

There is no onsite parking for the establishment and the limit of on road parking in front of the establishment is one or two spaces in front of the premises. Parking utilized for the establishment will be the street parking that surrounds my home and my neighbour's homes. The amount of people coming and going from a licensed establishment, especially at night will cause significant noise and nuisance.

The establishment is located immediately against my boundary and the building is only a couple of meters from the boundary, with an open veranda and open area for patrons and toilets located immediately adjacent to the fence. Licensed activities of this type and scale, in this building and location for the times proposed and at any other times by appointment, are totally unreasonable. I do not know of any licensed premise in Traralgon that is located without a reasonable buffer zone to residential properties or in a commercial area with the required access and infrastructure.

There are any number of licensed premises currently operating, some of which the applicant states will walk from, that have the opportunity to showcase local beer and wines and I do not see this as being a major item in support of this particular application

Yours faithfully,

Emil Swiety





**Latrobe City Council**  
 Tel: 1300 367 700  
 www.latrobe.vic.gov.au

**Objection to the Grant  
 of a  
 Planning Permit**  
 Under section 57 of the Planning  
 and Environment Act 1987

Council Use Only	
Application Number :-	<input type="text"/>
Application Date:-	<input type="text"/>
Ledger Number:-	<input type="text"/>

Fields marked with an asterisk (\*) are mandatory and must be completed.

**Council Specific Information**

**Objector details**

Title*	Surname*	Given Name 1*	Given Name 2
MR	PERRY	OSWALD	ERNEST
MISS Business Details PERRY		MERLENE	JOYCE

ABN	ACN
<input type="text"/>	<input type="text"/>

Company Name	Business Name
<input type="text"/>	<input type="text"/>

**Address**  
 Street Address\*  
 22 PETERKIN STREET

Suburb / Town*	State *	Postcode *
TRARALGON	VK	3844

**Affected property address (if different from above)**  
 Street Address\*  
  
 Suburb / Town\*

LATROBE CITY COUNCIL  
 INFORMATION MANAGEMENT

RECEIVED  
 17 DEC 2013

R/C:  Doc No:

**Contact Details**  
 Please provide at least one phone number and include the area code \*

Business Phone	After hours phone OSWALD	Business Fax	Mobile MERLENE
( ) <input type="text"/>	03 51 74 75 13	( ) <input type="text"/>	0427977424

Email

**Applicant contact (representative) - If details are entered below, all correspondence will be made through the applicant contact (representative) e.g. consultant, planner, architect**

Title*	Surname*	Given Name 1*	Given Name 2
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Business Details**

ABN	ACN
<input type="text"/>	<input type="text"/>
Business Name	Company Name
<input type="text"/>	<input type="text"/>



**Address**

Street Address\*

Suburb / Town\*  State\*  Postcode\*

**Contact Details**  
 Please provide at least one phone number and include the area code \*

Business Phone  After hours phone  Business Fax  Mobile

Email

**Planning permit application details**

What is the permit application number to which you object? \*

Who has applied for the permit? Name of applicant \*

**Address**

Choose the type of formal land description \*

Street Address  Lot/ Plan  Crown allotment  Other (if no other land description applies)

**Street address \***

**Suburb Town \***  **State \***  **Post Code \***

**Lot / Plan**  
 Lot number  **Plan type and numbering (existing)**

**Crown allotment number**  **Section number**  **Block**

**Portion**  **Subdivision**  **Parish OR Township name**

Other (where no address or formal land description relevant - e.g. street furniture, bus shelter advertising)

**What is Proposed? \***

Objection Details

What are the reasons for your objection? \*

DO NOT WISH TO HAVE ~~THE~~ LIQUOR ~~FOR~~ SO ACCESSABLE ACROSS THE STREET FROM OUR RESIDENTIAL HOUSE.

WILL POTENTIALLY ATTRACT MORE PEOPLE AND CREATE A PARKING PROBLEM AS PATRONS PARK ON RESIDENTIAL STREET WOULD HAVE THOUGHT THERE ARE ENOUGH LIQUOR OUTLETS IN TRARALGON WITHOUT BRINGING ANOTHER TO RESIDENTIAL AREA AND POTENTIAL PROBLEMS ASSOCIATED WITH IT.

How will you be affected by the grant of a permit? \*

PATRONS PARK OUTSIDE OUR HOUSE MAKING IT DIFFICULT TO SAFELY EXIT PROPERTY AND VISABILITY IS SEVERELY WT POTENTIAL BAD BEHAVIOR ASSOCIATED WITH LIQUOR COULD OVERFLOW INTO RESIDENTIAL STREET AFFECTING OUR PEACE AND QUIET. NOISE POLLUTION.

Acknowledgement

- Copies of objections/submissions lodged with the Responsible Authority will be made available to the public and copies may be made to interested parties for the sole purpose of enabling consideration and review as part of a planning process under the Planning and Environment Act 1987.
- I may refuse this objection after review of the information provided.

By marking this checkbox I confirm that I have read and understood all the statements above \*

Name of person completing this application \*

OSWALD PERRY / MERLENE PERRY

Date \*

12/12/13

Signature of person completing this application \*

*O. Perry / Merlene Perry*

### Privacy Statement

The information gathered in the form is used by Council to process the application. To view Council's privacy policy, please either visit Council's offices or go to Council Privacy statement located at: [www.latrobe.vic.gov.au](http://www.latrobe.vic.gov.au)

### Lodgement

If you intend to post or fax this form please use the details provided below:

Latrobe City Council  
PO BOX 264  
MORWELL VIC 3840

Telephone: 1300 367 700  
Fax: 03 5128 5672  
Email: [latrobe@latrobe.vic.gov.au](mailto:latrobe@latrobe.vic.gov.au)  
Website: [www.latrobe.vic.gov.au](http://www.latrobe.vic.gov.au)



Planning and Environment Act 1987

OFFICE USE ONLY  
Date Received

OBJECTION TO GRANT OF PLANNING PERMIT

WHO IS OBJECTING?

I/We (names in block letters) DOROTHY STEER  
 Of (Address) 20 MUNRO ST  
TRARALGON Fax No. : \_\_\_\_\_  
 Postcode 3844 Telephone No. 51742554 (Home) \_\_\_\_\_ (Work) \_\_\_\_\_  
 (Sited No.)

WHAT APPLICATION DO YOU OBJECT TO? A LIQUOR LICENCE

WHAT IS THE PERMIT APPLICATION NUMBER? 2013/224  
 WHAT IS PROPOSED? LIQUOR LICENCE  
 WHAT LAND IS PROPOSED TO BE USED OR DEVELOPED? \_\_\_\_\_  
17 PETERKIN ST TRARALGON  
 WHO HAS APPLIED FOR THE PERMIT? J P KRPPITIPOLA

WHAT ARE THE REASONS FOR YOUR OBJECTIONS?

1. I do not believe a liquor licence should be granted in a residential area
2. If liquor is being sold I do not wish for drunkenness revelry over my back fence which is only a few metres away.
3. The only parking available is in Peterkin St + streets adjoining. It is bad enough already + will get worse. This is a serious problem.
4. If liquor is taken into the adjoining park there are no rubbish receptacles so cans could be tossed over into my backyard. At the present time the park looks nice + is always tidy. I doubt if it will stay that way.

The sale of liquor can attract undesirable + young children play in the park. 17 Peterkin St is a small building on a not very wide + J Krppitipola has mentioned 75 patrons. How does he propose to keep them within the building's boundary?

LATROBE CITY COUNCIL  
 INFORMATION MANAGEMENT  
 RECEIVED  
 12 DEC 2013

R/O: \_\_\_\_\_ Doc No: \_\_\_\_\_

Comments/Copies Circulated to:  
 Copy registered in DataWorks  Invoice forwarded to accounts



Planning and Environment Act 1987

OFFICE USE ONLY  
Date Received

OBJECTION TO GRANT OF PLANNING PERMIT

WHO IS OBJECTING?

I/We (names in block letters) Gail & Peter CARTWRIGHT  
 Of (Address) 21 MUNRO ST. TRARALGON.  
 Postcode 3844 Telephone No. 51 742041 (Home) Fax No. : — (Work) N/A

WHAT APPLICATION DO YOU OBJECT TO?

WHAT IS THE PERMIT APPLICATION NUMBER? 2013/224  
 WHAT IS PROPOSED? LIQUOR LICENCE  
 WHAT LAND IS PROPOSED TO BE USED OR DEVELOPED? \_\_\_\_\_  
 WHO HAS APPLIED FOR THE PERMIT? LANIE KORYBUTIAK

WHAT ARE THE REASONS FOR YOUR OBJECTIONS?

As residence of the above address we are already impacted by the inappropriate behaviour of inebriated individuals & groups that make their way out of the Traralgon city's drinking venues late on Friday, Saturday & Sunday evenings.  
Conversion of the Star Larder Cafe into a drinking, trusting-place has a high probability of increasing the above mentioned traffic in our neighbour-hood.  
Whilst we are already witnessing an over-flow of parked vehicles parking into MUNRO street, our immediate concern will be of irresponsible behaviour from intoxicated patrons of the above venue accelerating their vehicles, slamming car doors & voicing loudly at night, in front of our homes.  
There are an appropriate number of drinking venues located within the city to expand the licencing locus of the precinct is unnecessary as existing venues are surrounded by commercial premises which makes the above application unique; →



HOW WILL YOU BE AFFECTED BY THE GRANT OF A PERMIT?

it, extended The 'duty of care' responsibility by the applicants & the council is ~~will be answerable to the residential~~ neighbourhood, not to commercial neighbours of the city as with the existing venues.

(If there is not enough room. Attach a separate sheet)

Signature [Signature] Date 10.11.19

IMPORTANT NOTES ABOUT OBJECTIONS TO PERMIT APPLICATIONS

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2. Make sure you clearly understand what is proposed before you make an objection. You should inspect the application at the responsible authority's office.
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4. An objection must:
  - \*state the reason for your objection; and
  - \*State how you would be affected if a permit is granted.
5. The responsible authority may reject an application which it considers has been made primarily to secure or maintain a direct or indirect commercial advantage for the objector. In this case, the Act applies as if the objection had not been made.
6. Any person may inspect an objection during office hours.
7. If your objection related to an effect on property other than at your address as shown on this form, give details of that property and of your interest in it.
8. To ensure the responsible authority considers your objection, make sure that the authority receives it by the date shown in the notice you were sent or which you saw in a newspaper or on the site.
9. If you object before the responsible authority makes a decision, the authority will tell you its decision.
10. If despite your objection the responsible authority decides to grant the permit, you can appeal against the decision. Details of the appeal procedures are set out on the back of the Notice of Decision which you will receive. An appeal must be made on a prescribed form (obtainable from the Administrative Appeals Tribunal) and accompanied by the prescribed fee. A copy must be given to the responsible authority. The closing date for appeals is 21 days of the responsible authority giving notice of its decision.
11. If the responsible authority refuses the application, the applicant can also appeal. The provisions are set out on the Refusal of Planning Application which will be issued at that time.

Having to contend with vehicles using Munro St as a 'short-cut' on a daily basis through to Davidson St plus a continuous flow of cars with trailers, large & small trucks, fork-lifts ect. going to and from the Nursery 7 Days a week, now we have vehicles parked right along both sides of the street with car doors slamming, stereo systems blasting, car lights, people shouting all hours of the evening and through the night (which has already been the case) when do we the residents get to enjoy some peace, quiet & well being?

Surely one is entitled to go to bed at night and not be awakened by the above mentioned problems. If this was happening right outside your bedroom window you'd be extremely concerned as we are, this is after all a residential area not the CBD.

*Paul*

Paul Cortwright,  
Resident & Rate Payer.

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**16.4 AUTHORISATION OF PROPOSED PLANNING SCHEME  
AMENDMENT TO REZONE LAND AT CRINIGAN ROAD,  
MORWELL FROM FARMING ZONE TO RESIDENTIAL 1 ZONE**

**General Manager**

**Planning and Governance**

**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 rezone land at Crinigan Road, Morwell (Lot 1 on PS634891) from Farming Zone to Residential 1 Zone.

**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 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*



## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

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*

### **BACKGROUND**

Latrobe City Council received an application to amend the Latrobe Planning Scheme in December 2012 from SMEC Urban on behalf of the current landowners of land at Crinigan Road, Morwell. An initial review of the documents submitted with the application identified the need for further information and minor alterations to strengthen the strategic justification of the proposal. Subsequently, Latrobe City Council received a revised application from NBA Group Pty Ltd acting on behalf of DiFabro PD Pty Ltd (acting with consent of the landowners) on 16 September 2013.

The subject land is located at Crinigan Road, Morwell and is known as Lot 1 on PS634891 Volume 10581 Folio 877. The area proposed to be rezoned comprises part of an allotment totalling 36.42 hectares and the subject site comprises approximately 24 hectares. The area proposed to be rezoned is irregular in shape and is bounded by Alexanders Road and farming land to the east, residential land to the south, industrial/future industrial land to the south east, farming land to the north and residential and farming land to the west (See Attachments 1 & 2).

The proposal seeks to rezone the subject site at Crinigan Road, Morwell from Farming Zone (FZ) to Residential 1 Zone (R1Z). The planning scheme amendment seeks to introduce a Development Plan Overlay Schedule 5 (DPO5) to the subject land and replace the schedule of Clause 61.03 to introduce new maps into the Latrobe Planning Scheme (See Attachment 3).

The subject land comprises part of the total 80 ha of land that forms the Crinigan Road Residential Development Plan (CRRDP) which was endorsed by Council on 12 December 2012. A number of technical reports were endorsed as part of the CRRDP and forms background documentation for the current rezoning proposal.

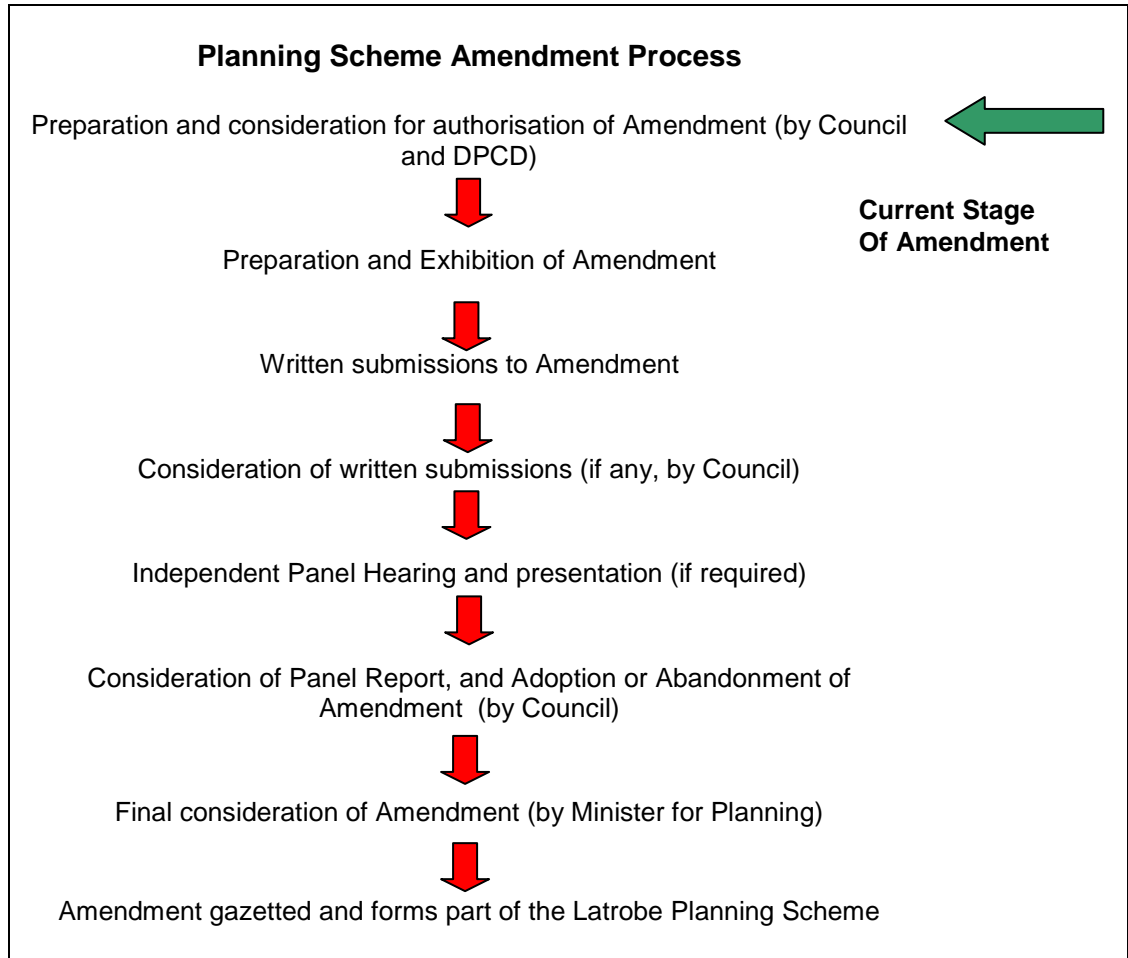
Following a number of meetings between Council officers and the proponent and a request for further information from the proponent, the

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

amendment documents were finalised and submitted by the proponent in November 2013.

### 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.

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

In addition, each amendment must address the Department of Planning, Transport and Local Infrastructure (DTPLI) publication *Strategic Assessment Guidelines for Planning Scheme Amendments 2013*. A response to these guidelines is outlined in the attached Explanatory Report (See Attachment 3).

The proposal is consistent with the State Planning Policy Framework and Municipal Strategic Statement as per below:

<p>State Planning Policy Framework:</p> <ul style="list-style-type: none"> <li>Clause 11 – Settlement</li> <li>Clause 12 – Environmental and Landscape Values</li> <li>Clause 13 – Environmental Risks</li> <li>Clause 14 – Natural Resource Management</li> <li>Clause 15 – Built Environment and Heritage</li> <li>Clause 16 – Housing</li> <li>Clause 17 – Economic Development</li> <li>Clause 18 – Transport</li> <li>Clause 19 – Infrastructure</li> </ul> <p>Municipal Strategic Statement:</p> <ul style="list-style-type: none"> <li>Clause 21.03 – Natural Environment Sustainability</li> <li>Clause 21.04 – Built Environment Sustainability</li> <li>Clause 21.05 – Main Towns</li> <li>Clause 21.08 - Liveability</li> </ul>	<p>The proposal will seek to achieve these objectives within the Latrobe Planning Scheme by protecting and improving the water quality and ecological integrity of natural systems through the implementation of a Surface Water Management Strategy. Urban development will be contained within distinct boundaries and in accordance with the Latrobe Planning Scheme Morwell Structure Plan, whilst maximising the use of existing infrastructure. The Development Plan Overlay Schedule 5 and endorsed Crinigan Road Development Plan enables the flexibility for development to occur to accommodate the population needs of Morwell and will also facilitate walkable neighbourhoods, ensuring public transport, shops, public open space and mixed-use community centres are close to all dwellings. This is further explained in the attached Explanatory Report (See Attachment 3).</p>
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### Planning Scheme Amendments

A previous Planning Scheme Amendment C47 undertaken by the Minister for Planning sought to rezone a number of landholdings identified as future residential within the Morwell Structure Plan. As a result, land at 175 Crinigan Road, Morwell was rezoned in March 2011 to Residential 1 Zone with a Development Plan Overlay Schedule 5. Although identified as future residential within the Morwell Structure Plan, the adjoining land at Crinigan Road (subject land) and also 175 Alexanders Road, Morwell (adjoining the subject land) remained as Farming Zone. At the time the Environment Protection Authority (EPA) had not resolved the boundary of an odour buffer associated with Australian Paper (AP). The EPA and AP have since provided written advice that the proposed buffer boundary for the area of the subject site will exclude land within the Morwell Structure Plan boundary. In order to facilitate the strategic direction of the Morwell Structure Plan and the Crinigan Road Residential Development Plan (which was endorsed by Council in December 2012) the remaining Farming Zone Land is required to be rezoned to residential.

## ISSUES

### Overlay Constraints

#### Bushfire Management Overlay (BMO)/Wildfire Management Overlay (WMO):

The Wildfire Management Overlay applies to the land north of the subject site. Whilst the WMO affects part of Lot 1 on PS634891, the overlay boundary corresponds with the boundary of the CRRDP and as such none of the area proposed for rezoning is affected by the WMO.

A revised BMO proposes to replace the existing WMO, however, updated mapping is yet to be released by the State Government. Any changes in order to address BMO requirements will be dealt with at the planning permit stage.

#### Land Subject to Inundation Overlay (LSIO) and Floodway Overlay (FO):

The subject site is traversed by Waterhole Creek and an unnamed tributary. As such, approximately 27% of the proposed area for development is subject to inundation.

A study of the waterways was undertaken and a Surface Water Management Strategy was prepared by Water Technology in June 2012 as part of the CRRDP and was subsequently revised in July 2013. The report concludes that subject to particular works occurring as part of the subdivision process, Waterhole Creek and its environs can be designed to ensure that there will be no offsite flooding impacts to upstream properties through the use of mitigation measures. This would substantially reduce the area affected by inundation and therefore allow residential development in this area.

### Australian Paper Urban Amenity Buffer

The subject site is in close proximity to the Australian Paper Maryvale Mill and Council officers have been consulting with the EPA and AP regarding a proposed odour buffer area to ensure sufficient separation between industry and urban development. The proposed buffer boundary for the area of the subject site will exclude land within the Morwell Structure Plan boundary. The EPA and AP have provided written advice that they have no objection to the transition of the area for urban purposes and the rezoning of the subject land in accordance with the Morwell Structure Plan and CRRDP.

### Development Plan

The subject land is included within the endorsed Crinigan Road Residential Development Plan and the following issues will be dealt with in accordance with the development plan at the time of subdivision:



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- Given the presence of Waterhole Creek on the subject land, Aboriginal Affairs Victoria (AAV) maps identify the site as an area of 'cultural heritage sensitivity'. As part of the preparation of the CRRDP, a Cultural Heritage Assessment was undertaken by Matthew Baker Consultants in July 2011. Any future development of the subject site which is defined as a high impact activity in the *Aboriginal Heritage Regulations 2007* will require the preparation of a Cultural Heritage Management Plan.
- Current and future industrial land adjoins the south east boundary of the proposed development. The endorsed CRRDP addresses the industrial interface through future subdivision design which incorporates landscape buffers, fencing and larger lots to minimise any potential adverse impacts.

### New Residential Zones

Further discussion with the Department of Transport, Planning and Local Infrastructure may result in Council needing to choose from one of the new residential zones for this rezoning proposal. Should this occur, the new zone will be either General Residential Zone, Neighbourhood Residential Zone or Residential Growth Zone.

### **FINANCIAL, RISK 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.

Statutory fees associated with this proposed amendment will be met by the proponent.

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

### **INTERNAL/EXTERNAL CONSULTATION**

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.

As part of the initial assessment of this proposed planning scheme amendment application, informal referrals have been sent out to statutory and servicing authorities to obtain preliminary comments. In response, the

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authorities have provided recommendations and have indicated they have no objection to the proposed amendment. These same authorities will be formally notified as part of the planning scheme amendment process.

### **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 rezone land at Crinigan Road, Morwell from Farming Zone to Residential 1 Zone and introduce and apply Development Plan Overlay Schedule 5.

Seeking Authorisation to exhibit the proposed planning scheme amendment is consistent with facilitating development of the subject land as identified in the Latrobe Planning Scheme Morwell Structure Plan and the endorsed Crinigan Road Residential Development Plan for future residential purposes. Proceeding to the public exhibition process will enable the community to be engaged and make comment on the proposal.

#### **Attachments**

1. Crinigan Road Aerial
2. Crinigan Road Zones & Overlays
3. Explanatory Report

### **RECOMMENDATION**

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

- **rezone land at Crinigan Road, Morwell, Lot 1, PS634891 from Farming Zone to either the Residential 1 Zone or one of the new residential zones (i.e. Residential Growth Zone; General Residential Zone; Neighbourhood Residential Zone)**
- **introduce and apply Development Plan Overlay Schedule 5 to Crinigan Road, Morwell, Lot 1, PS634891**

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**Moved:** Cr Middlemiss  
**Seconded:** Cr White

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

## **16.4**

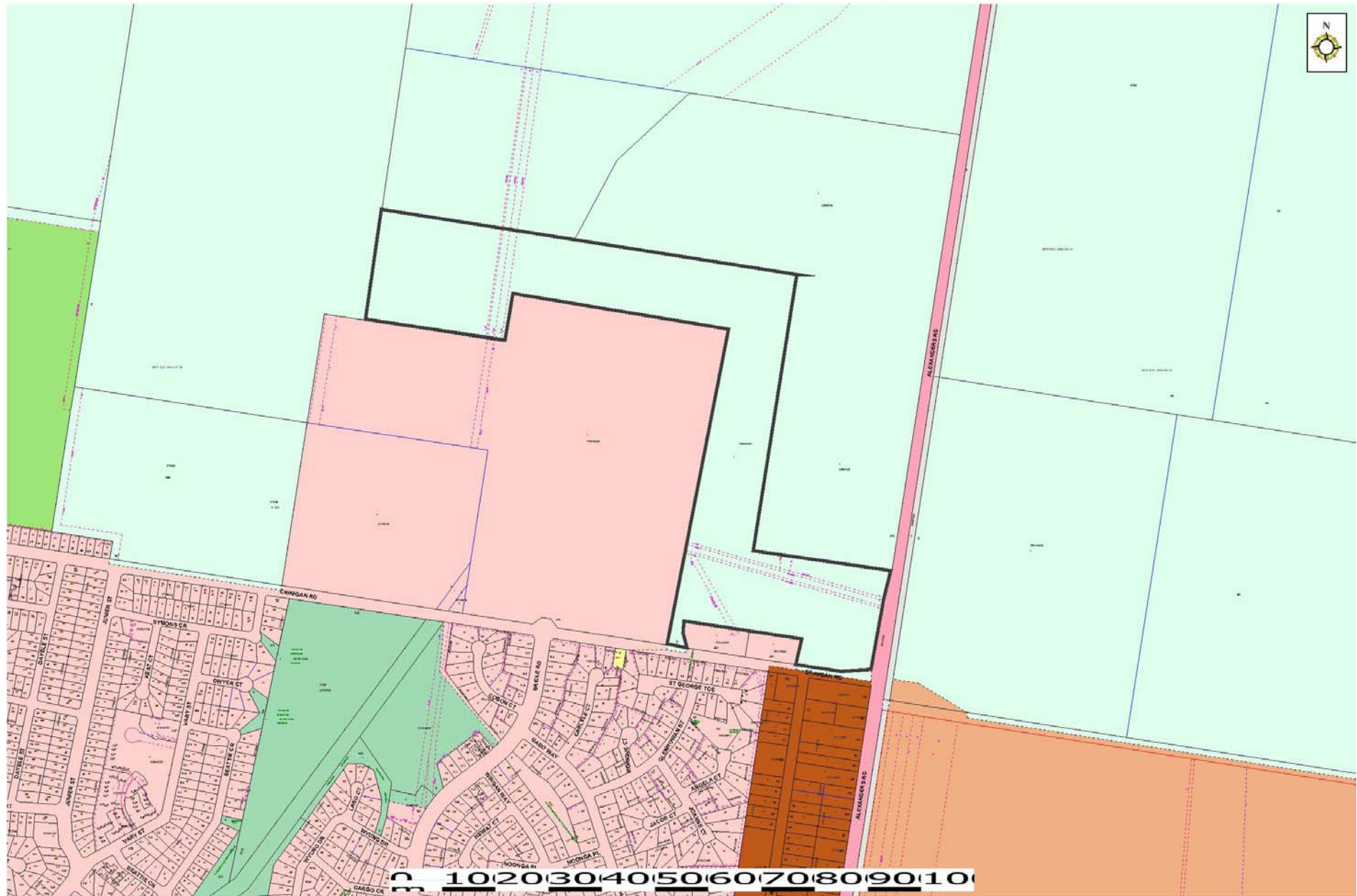
### **AUTHORISATION OF PROPOSED PLANNING SCHEME AMENDMENT TO REZONE LAND AT CRINIGAN ROAD, MORWELL FROM FARMING ZONE TO RESIDENTIAL 1 ZONE**

<b>1</b>	<b>Crinigan Road Aerial .....</b>	<b>345</b>
<b>2</b>	<b>Crinigan Road Zones &amp; Overlays .....</b>	<b>347</b>
<b>3</b>	<b>Explanatory Report.....</b>	<b>349</b>





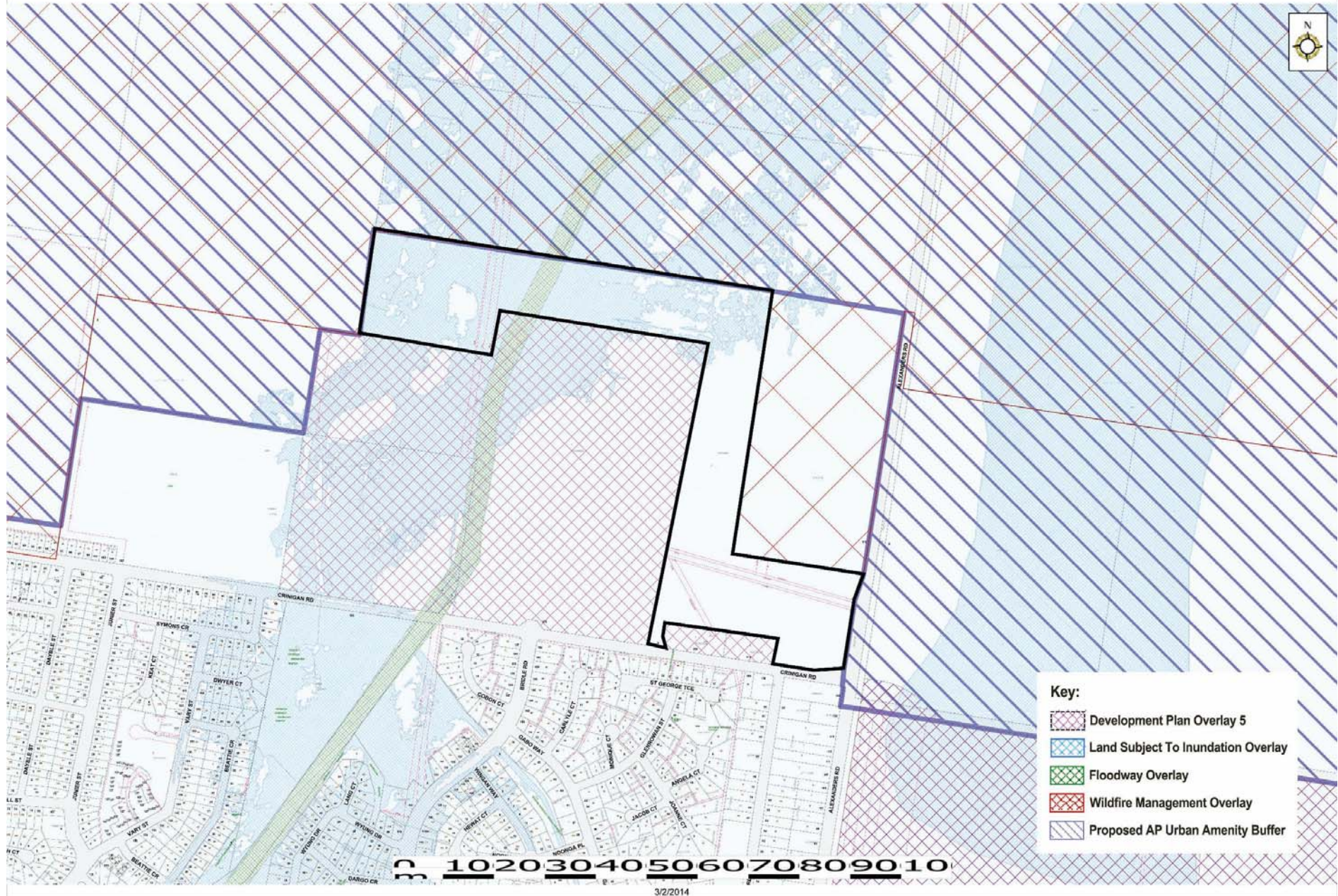
### Crinigan Road, Morwell Zoning Map



28/10/2013



### Crinigan Road, Morwell Overlay Map





*Planning and Environment Act 1987*

## **LATROBE PLANNING SCHEME**

### **AMENDMENT C\***

#### **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.

The amendment has been made at the request of NBA Group Pty Ltd on behalf of DiFabro PD Pty Ltd.

##### **Land affected by the amendment**

The amendment applies to land situated to the north of Crinigan Road and west of Alexanders Road. It is contained within Area 7 of the Morwell Structure Plan. Formally it is part of Lot 1 on PS634891 and is contained within Certificate of Title Volume 10581 Folio 877.



*Outline of land to be rezoned*

##### **What the amendment does**

The amendment seeks to:

- Rezone part of Lot 1 on PS634891 north of Crinigan Road, Morwell from Farming Zone to Residential 1 Zone. The balance of the land would remain in the Farming Zone and continue to be used for agricultural purposes;
- Apply the Development Plan Overlay – Schedule 5 (DPO5) Residential Growth Areas to the proposed Residential 1 Zone to facilitate the development of the land in accordance with the approved Crinigan Road Development Plan (CRDP); and
- Update the Schedule to Clause 61.03 to insert new planning scheme maps into the Latrobe Planning Scheme.



The amendment:

- Amends Planning Scheme Maps 70 & 73;
- Amends Planning Scheme Maps 70DPO & 73DPO by placing the Development Plan Overlay – Schedule 5 over the subject land.

### Strategic assessment of the amendment

#### • Why is the amendment required?

The Latrobe City *'Residential and Rural Residential Land Assessment 2009'* presents an analysis of the demand and supply of residential land within the municipality. It notes that there is evidence that future population growth in Latrobe may be in excess of recent trends and, therefore, the moderate or high growth scenario should be adopted for the purpose of planning for the future residential and rural residential land requirements in Latrobe. The assessment estimates a forecast demand for Morwell of approximately an additional 1,210 new dwellings over the next 10 years and approximately 1,840 new dwellings over the next 15 years (i.e. from 2008 to 2023).

The amendment is required to provide the opportunity to assist in accommodating the projected population growth for Morwell. It will allow a future permit application to be made to develop the land in accordance with the State Planning Policy and Local Planning Policy Frameworks and more particularly in accordance with the Morwell Structure Plan and the endorsed Crinigan Road Development Plan (CRDP). Within the Morwell Structure Plan (included at Clause 21.05 of the Scheme), the site is designated as 'future residential'. Latrobe City Council endorsed the CRDP at its Ordinary Meeting on 12 December 2012 which provides an urban layout over the subject land. The proposed Development Plan Overlay Schedule 5 is intended to provide the statutory mechanism to implement the CRDP over the subject land to ensure the orderly and considered development of the land.

Furthermore the amendment presents the opportunity to increase competition within the housing market and offer a diversity of allotment and housing choice to the population.

#### • How does the amendment implement the objectives of planning in Victoria?

The objectives of planning in Victoria are (*inter alia*):

- To provide for the fair, orderly, economic and sustainable use and development of land.
- To secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria.
- To protect public utilities and other assets and enable the orderly provision and coordination of public utilities and other facilities for the benefit of the community.
- To facilitate development in accordance with the objectives set out in the points above.
- To balance the present and future interests of all Victorians.

The amendment implements the objectives of the *Planning and Environment Act 1987* (the Act) by contributing to the land supply in Morwell to efficiently and effectively meet the community needs now and into the future.

The Morwell Structure Plan and CRDP have each been through an extensive public consultation process which has ensured that the public and key agencies have considered in detail the suitability of the site for urban development, as well as

considering a layout for the area. The CRDP creates a framework for a high quality urban environment which meets the needs of the community and provides access to relevant infrastructure and community services.

■ **How does the amendment address the environmental effects and any relevant social and economic effects?**

Environmental Effects

It is considered that the rezoning of the land will have minimal impact on the environmental values of the site. A Native Vegetation Assessment was prepared as part of the preparation of the CRDP and acknowledges that the site is completely planted with a mixture of two Eucalypt species (plantation vegetation). However, as per the definitions within the Native Vegetation Framework it is not considered indigenous and therefore does not require either a permit for removal or offsetting.

A Surface Water Management Strategy was also prepared as part of the CRDP and details appropriate treatment of the two waterways that traverse the site. Preliminary design of retarding basins and wetlands were undertaken in preparation of the CRDP with detailed design to occur at the subdivision stage. It is submitted that the development of the land can occur without detrimental impacts to the waterways, and as such the amendment will not have an adverse environmental impact.

A key consideration in the preparation of both the rezoning and development plan is the interface to industrial land. Numerous discussions have been had between Environment Protection Authority and Australian Paper and Council and an appropriate interface treatment to the nearby industrial areas has been prepared within the CRDP. An indicative odour buffer from the Australian Paper Maryvale Mill has been prepared (although is awaiting endorsement from Council), and the portion of the subject site to be zoned for urban residential purposes is outside the nominated buffer area.

Impacts on natural features such as Waterhole Creek and the designated cultural heritage significant areas have been considered in the background reports informing the CRDP. These documents will be implemented as part of the future subdivision process.

Social and Economic Effects

The proposed amendment has considered the social and economic effects caused by the amendment.

Morwell town centre is located approximately 4.3kms south of the site and contains a variety of township facilities that will service the site. In addition, there is a possible Neighbourhood Activity Centre indicated within the CRDP. Future development of land in accordance with the CRDP will facilitate the provision of integrated services such as road connections, bike and pedestrian links and public open space areas to ensure the new neighbourhood centre is easily accessible.

Economic effects of the amendment are expected to be positive as the future development of the land will provide opportunities for new housing development to assist in affordable housing and choice within the area. There will also be additional job creation throughout the construction stage of the precinct, as well as the additional expenditure resulting from the population increase in the area. It is also expected that once the land is made available for residential development, demand will rise and in turn a positive benefit will be provided to the town through the building industry and increased population accessing local businesses and services.

● **Does the amendment address relevant bushfire risk?**

The proposed amendment addresses the relevant bushfire risk as required. It is acknowledged that the current use of the site as plantation presents a bushfire risk, and it is understood that the revised bushfire mapping that is yet to be released by the State Government intends to reintroduce a Bushfire Management Overlay (BMO) to the subject

site. If the proposed BMO is applied to the subject land and the existing timber plantation is removed, then the land owner may seek advice from the Country Fire Authority to have the BMO altered or removed. Council may also consider the preparation of a Schedule to the BMO at the time as appropriate. Initial comments received from the Country Fire Authority on 11 December 2013 acknowledges the reduction in bushfire risk should the plantation be removed from the subject site. However, the retention of plantation on neighbouring land to the north will need to be considered in the design at subdivision stage.

• **Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?**

The amendment is affected by and complies with, Ministerial Direction 11 Strategic Assessment of Amendments under Section 12 of the Act. 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 is affected by and complies Ministerial Direction 15 Planning Scheme Amendment Process of the Act.

■ **How does the amendment support or implement the State Planning Policy Framework and any adopted State policy?**

The proposed amendment is considered to compliment the objective of the SPPF by providing zones and overlay controls that will facilitate the efficient expansion of urban areas within Morwell.

In particular, the amendment is:

- Consistent with Clause 11 – Settlement by providing land for settlement in an area that is provided with utility, urban and social services. The Morwell Structure Plan and CRDP have designated the subject land as being suitable for future residential use. The amendment will improve the supply of residential land in an area identified at Clause 11.05 as a major regional City in the Regional Victoria Settlement Framework. In particular, the amendment addresses State Planning Policy by allowing future development to provide for a diversity of dwelling types, increased housing choice and affordability, which are to be supported through the Development Plan Overlay Schedule.
- Consistent with Clause 12 – Landscapes by ensuring that the landscape and habitat values of Waterhole Creek will only be improved as a result of the urban development of the site. Water quality features will be incorporated into the design at the subdivision stage in accordance with the recommendations of the Surface Water Management Strategy.
- Consistent with Clause 13 – Environmental Risks by assisting in the protection of life, property and community infrastructure from flood hazard. The amendment has considered the applicable Land Subject to Inundation and Flood Overlays for which a detailed Surface Water Management Strategy was prepared during the preparation of the CRDP. Future development of the land will be required to be in accordance with the CRDP which proposes stormwater management techniques, which will be required to be implemented at the subdivision stage.
- Consistent with Clause 14 – Natural Resources by considering the need to protect and restore the existing waterways on site. The CRDP proposes a series of retarding basins and wetlands and the proposed amendment including the implementation of the Development Plan Overlay Schedule 5 will ensure future development of the land occurs generally in accordance with the CRDP and thus ensuring the proposed treatments are implemented and no detrimental impacts to waterways will be caused.
- Consistent with Clause 15 – Built Environment as the site is well located to utilise existing infrastructure and community facilities resulting in a more sustainable and integrated community within Morwell. A Cultural Heritage Management Plan will be required prior to the granting of a planning permit for subdivision.

- Consistent with Clause 16 – Housing as the amendment will provide for new residential development in a location with access to existing physical and community infrastructure. The CRDP will ensure that the land is developed in an integrated fashion, will provide for housing diversity and affordability, provides a safe and convenient road network, provides appropriate pedestrian and cycle paths and sufficient space for public open space is available.
- Consistent with Clause 17 – There will be positive economic impacts as a result of the proposal through additional job creation throughout the construction stage of any development, as well as the increased expenditure associated with future residents and any increase in population.
- Consistent with Clause 18 – The site is proximate to existing public transport services, which will only be enhanced as part of the implementation of the CRDP.
- Consistent with Clause 19 – Infrastructure as the amendment will expand on an existing residential area that has good access to existing physical, social and recreation infrastructure. There are also a range of new services proposed as part of the overall CRDP and the proposed amendment will provide for the more intensive use of these existing and proposed services.

■ **How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?**

*Clause 21.03 – Natural Environment Sustainability:* The proposed amendment has no impacts on the environmental values of the site with the only vegetation on site declared as non-indigenous as per the Native Vegetation Framework. Appropriate treatment of stormwater, flooding and the declared waterways are detailed in the CRDP for which future development must be generally in accordance with.

*Clause 21.04 – Built Environment Sustainability:* The proposed amendment is consistent with the objectives of this Clause, by building upon the existing township of Morwell as part of an integrated network of urban areas, and maximising the use of existing infrastructure.

*Clause 21.05 – Main Towns:* The proposed amendment is consistent with the objectives relating to Main Towns, which seeks to provide the flexibility for development to occur in each town to accommodate the needs of its population. The amendment site is situated within the Morwell Structure Plan as Area 7 Future Residential.

*Clause 21.08 – Liveability:* The proposed amendment is consistent with the objectives of Clause 21.08, by providing for future residential development in a location well serviced by existing social and recreational services and infrastructure.

● **Does the amendment make proper use of the Victoria Planning Provisions?**

The amendment makes proper use of the Victoria Planning Provisions by:

- Applying the Residential 1 Zone to provide for future residential development in accordance with the Latrobe Planning Scheme Morwell Structure Plan.
- Applying the Development Plan Overlay to land whereby a Development Plan has already been prepared and approved.

It is noted that planning zones in Victoria have been reformed with three amended residential zones, the Residential Growth Zone, the General Residential Zone and the Neighbourhood Residential Zone introduced into the Victoria Planning Provisions by Amendment VC104 to replace the Residential 1, 2 and 3 Zones.



Councils have 12 months from 1 July 2013 to introduce the new residential zones into their local planning schemes. Where Councils have not finalised an amendment to implement the new residential zones by 1 July 2013, the General Residential Zone will be implemented to replace all land zoned Residential 1, 2 and 3.

■ **How does the amendment address the views of any relevant agency?**

The views of relevant agencies were considered as part of the approval of the CRDP which includes the subject site. The proposed amendment simply seeks to rezone land to allow for residential development as per the approved development plan and the Latrobe Planning Scheme Morwell Structure Plan. Preliminary advice has been sought from relevant agencies, who will again be consulted as part of the exhibition of the amendment to ensure their views are appropriately addressed.

● **Does the amendment address relevant requirements of the Transport Integration Act 2010?**

The amendment is considered to be consistent with the objectives of the *Transport Integration Act 2010* as the rezoning facilitates an urban framework where future residents will have access to public transport services throughout the Latrobe Valley, and a transport system which enables residents to travel safely and efficiently on public transport.

**Resource and administrative costs**

● **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

The amendment will have a negligible impact on the resource and administrative costs of the responsible authority. The amendment, if approved will result in a permit application to provide for the subdivision and development of the land due to the endorsed development plan already in place for the subject site. It is not considered that this application will have 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: pending Minister's authorisation.
- panel hearing: pending Minister's authorisation.

**Where you may inspect this Amendment**

The amendment is available for public inspection, free of charge, during office hours at the following locations:

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>.

## **16.5 CHURCHILL WEST DEVELOPMENT PLAN**

**General Manager**

**Planning and Governance**

**For Decision**

### **PURPOSE**

The purpose of this report is to present the Churchill West Development Plan January 2014 to Council for consideration.

### **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 surrounds and which provides for a connected and inclusive community.

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

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

- To provide a well planned, connected and liveable community

##### *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.

#### *Legal*

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

### **BACKGROUND**

The draft Churchill West Development Plan was lodged with Latrobe City Council by Tract Consultants on 20 September 2013 and applies to Lot A PS402920 at 515 Hazelwood Estate Road, Churchill.

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The land identified within the draft Development Plan comprises approximately 86.91 ha and is generally bound by Switchback Road to the north, Hazelwood Estate Road / Arnolds Road to the west, Gaskin Park to the east and farming land to the south.

Known as Gaskin Rise, the site was the subject of a Planning Scheme Amendment (C76) which was gazetted on 21 February 2013. The amendment rezoned the subject site from Farming Zone (FZ) to Residential 1 Zone (R1Z) and applied the Development Plan Overlay Schedule 5 (DPO5). The Churchill Structure Plan township boundary was also amended to accommodate the subject site and identified the site as future residential. This designation is consistent with the Municipal Strategic Statement of the Latrobe Planning Scheme (the Scheme) at Clause 21.05-3 which seeks to implement the Outcomes of the Structure Plan.

*The Proposal*

The current draft Churchill West Development Plan includes a concept layout for how the subject land will be developed for residential land use. Proposing 669 lots, the draft Development Plan identifies where future residential lots, roads, pathways, open space, and physical infrastructure should be located.

In addition to the draft Churchill West Development Plan report, this document incorporates a number of background reports, these include;

Attachment 1 – Churchill West Context Plan Map

Attachment 2 – Churchill West draft Development Plan Map

Attachment 3 – Draft Development Plan

Attachment 4 – Aboriginal and Historical Heritage Assessment

Attachment 5 – Environmental, Hydrological & Geotechnical Assessment

Attachment 6 – Community Infrastructure Assessment

Attachment 7 – Flora and Fauna Assessment

Attachment 8 – Servicing Report

Attachment 9 – Stormwater Management Strategy

Attachment 10 – Stormwater Management Strategy Appendices

Attachment 11 – Traffic Impact Assessment Report

To ensure a comprehensive assessment of the development plan a 'peer review' has been undertaken. The 'peer review' was facilitated by Latrobe City Council. Consultants undertaking the peer review were requested to focus on the urban design aspects of the proposed development.

As a consequence of the peer review the draft Development Plan has been strengthened since it was first submitted, in the following areas;

- Role of Arnolds Road: McDonald Way to connect north to Switchback Road, rather than west to Arnolds Road.



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- Improved layout in terms of the open space and overall road network, including use of edge roads.

### **ISSUES**

#### Requirements of the Development Plan Overlay Schedule 5 (DPO5)

The primary purpose of the Development Plan Overlay is to identify areas which require the strategic outline of the form and conditions of future use and development to be shown on a development plan before a permit can be granted to subdivide, use or develop land.

A Development Plan submitted to Council for approval must show a detailed assessment of both the natural and cultural features of the site, the characterisation of nearby land use and development and a comprehensive assessment as to the justification of how the Development Plan layout has been derived.

In particular, Section 3 of DPO5 (*Requirements for development plan*) states that a development plan must be prepared to the satisfaction of the Responsible Authority (Council) and the plan must address the following matters:

- Land Use and Subdivision
- Waterways
- Infrastructure Services
- Open Space
- Community Hubs and Meeting Places
- Flora and Fauna
- Cultural Heritage
- Process and Outcomes

The Development Plan has considered the above listed matters and the main opportunities and constraints arising have been outlined below:

#### Land Use and Subdivision – Lot Density

The Development Plan aims to provide for a variety of lot densities in accordance with the requirements of DPO5 and Clause 56 of the Latrobe Planning Scheme. Table 1 provides an indication of the average lot sizes as submitted by the proponent and corresponding percentage of the development area.

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Table 1: Lot Yield by Type

Lot Type	Area	% Net Developable Area	Approximate Lot Yield	No. Dwellings
*Integrated Housing Site (300 - 400m <sup>2</sup> )	0.38 ha	0.51%	4	4
Dual Occupancy Lots (300 - 400m <sup>2</sup> )	2.06 ha	2.79%	24	58
Standard Density Residential Lots (450 - 1300m <sup>2</sup> )	36.17 ha	48.98%	560	56
Lower Density Residential (2,000-4,000m <sup>2</sup> )	5.91 ha	8.00%	28	28
Larger Residential Lots (4000m <sup>2</sup> +)	8.33 ha	11.28%	19	19
<b>Total</b>	<b>52.85</b>	<b>71.56%</b>	<b>645</b>	<b>669</b>

\* *Integrated Housing Site: a single development site that seeks to retain existing native vegetation as part of a private realm, shared as common space. Refer page 63 of **Attachment 3** for concept plan.*

Calculations provided in the Development Plan are indicative and have been based on average lot sizes and estimated net developable area.

The *Growth Area Authority Precinct Structure Plan Guidelines 2009* defines net development hectare as;

*Land within a precinct available for development. This excludes encumbered land, arterial roads, railway corridors, government schools and community facilities and public open space. It includes lots, local streets and connector streets. Net Developable Area may be expressed in terms of hectare units (i.e. NDHa).*

The *Growth Area Authority Precinct Structure Plan Guidelines 2009* is included in the *State Planning Policy Framework (SPPF)* as a reference document and applies to all Victorian Councils.

The Development Plan map identifies a net developable area for the precinct of 73.85 ha. An estimate of 669 lots is proposed for the precinct. The lot yield for the proposed development area therefore is in the order of 9.06 lots per hectare, as demonstrated in Table 2 below.

Clause 11.02-2 of the SPPF encourages a residential density of 15 dwellings per net developable area for growth areas. The estimated dwelling density (of 9.06 dwellings) for the draft Churchill West Development Plan falls below this figure.

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At its Ordinary Council meeting of 19 November 2012 Council resolved the following;

*That Council's preferred lot density is 11 lots per hectare on unencumbered land and that this foreshadows Council's intention with regard to the Latrobe Statutory Planning Scheme review.*

It is acknowledged that the proposed lot density for the Churchill West Development Plan falls below this figure. This is in part due to the 'larger lot size buffer' required at the Industrial Zone 3 interface along Switchback Road to the north.

Table 2: Dwellings per hectare

Dwelling Type	Calculation
Integrated Housing Site (Varied)	= 4 dwellings
Dual Occupancy Lots (300 - 400m <sup>2</sup> )	net area (excluding roads) ÷ average lot size 20,600m <sup>2</sup> ÷ 350m <sup>2</sup> = 58 dwellings
Standard Density Residential Lots (450 - 1300m <sup>2</sup> )	net area (excluding roads) ÷ average lot size 361,700m <sup>2</sup> ÷ 645m <sup>2</sup> = 560 dwellings
Lower Density Residential (2,000-4,000m <sup>2</sup> )	net area (excluding roads) ÷ average lot size 59,100m <sup>2</sup> ÷ 2110m <sup>2</sup> = 28 dwellings
Larger Residential Lots (1 acre +)	net area (excluding roads) ÷ average lot size 83,300m <sup>2</sup> ÷ 4384m <sup>2</sup> = 19 dwellings
<b>Total dwellings</b>	4 + 58 + 560 + 28 + 19 = 669
<b>Net density</b>	Total number of dwellings ÷ total net developable area (including roads) = 669 ÷ 73.85 <b>= 9.06 dwellings per net developable hectare</b>

It should be noted however that when the larger lots are excluded, the density increases to 10.43 lots per hectare, as demonstrated in Table 3 below. In addition, there is also potential to increase the overall density further should interest be shown in the area nominated for potential retirement living.

Table 3: Net Density

<b>Net density</b> (excluding Lower Density Residential + Larger Density Residential Lots)	Total number of dwellings ÷ total net developable area (including roads) = 622 ÷ 59.61 <b>= 10.43 dwellings per net developable hectare</b>
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The lower lot yield and dwelling density for the Churchill West Development area is considered to be acceptable in this instance given the specific constraints and opportunities of the development precinct. These constraints and opportunities include the topography of the site, views to the north and south, bushfire protection requirements, the electricity easement along the western boundary and the 'larger lot size

buffer' required at the Industrial Zone 3 interface along Switchback Road to the north.

Land Use and Subdivision – Interface issues

The subject site has a unique interface with each of the site's boundaries: Industrial Zone 3 and Farming Zone to the north, Gaskin Park Recreation Reserve to the east, Farming Zone to the south and a 14 metre wide electricity easement running along the western boundary adjacent to Farming Zone land. These interfaces have each called for individual design responses:

**North Boundary:**

The interface between Industrial Zone 3 and Farming Zone to the north has been addressed by way of a 'larger lot size buffer' to match the building density with that of the industrial zone. These larger lot transition south to the smaller, standard sized residential lots.

**East Boundary:**

The Gaskin Park Reservation interface running along the eastern boundary has been addressed by way of edge roads running the full length. This avoids the occurrence of back fences along the boundary and instead provides street frontage and passive surveillance for the residential lots. Appropriate setbacks between the southern section of the reserve and the development have also been provided to the satisfaction of the Country Fire Authority.

**South Boundary:**

An edge road has been provided along the southern boundary along Canterbury Way at the interface with Farming Zone. This edge road again avoids the occurrence of back fences along the boundary, ensuring passive surveillance is provided to the residential lots. In addition, this edge road contributes to a 23 metre setback from building frontage to the fire risk area in the Farming Zone.

**West Boundary:**

The 14 metre electricity easement running along the western boundary adjacent to Arnolds Road has been addressed via the creation of a linear reserve. Incorporating the easement reserve, this linear reserve is 23.6 metres wide and has been factored into a 58 metre fire buffer between rural properties to building frontages. Passive surveillance has also been addressed via the larger 'rural interface lots' which have their own 'Mews' access street enabling active frontage along the boundary.

Land Use and Subdivision – Movement and Connectivity

The main access point into the development will be via Switchback Road to the north, providing access to Morwell and Traralgon. The McDonald Way extension will provide the principal connection to the Churchill Township. Branching off these two access roads is a number of local



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internal streets which create a looped internal road network, providing adequate through-movement throughout the site and provision for a future bus route.

An extension to Churchill's existing Pedestrian/Cycle Network has also been included as part of the draft Development Plan. This shared pathway extension will create a loop around and through the subject site and provides for a safe off-road pathway network that connects into the township's existing Pedestrian/Cycle Network.

A provision had been made in the design to provide future connections to both Arnold's Road and Canterbury Way if required in the future subject to development of adjacent areas. This would remove the internal loop routes and allow for integration with a wider street network. Given current populations, it is considered that the proposed movement and connectivity to and through the site – which includes provision for future connections when needed – is acceptable.

### Waterways – Buffers

There are no designated waterways within the Churchill West Development Plan area therefore a 30m buffer is not required to be shown on the plan.

### Infrastructure Services – Stormwater

A preliminary Stormwater Management Strategy has been submitted as part of the Development Plan at **Attachments 9 & 10**. The draft Development Plan notes that a detailed Stormwater Management Plan inclusive of Water Sensitive Urban Design principles will be submitted as part of the planning permit process for future subdivision.

Latrobe City Council's Infrastructure Planning Team have advised that this is appropriate given that onsite stormwater detention and water quality improvements will be requirements of any future planning permit for subdivision.

It should be noted that prior to approval of any stage south of McDonald Way, a storm water study should be undertaken for any development to confirm that no impact will occur in Gaskin Park as a result of increased flows. If Gaskin Park is to receive flows as a result of development, then appropriate works, including the potential design of a treatment pond, are to be approved by the responsible authority prior to certification of any stage plan for subdivision.

### Infrastructure Services – Traffic

A Traffic Impact Assessment has been submitted as part of the development plan approval, see **Attachment 11**. Together they provide a traffic engineering assessment of the proposed subdivision layout,

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including the internal access arrangements as well as the likely impacts on the surrounding road network of the proposed development.

The Traffic Engineering Assessment has been reviewed by Council's Infrastructure Planning Team who has advised that the recommendations of the report were to the satisfaction of Council officers.

A provision had been made in the design to provide future connections to both Arnold's Road and Canterbury Way if required subject to development of adjacent areas. This would remove the internal loop routes and allow for integration with a wider street network.

### Open Space

The draft Development Plan Map shown in **Attachment 2** shows the location and size of Open Spaces in the Development Plan area. Two passive open space areas are proposed, each of which exceed 1 ha in area and are designed to encompass a mix of exotic and native vegetation, park furnishings and play equipment and equates to 2.25 ha or 2.6% of the development area.

In addition, 5.87 ha of linear open space or 6.8% of the development area is also provided. All residential development along these areas are orientated to the open space areas, taking advantage of the views and creating opportunity for passive surveillance.

Given that Churchill is already well served with open space – 36.03 ha per 1000 population compared to the average of 17.62 ha per 1000 population for Latrobe City – there is no need to provide additional active open space. This position is supported by Latrobe City Council's adopted Open Space Strategy 2013 and the Community Infrastructure Assessment submitted by the proponent at **Attachment 6**. The existing sports fields of Andrews Park West and Gaskin Park provide adequate sports field facilities for the projected population as indicated in the Churchill Structure Plan.

### Community Hubs and Meeting Places

Latrobe City Council's Community Liveability team have not identified any requirements for new facilities relevant to the Churchill West Development Plan however the increased population will impact existing services in the future, requiring an expansion of existing services.

It should be noted that as identified in the Community Infrastructure Assessment at **Attachment 6**, Council will be requesting a development contribution towards community infrastructure, specifically the Early Years Services. This amount will be based on an amount per additional Early Years Services 'place' generated by the Development Plan and will be via an appropriate binding legal instrument between Latrobe City Council and the proponent.

Cultural Heritage

The area is not included within an area of cultural heritage sensitivity according to the wording of the Regulations, and the 1:100,000 map sheet 'Aboriginal Heritage Act 2006 – Areas of Aboriginal Cultural Heritage Sensitivity' and as a result a Cultural Heritage Management Plan is not required, as identified in the Aboriginal and Historical Heritage Assessment (see **Attachment 4**).

Flora and Fauna – Native Vegetation removal

A Flora and Fauna Assessment has been submitted as part of the Development Plan at **Attachment 7**. The assessment states that

*“No significant flora or vegetation communities were recorded within the study area during the assessment, and no suitable habitat for significant flora or communities is considered present within the study area.”* (See page 5 of **Attachment 7**). And that;

*“Remnant vegetation is present within the study area. Once the Development Plan has been finalised, this report will be updated to include any implications relating to Net Gain, including offset requirements for the removal of vegetation and habitat.”* (See page 7 of **Attachment 7**).

In addition, a small stand of trees and several isolated patches of native grassland in the south east area of the subject site make up the areas of indigenous remnant vegetation. Native grassland within the subject site area is to be retained and incorporated into the Gaskin Park Reserve enhancements, with individual trees also being retained in the south.

Removal of vegetation within the development plan will consist of:

- Site HZ4 on Switchback Road
- 2 trees along the central Gaskin Park Reserve boundary
- 2 trees located north and east of the main southern grouping

A Vegetation Offset Management Plan to account for the removal above will be developed as part of a Planning Permit Application for subdivision.

Flora & Fauna – Bushfire Protection

The development plan has three separate interfaces with potential fire risk areas; these include the western boundary along Arnolds Road, southern boundary along Canterbury Way and the southern section of the eastern boundary adjacent to the bushland in Gaskin Park Reserve.

Based on advice from the Country Fire Authority, minimum risk is provided to new residents via the implementation of the following fire buffers;

- The western boundary adjacent to Arnolds Road will have a minimum 58 metre fire buffer between rural properties to building

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frontages which incorporates the 20 metre wide Arnolds Road, the 14 metre easement reserve, 10 metre linear reserve, 8 metre Access Street and minimum 7 metre housing setback.

- The southern boundary along Canterbury Way is to have a 23 metre setback from building to fire risk area which consists of a 4 metre fire break on the rural fence line, a 13 metre paved and landscaped Local Street reservation and a minimum 6 metre setback from house to site frontage.
- A setback has been created along the interface between the southern section of the eastern boundary adjacent to the bushland in Gaskin Park Reserve of approximately 50 metres from building frontage to bushland edge. This buffer consists of 30 metres cleared reservation; 13 metre paved and landscaped Local Street reservation and a 5 metre minimum housing setback from the street.

### Processes & Outcomes - Consultation

As per Section 3 of DPO 5 (*Requirements for development plan*) the draft Development Plan has been prepared with an appropriate level of community consultation and consultation with external referral authorities. This is outlined in the Internal/External Consultation of this report. Comments from referral responses and submissions have been incorporated into the draft Development Plan where practical and appropriate to do so.

Issues raised by the community can be summarised into three main themes:

1. Telecommunications Network
2. Housing Density
3. Supply/Demand

The summary of submissions table is provided in the Internal/External Consultation section of this report.

### Telecommunications Network

#### **Submission 1**

Submitter 1 raised no objection to the development itself but rather had concerns regarding the copper telecommunications network proposed for the subject site. It is their belief that the developer should propose a fibre-optic network instead which would provide the following benefits:

- Future proofing of the telecommunications network;
- Reduced cost in terms of maintenance and what a future copper to fibre upgrade would entail;
- No disturbance to customers for such an upgrade;
- Enhanced attractiveness to future residents; and
- Improved property value for landholders.



**Response to Submission 1**

The concerns raised around the proposed copper telecommunications network for the subject site (page 48 of the draft Development Plan) are addressed via Amendment VC81, which was introduced in February 2013 and amends the Victorian Planning Provisions. This amendment requires that a permit for subdivision must include a standard condition which includes the following:

*"The owner of the land must enter into an agreement with:*

*a suitably qualified person for the provision of fibre ready telecommunication facilities to each lot shown on the endorsed plan in accordance with any industry specifications or any standards set by the Australian Communications and Media Authority, unless the applicant can demonstrate that the land is in an area the National Broadband Network (NBN) will not be provided by optical fibre."*

This permit condition ensures that fibre ready facilities within the development will be in place to be ready for future deployment as part of the NBN rollout, thereby satisfying the submitter's concerns.

**Submission 2**

Submitter 2 raised a number of issues surrounding housing density and supply/demand. Their housing density issues relate to the interface along Arnolds Road between the western boundary of the development and the residential properties along Arnolds Road, one of which they own. The submitter believes that the standard density residential lots proposed along this interface, together with the proposed walking/cycling track, will threaten their privacy by increasing the number of residences looking out over their property. To resolve their concern and protect the privacy of existing Farming Zone lots along Arnolds Road, the submitter requests that a larger lot size buffer is created – mirroring the larger lots along Switchback Road/Industrial Zone interface. In addition they request the removal of the proposed Pedestrian/Cycle Network along the electricity easement.

The submitter has also raised issues around the demand for lots within the Development Plan and believes that demand is not sufficient enough to justify such a large area of development.

The submitter notes that the rate of development in some parts of Churchill have been 'slow but steady' over the last four years, while in other developments the perceived values of properties have declined. The submitter is concerned that this may occur for the Churchill West Development Plan if properties are not purchased and developed within a reasonable timeframe. To avoid potential decreases in property values, the submitter requests that the release of each stage be subject to planning permit conditions such as sale of majority of lots in previous stage, and maintenance of reasonable property values.

### **Response to Submission 2**

The standard density lots proposed across the Development Plan site vary in size between 450m<sup>2</sup> - 1300m<sup>2</sup>. The larger-sized standard lots, 'rural interface lots' (1000m<sup>2</sup> or more) are located intermittently along Arnolds Road and have relatively large frontages in comparison to the other standard density lots. Their purpose is to soften the building mass at the Farming Zone interface and act as a 'buffer'. It is important to note that the development's interface along Arnolds Road has a significant setback in the form of the pre-existing 14 metre wide power line easement, in addition to a 9.6 metre wide linear reserve, 8 metre Access Street reserve and a minimum 7 metre housing setback. And, if the 20 metre road reserve that is Arnolds Road is factored in, a minimum setback of 58 metres from the Farming Zone to new housing fronts in the development will be achieved.

Two other points are worth noting in regard to the issue of the Arnolds Road interface:

- It is a requirement of Rescode to front lots onto roadways to ensure 'active frontages'. The notion of 'back fences' along roadways goes against fundamental principles of good planning practice. And;
- There is also opportunity to design the landscaping treatment along the linear reserve to reduce the impacts of sightlines and create a visual buffer. This can be addressed at planning permit stage by way of design guidelines requirements for that linear reserve.

The location and function of the 'rural interface lots' weren't originally clear within the draft Development Plan. In response to Submitter 2's concerns regarding the Arnolds Road interface, the draft Development Plan map was revised to clearly represent the locations 'rural interface lots' to emphasise the reality that the lots do front Arnolds Road and that they do have a wider than typical frontage.

Regarding the Pedestrian/Cycle Network, it is council's preferred option to extend the Open Space Network to Township Boundary extents. As per the adopted *Public Open Space Strategy* (2013), it is recommended that council:

- *"Promote active lifestyles and avoid social isolation by designing new dwellings to be close to user friendly pedestrian and cycle paths that incorporate shade, toilet facilities, seating and directional signage where possible." (Page 78 of the Public Open Space Strategy).*
- *"Encourage the provision of a well connected open space system that extends from urban to rural areas and has both north south and east west linkages." (Page 81 of the Public Open Space Strategy).*
- *"Encourage residential, commercial and industrial subdivision proposals to be linked with existing and proposed pedestrian and bicycle paths and trails." (Page 81 of the Public Open Space Strategy).*

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- *“Encourage the development of open space linkages and improve connectivity to open space areas and destination points, within precincts and to connecting precincts.” (Page 81 of the Public Open Space Strategy).*

To this end, council officers have ensured that the development will have a well-connected Pedestrian/Cycle Network that is connected to the wider network within Churchill. Extending the existing network is preferred as it will serve the development with a link to the wider cycle network, a positive characteristic of Churchill, and is consistent with council's *Public Open Space Strategy*. It should be noted that the path effectively occupies what would normally be provided as a footpath opposite dwellings and should generate only local usage.

In regards to the question of whether future demand warrants supply and the size of the Churchill West Development Plan, it must be noted that it was always anticipated that the Churchill West development was a ten year minimum prospect to full development. It is anticipated that the rate of development will fluctuate over time and thus land supply is flexible enough to respond accordingly.

On 21 February 2013, Planning Scheme Amendment C76 was gazetted. This amendment rezoned the subject site from Farming Zone (FZ) to Residential 1 Zone (R1Z) and introduced a Development Plan Overlay Schedule 5 across the site. The Amendment's Background Report identified that Churchill already has existing physical infrastructure in place to cater for a population up to 40,000, confirming the strategic justification for the development, in that the subject site is well-placed to accommodate a significant portion of the projected growth across Latrobe City (not just Churchill) via housing that is central to urban services, has good access to schools and open space and is located outside the bounds of any restrictive Coal Buffer.

A planning permit condition cannot be required to manage the development's property values as development-related activities cannot be linked to the variables of the residential market. It would be difficult to establish the cause of a change in property value to any one factor specifically such as adjoining development rates.

**FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

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

The Development Plan will contribute to reducing the following specific risk that is identified within the Risk Management Plan 2011-2014.

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

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The risk is described as:

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

Development Plans are identified as an existing control to manage against this risk.

### **INTERNAL/EXTERNAL CONSULTATION**

The Churchill West Development Plan was placed on public exhibition for a period of 4 weeks from 18 November 2013 to 13 December 2013. It is noted that the exhibition process is not prescribed by the *Planning and Environment Act 1987*, however it was considered to be required to ensure awareness of the proposed future development of the site.

Schedule 5 to the DPO states that:

*The development plan should be prepared with an appropriate level of community participation as determined by the Responsible Authority.*

Notice was sent to adjoining and adjacent property owners and occupiers, and a range of community groups including: the Churchill District Community Association, the Churchill and District Lions Club, the Churchill and District Lioness Club, the Rotary Club of Hazelwood, the First Churchill Scout Group and the Churchill Neighbourhood Centre.

In addition, a public notice was placed in the Latrobe Valley Express for two issues during the exhibition period on Monday 18 November 2013 and Thursday 28 November 2013. A map which outlines the areas that received direct notification of the draft Development Plan can be found at **Attachment 12..**

The Development Plan documentation was also placed on the Latrobe City Council website on the 'Have Your Say' page, with provision for receipt of electronic submissions.

An 'Open House' information session open to the public was also held on Tuesday 26 November from 5:00pm to 7:00pm to discuss the Churchill West Development Plan. A total of ten people attended the 'Open House' information session.

The proponent also ran their own information sessions to inform the local community of the Development Plan earlier in the year. On 21 June 2013 a meeting was held to between Latrobe City Council, the proponent and the Churchill District Community Association to discuss the proposal and on 22 August 2013 a community information session was held with the wider community. This was independent of Council's 'Open House' consultation session.

Latrobe City Council received a total of two written submissions to the proposed Development Plan, 1 submission provided general comment and 1 submission was an objection and raised concerns.

Table 4 provides a summary of the submissions received, planning consideration of any issues from the consultation with landowners and



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occupiers and provides indication as to whether the draft Development Plan requires changes as a result of this consideration. A full copy of written submissions where a letter or email were received are provided at **Attachment 13**.

Table 4: Summary of Submissions

Name	Support / Objection	Summary of Issues	Planning Comment	Changes to plan required?
Submitter 1	General Feedback – concern	<p>The submitter raised concerns over the provision of a copper network. Believes a fibre-optic cable network would be more beneficial to the development for the following reasons:</p> <ul style="list-style-type: none"> <li>• Future-proofing of the telecommunications network;</li> <li>• Reduced cost in terms of maintenance and what a future copper to fibre upgrade would entail;</li> <li>• No disturbance to customers for such an upgrade;</li> <li>• Enhanced attractiveness to future residents; and</li> <li>• Enhanced attractiveness to future residents; and</li> <li>• Improved property value for landholders.</li> </ul>	<p>Amendment VC81 requires that a standard planning permit condition be included in all permits for subdivision which ensures that fibre ready facilities within the development will be in place for future deployment of the National Broadband Network.</p>	<p>No.</p> <p>In addition to the copper network proposed, the standard condition will require fibre-ready facilities to be installed in addition to any standard network in anticipation of the National Broadband Network (NBN). If at the time of development the NBN is ready to be deployed to the subject site, the NBN Co will connect to the fibre ready facilities installed by the developer.</p>
Submitter 2	Objection	<p>The submitter raised the following concerns believing that the Development will diminish privacy, enjoyment and monetary value of property along Arnold's Road:</p> <ul style="list-style-type: none"> <li>• The west-oriented, "standard density</li> </ul>	<ul style="list-style-type: none"> <li>• The Development Plan had pre-empted the concern of density along Arnolds Road by introducing larger than typical standard density lots with wide frontages. These lots have been dispersed intermittently along the Arnolds Road boundary to reduce the building mass at this interface.</li> </ul> <p>The extension of the existing Pedestrian/Cycle Network along the Arnolds Road interface is the preferred position of council, which is in line with the adopted Public Open Space Strategy and State Planning Policy (see Clause 21.08 of the</p>	<p>Yes, it has been noted that the buffer function of the larger than typical standard density lots weren't originally clear within the Development Plan, and council has since requested that these lots be represented on the plan as separate category to emphasise their function.</p>

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			<p>Latrobe Planning Scheme).</p> <p>Provisions can be made at planning permit stage to require design guidelines for the landscape treatment along this interface to reduce the impacts of sightlines and create a visual buffer.</p> <p>The Development Plan anticipates fluctuations in the demand for land and as such will respond accordingly. The Development Plan plans for incremental growth, ensuring that any development that occurs will do so from completed and sealed roads with urban services already installed. The Staging Plan proposed includes a note indicating that it may be adjusted over time, subject to planning permit conditions for each applicable stage.</p> <p>Property values are influenced by a wide range of factors including local economy, competition within the local market, quality of housing stock and the condition of the individual building. It is the objective of planning in Victoria to provide well-serviced and diverse urban communities that will always be the subject of variation in value over time under varying economic circumstances.</p>	<p>No.</p> <p>No.</p> <p>No.</p>
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Name	Support / Objection	Summary of Issues	Planning Comment	Changes to plan required?
			<ul style="list-style-type: none"> <li>• Request for a planning permit condition to manage A planning permit condition cannot be required to manage the development's property values as development-related activities cannot be linked to the variables of the residential market. It would be difficult to establish the cause of a change in property value to any one factor specifically such as adjoining development rates.</li> </ul>	No.

Overall there was support from the community for Churchill West Development, including support which was verbally expressed at the 'Open House' community consultation evening. Some of the reasons cited for this support included:

- Great opportunity for Churchill
- Looking to downsize close to their existing property
- Looking to build without having to leave Churchill

Issues raised from the two submissions that cited concerns have been discussed in detail in the 'Issues' section of this report.

The draft Churchill West Development Plan was provided to Latrobe City Council's Infrastructure, Recreation and Open Space, Environment, Child and Family Services, Environmental Health and Statutory Planning teams for their review and comment. Each of these teams have had input into the draft Development Plan and have advised that the January 2014 Development Plan is to their satisfaction.

A workshop was held on 29 October 2013 to discuss the proposal prior to the submission of all Internal/External referrals. Attendees included representatives of the Department of Transport, VicRoads, Gippsland Water, Tract Consulting and Latrobe City Council officers from Infrastructure, Recreation and Open Space, Environment, Child and Family Services, Environmental Health and Statutory Planning teams.

A summary of external referral responses received is outlined in Table 5 below and a full copy of these responses is provided at **Attachment 14**. The issues raised in the referral responses have been discussed in the 'Issues' section of this report.





**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

Submitter	Summary of Submission	Response / Change
	<ul style="list-style-type: none"> <li>● The draft development plan identifies that a landscape master plan must be submitted with any subdivision application, and must generally accord with the (endorsed) Development Plan. This includes the proviso that Streetscapes and Public Open Space must be planted with species from Council's preferred planting schedule or species as agreed by Council.</li> <li>● DEPI understands that Council's preferred planting schedule contains only exotic and non-indigenous native species. This approach foregoes opportunities to enhance a more natural and sustainable landscape within the Latrobe municipality through the use of indigenous species appropriate for both urban amenity, biodiversity protection and enhancing native habitat.</li> <li>● Having a structured species planting schedule which also included native vegetation for the Development Plan area would support the provision of biodiversity corridors as stated in 4.6.1 Key Elements of the Open Space Network.</li> <li>● Design of open space and landscaping in new development areas creates significant opportunities to progress the objectives of Clause 21.03 3 Native Vegetation and Biodiversity Overview in the Municipal Strategic Statement. Enhanced biodiversity outcomes supported by these strategies can be achieved through integrated planning to developing landscapes and streetscapes that achieve amenity using natural values for long term ecological, aesthetic and economic benefits.</li> </ul>	<p>Comments are noted and will be considered at planning permit stage.</p> <p>Comments are noted.</p> <p>Comments are noted.</p> <p>Comments are noted.</p>
Environmental Protection Authority (EPA)	<ul style="list-style-type: none"> <li>● EPA notes there is an industrial area to the north of the site. This has been addressed in the plan with larger allotments along this interface.</li> <li>● The strategy provides for stormwater retardation basins and treatment ponds at the end of overland flow paths.</li> </ul>	<p>Comments are noted.</p> <p>Comments are noted.</p>

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

Submitter	Summary of Submission	Response / Change
	<ul style="list-style-type: none"> <li>● EPA understands sewer will be connected to all allotments.</li> <li>● EPA has no objections to the submitted development plan.</li> </ul>	<p>Comments are noted.</p> <p>Comment of support is noted.</p>
<p>West Gippsland Catchment Management Authority (WGCMA)</p>	<p>Any development associated within the Development Plan area must meet the provisions of Clause 56 of the Planning Scheme. Specifically, Standards C25 and C26 which address water quality through Water Sensitive Urban Design (WSUD). Included in these standards is the need to demonstrate that pre-development flows will be achieved as part of all residential developments.</p> <p>Any proposed discharge of stormwater requiring a direct connection to a designated waterway will require approval by the Authority. A Works on Waterways application should be submitted to the Authority for assessment. This is a separate process to the Planning and Environment Act 1987 and needs to be considered early in the project development phase.</p> <p>The MUSIC results provided in the Stormwater Management Plan that the best practice targets for Total Phosphorous and Total Nitrogen are likely to be met by the proposed treatment, however the proposed treatment will only reduce the Total Suspended Solids load by 74.5%, which falls behind the best practice guidelines which require a reduction in Total Suspended Solids of 80%. It is recommended that all of the targets are accordance with the <i>Urban Stormwater Best Practice Environmental Management Guidelines (CSIRO 1999)</i>.</p> <p>Any proposed discharge of stormwater requiring a direct connection to a designated waterway will require approval by the Authority. A Works on Waterways application should be submitted to the Authority for assessment. This is a separate process to the Planning and Environment Act 1987 and needs to be considered early in the project development phase.</p>	<p>Comments are noted and will be considered at planning permit stage.</p> <p>Comments are noted and will be considered at planning permit stage.</p> <p>The Churchill West Development Plan has been updated to confirm that all targets are to be in accordance with <i>Urban Stormwater Best Practice Environmental Management Guidelines (CSIRO 1999)</i>.</p> <p>The issue will be considered at planning permit stage.</p>

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

Submitter	Summary of Submission	Response / Change
Gippsland Water	<p><b>Water Servicing:</b> To service the Development Plan area there will need to be an extension of the 300mm water main along Switchback Road and an extension of the 300mm water main along McDonald Way into the development as well as internal reticulated water mains. There may be capacity to service the initial stages off the existing water main along Switchback Road, however further investigation will be to be undertaken at the time of design.</p> <p><b>Sewer Servicing:</b> To service this area, a new sewer pump station and rising main will be required to service most of the development. The existing sewer in the Boldings Industrial Estate north of Switchback Road can accommodate up to 25 lots.</p> <p><b>Asset Protection and removal of existing asset:</b> Located within the development is the original water supply main to Morwell which is still in service will need to be protected during construction of the stages and ultimately removed. Further discussion will be required at design stage.</p>	<p>Comments are noted and will be considered at planning permit stage.</p> <p>Comments are noted and will be considered at planning permit stage.</p> <p>Comments are noted and will be considered at planning permit stage.</p>
Department Of Transport (DOT)	<ul style="list-style-type: none"> <li>● Cross sections for roads anticipated to accommodate buses should accord with the Department of Transport <i>Public Transport Guidelines for Land Use and Development 2008</i>.</li> <li>● It is noted that the proposed McDonald Way extension does not accord with the guidelines. Variation to the guidelines must be approved by PTV.</li> <li>● PTV supports the new north-south connector road and the McDonald Way extension as part of the Churchill town service if Route 30 was modified to include the new subject site.</li> <li>● Note that this is subject to funding priorities. Whilst PTV does not favour roundabouts on bus routes, if a roundabout is installed at the intersection it must be designed to accommodate low-floored bus turning</li> </ul>	<p>Comments are noted and will also be considered at planning permit stage.</p> <p>Comments are noted and will be addressed at planning permit stage.</p> <p>Comments of support are noted.</p> <p>Comments are noted and will be considered at planning permit stage.</p>

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

Submitter	Summary of Submission	Response / Change
	<p>movements.</p>	
	<p>The bus and shared path access shown on the plan links well with the needs of the broader network and potential residents.</p> <ul style="list-style-type: none"> <li>• Paths, stops and bus shelters must be fully DDA compliant.</li> <li>• Current SP AusNet construction lead time for underground works is 100 days (3 months) after negotiations are complete (easements obtained, contracts signed and supply contribution paid).</li> </ul>	<p>Comments of support are noted.</p> <p>Comments are noted and will be considered at planning permit stage.</p>
APA Group:	<p>APA Group, who manages the gas distribution network on behalf of Envestra, has no objection to the Development Plan as presented for Churchill West.</p> <p>To service the subdivision, our advice is as per the response provided by Ian Bowman that any lots adjacent to Switchback Rd can be supplied from the existing main. The service plan for the remaining subdivision will depend on the overall development plan, the total number lots to be supplied and staging of development. A contribution maybe required from the developer dependent upon servicing requirements.</p>	<p>Comments of support are noted.</p> <p>Comments are noted and will be considered at planning permit stage.</p>
Country Fire Authority (CFA)	<p>CFA has assessed the proposed Development Plan and accepts that it adequately addresses fire risk through:</p> <ul style="list-style-type: none"> <li>• The objective to deliver a housing setback of 50 metres or more between reserves and areas of fuel or fire risk.</li> <li>• The approach taken to address each high risk boundary separately through an integration of the housing setback, road reserves, electricity easements and shared pathways.</li> <li>• The provision of emergency vehicle access through the connector road network and the minor roads.</li> </ul> <p>It is recommended to include the provision of street fire hydrants in <i>Section 5.5 Water and Sewer</i>.</p> <p>Future planning permit applications for the development should provide written</p>	<p>Comments are noted.</p> <p>Comments are noted and the Churchill West Development Plan has been updated to include the provision of street fire hydrants. This will also be addressed at planning permit stage.</p>



## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

Submitter	Summary of Submission	Response / Change
	<p>documentation to Council indicating that the provision of fire hydrants will be undertaken by the developer.</p> <p>At the time of preparing planning permit applications, documentation is available on the CFA website to support this approach and ensure efficiency in the planning permit process.</p> <p>In conclusion CFA supports the proposed Development Plan in its current form but would like the change related to street fire hydrants to occur.</p> <p>If a panel hearing or advisory committee is held in relation to the proposed development plan, CFA requests that it be given the opportunity to be heard.</p>	<p>Comments are noted and will be considered at planning permit stage.</p> <p>Comments are noted and will be considered at planning permit stage.</p> <p>Comments of support are noted and Churchill West Development Plan updated.</p> <p>Comments are noted.</p>
VicRoads	<p>VicRoads has no further comment relating to the Churchill West Development Plan, specifically relating to the Gaskin Rise estate.</p> <p>Further development contained within the development plan of the potential extension to Canterbury Way, may require further analysis.</p>	Comments are noted.

### **OPTIONS**

The options available to Council are as follows:

1. To endorse the draft Churchill West Development Plan January 2014.
2. To endorse the draft Churchill West Development Plan January 2014 subject to changes being made.
3. To not endorse the draft Churchill West Development Plan January 2014 and seek further information.

### **CONCLUSION**

The draft Churchill West Development Plan presents the opportunity for a high amenity residential development that:

- Offers a variety of lifestyle choices: from medium density sized lots through to large one acre blocks.
- Offers great views towards the Strezlecki Ranges to the south, and the vistas towards the north-north west.
- Provides excellent links to the existing Churchill township by way of an extension of the town's established Pedestrian/Cycle Network, use and extension of the town's main connector roads (Switchback

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

Road and McDonalds Way respectively), as well as provision for public transport routes through the development.

The draft Development Plan has good community support which is reflected by the minimal number of submissions during public consultation. The verbal feedback received has been positive, in that it presents a good opportunity for Churchill to provide a number of different lifestyle options within the same setting. This provides a great opportunity for new investment in the local housing industry.

The issues of concern raised in the 2 submissions have been carefully considered and where appropriate, updates to the Development Plan to resolve those concerns have been undertaken. The remaining concerns can be adequately addressed at planning permit stage, in particular the telecommunications services to be provided.

Comments by Latrobe City Council's Infrastructure, Recreation and Open Space, Environment and Statutory Planning teams have also been incorporated into the draft Development Plan.

**Attachments**  
Nil

**RECOMMENDATION**

**That Council endorse the Churchill West Development Plan January 2014 and write to the submitters advising them of the outcome.**

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

**That the Recommendation be adopted.**

**For the Motion**

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

**Against the Motion**

Councillor/s Gibson, Sindt, Harriman.

**The Mayor confirmed that the Recommendation had been CARRIED**

**16.6 AMENDMENT TO A PLANNING PERMIT APPLICATION  
2013/206/A - TWO LOT SUBDIVISION AT 64-70 TRARALGON  
MAFFRA ROAD, GLENGARRY**

**General Manager**

**Planning and Governance**

**For Decision**

**PURPOSE**

The purpose of this report is to determine an Amendment to a Planning Permit Application 2013/206/A for a two (2) Lot Subdivision at 64-70 Traralgon Maffra Road, Glengarry (Lot 1 on Title Plan 217511).

**DECLARATION OF INTERESTS**

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

**STRATEGIC FRAMEWORK**

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

*Latrobe 2026: The Community Vision for Latrobe Valley*

*Strategic Objectives – Built Environment*

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

*Latrobe City Council Plan 2013 - 2017*

*Theme and Objectives*

*Theme 5: Planning for the future*

*Strategic Direction – Built Environment*

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

*Legislation*

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

## BACKGROUND

### SUMMARY

Land:	64-70 Traralgon Maffra Road, Glengarry, known as Lot 1 on TP 217511
Proponent:	M A Hoppe & P J Hoppe c/- Beveridge Williams & Co Pty Ltd
Zoning:	Residential 1 Zone (R1Z) Abuts a Road Zone Category 1 (RDZ1)
Overlay	N/a

A Planning Permit is required for subdivision of land in a Residential 1 Zone in accordance with Clause 32.01-2 of the Scheme.

### PROPOSAL

It is proposed to amend condition 1 of planning permit 2013/206 which states:

*Prior to the commencement of works, a revised plan of the proposed subdivision must be submitted to and approved by the Responsible Authority. The plans must be consistent with those provided but modified to show:*

- a) *Lot 1 reduced in size, to be consistent with Lot 1 as shown on the Indicative Future Subdivision Layout submitted with this application, and the remainder of the subject site as Lot 2;*

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

The applicant proposes not to amend the size of Lot 1 as requested by Council and to leave the arrangement of the lots as shown on the proposed plan of subdivision.

A copy of the proposed plan of subdivision and indicative future subdivision layout are included as *Attachments 1 and 2* of this report.

The current planning permit allows for a two lot subdivision with the following features:

Proposed Lot 1 will contain the existing dwelling, the timber outbuilding and existing landscaped gardens. The allotment will be almost rectangular in shape, with its long axis skewed to the south west; with a frontage to Traralgon-Maffra Service Road measuring 49.30 metres and a total area of approximately 2,400 square metres. Vehicular access will be provided from the Traralgon-Maffra Service Road via the existing access.



**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

Proposed Lot 2 will be vacant, as condition 2 of planning permit 2013/206 requires that all outbuildings on this lot are to be removed before the issue of Statement of Compliance. The allotment will be a 'battle-axe' shape, with a frontage to Traralgon-Maffra Service Road measuring 42.84 metres and a total area of approximately 1.27 hectares, with an existing access gate from the Traralgon-Maffra Service Road.

**Subject Land:**

The site is located at 64-70 Traralgon-Maffra Road, Glengarry. It is more particularly described as Lot 1 on Title Plan 217511, formerly known as part of Crown Allotment 133 Parish of Toongabbie South.

The site is almost rectangular in shape, with its long axis skewed to the south west, has an area of 1.51 hectares and an abuttal to Traralgon-Maffra Service Road along the full length of its western boundary. The dimensions of the site are as follows:

- A frontage (western boundary) measuring approximately 92.14 metres;
- A southern side boundary measuring approximately 244.10 metres;
- A northern side boundary measuring approximately 192.52 metres; and
- A rear (eastern) boundary measuring 60.35 metres.

The land is used for residential purposes and is developed with a single storey weatherboard dwelling on site with several ancillary out-buildings. There is an existing crossover and driveway on the north west corner of the site serving the existing dwelling and an existing gate approximately 49.3 metres from the north west corner of the site with an open drain to the south of this gate along the Traralgon-Maffra Service Road frontage.

**Surrounding Land Use:**

The site is located within an established residential precinct approximately 0.7 kilometres north-west, Glengarry's primary activity centre.

Surrounding the site to the north, east and south west are residential allotments generally ranging between approximately 900 square metres and 0.55 hectares in area. The majority of these lots are developed with single dwelling and associated outbuildings. The land located to the south of the site is a recreational reserve. Traralgon-Maffra Service Road is a bitumen sealed road with kerb and channel and open drains on both sides. The service road extends generally from the north-west to south east of the Glengarry Township along the Traralgon-Maffra Road.

A site context plan is included in *Attachment 3*.

**HISTORY OF APPLICATION**

A history of this application is set out in *Attachment 4*.

The provisions of the Scheme that are relevant to the subject application are included in *Attachment 5*.

## **ISSUES**

### **ASSESSMENT AGAINST THE RELEVANT PLANNING POLICIES**

The proposal has been considered against the relevant clause under State and Local Planning Policy Frameworks.

Within the State Planning Policy Framework, the following Clauses are relevant for this application:

#### **Clause 11.02-1 - Supply of urban land**

The objective of this Clause is *'to ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses.'*

It is considered that the proposal is not consistent with this Clause as it does not facilitate the most efficient use of land. The proposal seeks to retain a 3,800 square metres Lot with the existing dwelling with several ancillary outbuildings within Residential 1 Zone in close proximity to the Glengarry's primary activity centre.

The Lot 1 arrangement as approved in planning permit 2013/206 and shown on the Indicative Future Subdivision Layout, Attachment 2, provides for a more efficient use of land consistent with this Clause by following the strategy in that it *'ensure(s) that sufficient land is available to meet forecast demand'*.

Furthermore, it is considered that the Indicative Subdivision Layout Lot 1 arrangements, Attachment 2, provides *'for the consolidation, redevelopment and intensification of existing urban areas'* within close proximity to the Glengarry Township and would assist in *'support(ing) sustainable urban development'* consistent with the strategies of this Clause.

#### **Clause 11.05-1 - Regional planning strategies and principles**

The objective of this Clause is *'to develop regions and settlements which have a strong identity, are prosperous and are environmental sustainable'*.

It is considered that the proposal is not consistent with this Clause and will facilitate an inappropriate low density residential subdivision on land within the Residential 1 Zone.

Furthermore, it is considered that the proposed lot configuration will not provide for:

- the most *'positive land-use'* outcome in regards to a future development of the proposed Lot 2;
- the best outcome for *'ensure(ing) effective utilisation of land'*; and
- the best outcome for *'capitalising on opportunities for urban renewal and redevelopment'*.

The proposal is considered not to be consistent with all the directions discussed above and therefore not aligned with all of the relevant clauses of the State and Local Planning Policy Frameworks as it is not consistent with these it is considered that it is not compliant with Clause 65 (Decision Guidelines) either.

**Zone**

Residential 1 Zone

The proposal is not considered to be consistent with the Zone 'Purpose':

*To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*

*To provide for residential development at a range of densities with a variety of dwellings to meet the housing needs of all households.*

*To encourage residential development that respects the neighbourhood character.*

*In appropriate locations, to allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs.*

Furthermore, it is considered that the proposal is not consistent with Clause 32.01-2 (Decision Guidelines):

*The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*

*The objectives and standards of Clause 56.*

As discussed above it is considered that the proposal is not aligned with all the relevant clauses of the State and Local Planning Policy Frameworks, therefore it is not compliant with the 'Purpose' and Decision Guidelines of the Zone.

Furthermore, the planning permit was assessed against the relevant provisions of Clause 56 of the Scheme and it is considered that it was not consistent with Clause 56.03-5 Neighbourhood Character Objective as the proposed layout does not '*respect the existing neighbourhood character or achieve a preferred neighbourhood character consistent with any relevant neighbourhood character objective, policy or statement set out in this scheme*' and does not '*respond to and integrate with the surrounding urban environment*'. The site is located within close proximity to the Glengarry Township and the proposed layout does not respond to the existing neighbourhood character in regards to the surrounding lot sizes and the preferred neighbourhood character in regards to lot sizes as discussed above.

**FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Additional resources or financial cost will only be incurred should the planning permit application require determination at the Victorian Civil and Administrative Tribunal (VCAT).

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

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

### **INTERNAL / EXTERNAL CONSULTATION**

*Engagement Method Used:*

#### Notification:

An application to subdivide land into lots each containing an existing dwelling or car parking space is exempt from the notice requirements of Section 52(1)(a), (b) and (d), the decision requirements of Section 64(1), (2) and (3) and the review rights of Section 82(1) of the Act.

#### External:

There were no referral requirements pursuant to Section 55 of the Act.

#### Internal:

There were no internal referrals completed as part of the assessment of the application.

### **OPTIONS**

Council has the following options in regard to this application:

- 1 Issue a Notice of Decision to Grant an Amendment to a Planning Permit; or
- 2 Issue a Refusal to Grant an Amendment to a Planning Permit

Council's decision must be based on planning grounds, having regard to the provisions of the Latrobe Planning Scheme.

### **CONCLUSION**

The proposal is considered to be generally inconsistent with State and Local Planning Policy Framework and purpose and decision guidelines of the Residential 1 Zone.

- Inconsistent with the strategic direction of the State and Local Planning Policy Frameworks.
- Inconsistent with the 'Purpose' and 'Decision Guidelines' of the Residential 1 Zone; and
- Inconsistent with Clause 65 (Decision Guidelines).

#### **Attachments**

1. ATTACHMENT 1 - Proposed Plan of Subdivision
2. ATTACHMENT 2 - Indicative Future Subdivision Layout
3. ATTACHMENT 3 - Site Context
4. ATTACHMENT 4 - History of the Application
5. ATTACHMENT 5 - Latrobe Planning Scheme



**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)****RECOMMENDATION**

- 1 That Council issues a notice of refusal to grant an Amendment to Planning Permit 2013/206 for the 2 Lot Subdivision at 64-70 Traralgon-Maffra Road, Glengarry being Lot 1 on TP 217511 on/with the following grounds:
  - Inconsistent with the strategic direction of the State and Local Planning Policy Frameworks;
  - Inconsistent with the 'Purpose' and 'Decision Guidelines' of the Residential 1 Zone; and
  - Inconsistent with Clause 65 (Decision Guidelines).

**The meeting was adjourned at 7:00 PM**

**The meeting resumed at 7:10 PM**

**ALTERNATE MOTION**

**That Council defer consideration of this matter until the next Ordinary Council meeting.**

**Moved:** Cr Harriman

**Seconded:** Cr Rossiter

**That the Motion be adopted.**

**CARRIED UNANIMOUSLY**

## **16.6**

### **AMENDMENT TO A PLANNING PERMIT APPLICATION 2013/206/A - TWO LOT SUBDIVISION AT 64-70 TRARALGON MAFFRA ROAD, GLENGARRY**

<b>1</b>	<b>ATTACHMENT 1 - Proposed Plan of Subdivision .....</b>	<b>389</b>
<b>2</b>	<b>ATTACHMENT 2 - Indicative Future Subdivision Layout .....</b>	<b>391</b>
<b>3</b>	<b>ATTACHMENT 3 - Site Context.....</b>	<b>393</b>
<b>4</b>	<b>ATTACHMENT 4 - History of the Application .....</b>	<b>395</b>
<b>5</b>	<b>ATTACHMENT 5 - Latrobe Planning Scheme.....</b>	<b>397</b>


**History of the Application**

20 December 2013	Application lodged on SPEAR
10 January 2014	An initial assessment was completed by the Planner.
16 January 2014	Site Visit with Planner, Nicole Stow of Beveridge Williams and applicant Peta Hoppe.



NOTE:  
 ALL DIMENSIONS AND AREAS ARE SUBJECT TO SURVEY AND FINAL COMPUTATIONS.  
 PHOTO SOURCE: NEARMAP

**H** EXISTING HOUSE  
**S** EXISTING SHED

 <p><b>Beveridge Williams</b>                  development &amp; environment consultants                  Traralgon ph : 03 5176 0374                  www.beveridgewilliams.com.au</p>	<p>ORIGINAL</p> <p>Scale 1:1000                  Sheet Size A3                  Dwg No 1200493PPS DGN                  Sheet 1 of 1</p>	<p><b>PLAN OF PROPOSED SUBDIVISION                  CROWN ALLOTMENT 133 (PART)                  PARISH TOONGABBIE SOUTH</b></p>	<p>PREPARED A. SPEIR                  CHECKED I.G. KEITH                  DATE 5/09/2013                  AUTHORISED FOR ISSUE                  Proj No 1200493</p>	<p><b>MA &amp; PJ HOPPE</b>                  64-70 TRARALGON-MAFFRA ROAD,                  GLENGARRY                  TP217511C LOT 1                  C/T VOL 5033 FOL 474                  LATROBE CITY COUNCIL</p>
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NOTE:  
 ALL DIMENSIONS AND AREAS ARE SUBJECT TO SURVEY AND FINAL COMPUTATIONS.  
 PHOTO SOURCE: NEARMAP

H EXISTING HOUSE  
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 <p><b>Beveridge Williams</b>                  development &amp; environment consultants                  Traralgon ph : 03 5176 0374                  www.beveridgewilliams.com.au</p>	<p>ORIGINAL</p> <p>Scale 1:1000                  Sheet Size A3</p> <p>Dwg No 1200493PPS DGN                  Sheet 1 of 1</p>	<p><b>INDICATIVE FUTURE SUBDIVISION LAYOUT</b></p> <p><b>CROWN ALLOTMENT 133 (PART)</b></p> <p><b>PARISH TOONGABBIE SOUTH</b></p>	<p>PREPARED A. SPEIR</p> <p>SURVEY</p> <p>CHECKED I.G. KEITH</p> <p>DATE 7/10/2013</p> <p>AUTHORISED FOR ISSUE</p> <p>Proj No 1200493</p>	<p><b>MA &amp; PJ HOPPE</b></p> <p><b>64-70 TRARALGON-MAFFRA ROAD,</b></p> <p><b>GLENGARRY</b></p> <p><b>TP217511C LOT 1</b></p> <p><b>C/T VOL 5033 FOL 474</b></p> <p><b>LATROBE CITY COUNCIL</b></p>
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64-70 Traralgon-Maffra Road, Glengarry.





**History of the Application**

20 December 2013	Application lodged on SPEAR
10 January 2014	An initial assessment was completed by the Planner.
16 January 2014	Site Visit with Planner, Nicole Stow of Beveridge Williams and applicant Peta Hoppe.

●  
**LATROBE PLANNING SCHEME**

**State Planning Policy Framework**

Clause 11.02-1 Supply of urban land

Clause 11.05-1 Regional planning strategies and principles

**Zoning – Residential 1 Zone**

The subject land is located within a Residential 1 Zone

**Overlay**

There are no overlays that affect this property.

**General Provisions**

Before deciding on an application, the Responsible Authority must also consider the 'Decision Guidelines' of Clause 65 as appropriate.



**16.7 AUTHORISATION OF PROPOSED COMBINED PLANNING  
SCHEME AMENDMENT AND PLANNING PERMIT - 50 HIGH  
STREET, MOE**

**General Manager**

**Planning and Governance**

**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 rezone land at 50 High St, Moe from Residential 1 Zone to Mixed Use Zone and facilitate consideration of a planning permit that would allow the use and development of the land for a supermarket and licensed premises, associated works and business advertising signage.

**DECLARATION OF INTEREST**

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

**STRATEGIC FRAMEWORK**

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

*Latrobe 2026: The Community Vision for Latrobe Valley*

*Strategic Objectives – Built Environment (City Planning)*

In 2026, Latrobe Valley benefits from a well planned 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.*

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

### *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*

### **BACKGROUND**

Latrobe City Council received an application to amend the Latrobe Planning Scheme on 17 October 2013 from Beveridge Williams on behalf of the proponent. An initial review of the documents submitted with the application, identified the need for further information and minor alterations to strengthen the strategic justification of the proposal. Subsequently Latrobe City Council received a revised application on 13 January 2013.

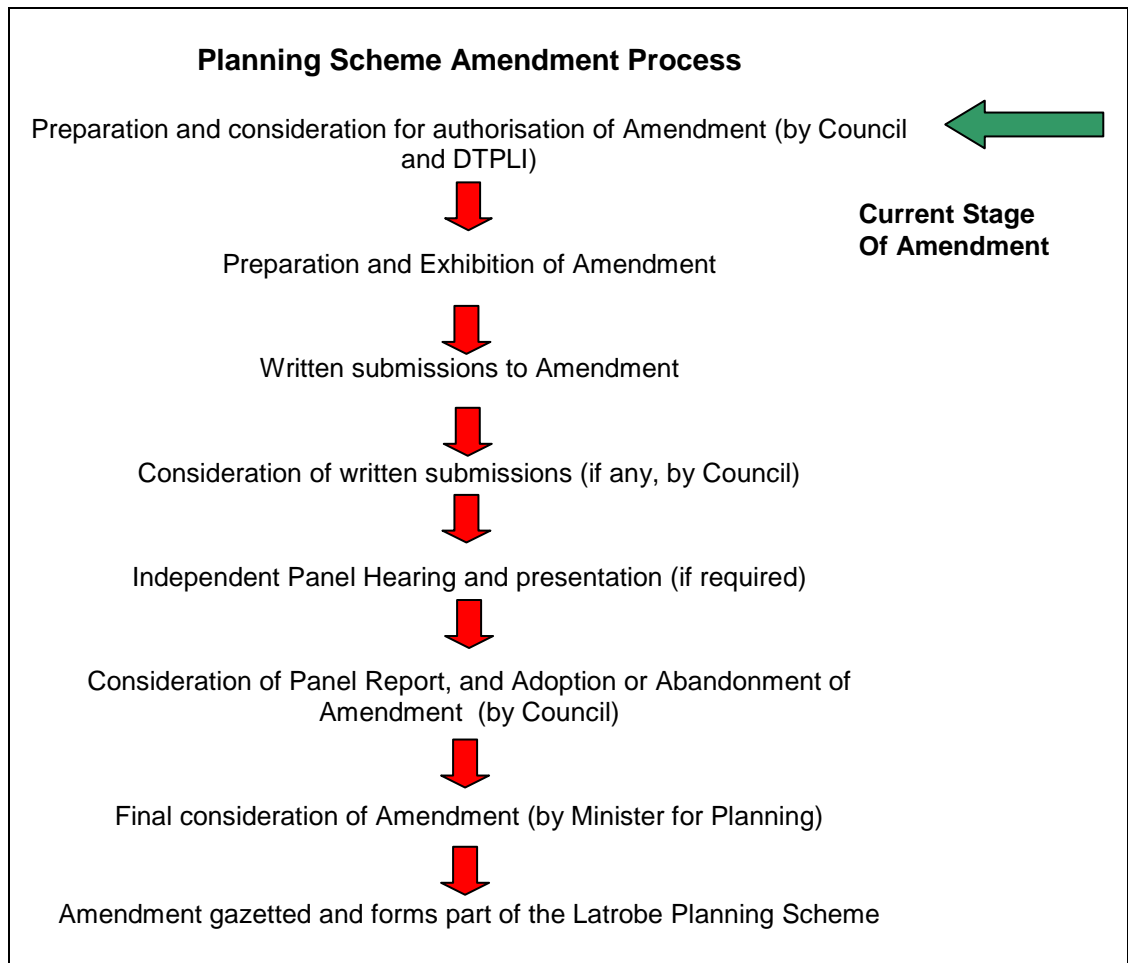
The proposal seeks to rezone the parcel of land at Lot 5, PS17127 known as 50 High St, Moe from Residential 1 Zone to Mixed Use Zone (MUZ) with a combined request for a Planning Permit for Use and Development of the site (See Attachment 1 – Subject Land and Proposed Zoning Map). The planning permit application seeks permission to use and develop the land for a Supermarket and Licensed Premises, Associated Works and Business Identification Signage.

The subject land is located on the former Wakers Convenience Store site and will retain the name 'Wakers Foodworks'. The rezoning will better reflect the proposed and former retail land-use allowing for the operation of a small supermarket, delicatessen, take-away food and the sale of packaged liquor.

While the combined planning scheme amendment and planning permit will be assessed as a combined process, the issuance of the planning permit for use and development will be subject to the outcome of the proposed planning scheme amendment.

### **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.

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

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

In addition each amendment must address the Department of Transport, Planning and Local Infrastructure (DTPLI) publication *Strategic Assessment Guidelines for Planning Scheme Amendments 2013*. A response to these guidelines is outlined in the attached Explanatory Report (see Attachment 2).

The proposal is consistent with the State Planning Policy Framework at Clause 11- Settlement - Clause 15 – Built Environment and Heritage - Clause 17 – Economic Development and Clause 18 – Transport. The proposal is also consistent with the current Municipal Strategic Statement (MSS) at Clause 21.04 – Built Environment Sustainability and Clause 21.05 – Main Towns by providing and maximising the use of existing infrastructure - improving the visual attractiveness of the current site - encouraging walkable neighbourhood centres and providing flexibility for development to occur in each town to accommodate the needs of its population as well as to contribute to the municipal networked city. This is further explained in the attached Explanatory Report (see Attachment 2).

### **ISSUES**

#### The Proposed Planning Scheme Amendment

The proposed Planning Scheme Amendment seeks to rezone the subject land at 50 High St, Moe from Residential 1 Zone to Mixed Use Zone. The subject site was vacated in 1998 where it was used as the 'Waker convenience store/delicatessen'. The existing Residential 1 Zone provisions now prohibit a convenience shop with a floor area exceeding 80m<sup>2</sup> or a shop/supermarket of any size. The zoning effectively makes the existing retail building and other infrastructure on the site redundant; unable to be used for its intended purpose and limits flexibility in the type of other retail uses that may be established as an alternative.

The purpose of the Mixed Use Zone is to:

- Implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- Provide for a range of residential, commercial, industrial and other uses which complement the mixed-use function of the locality;
- Provide for housing at higher densities;
- Encourage development that responds to the existing or preferred neighbourhood character of the area; and
- Facilitate the use, development and redevelopment or land in accordance with the objectives specified in a schedule to this zone.



**ORDINARY COUNCIL MEETING MINUTES  
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The economic assessment (i.e. '*Economic Impact Study for proposed Foodworks at 50 High Street Moe*' August 2013) submitted with the application determines that there is a minimum floor area and number of 'Stock Keeping Units' necessary to make a small supermarket viable. This includes the need to broaden the type of goods offered for sale, such as take-away food and packaged liquor. The amendment seeks to apply the MUZ zone that will:

- Provide greater flexibility for use of the land which is not afforded under the existing Residential 1 Zone;
- Facilitate re-use of the existing building for the purpose that it was originally constructed in the early 1960s;
- Facilitate establishment of an economically viable business that will serve an important local convenience retailing function; and
- Provide an appropriate level of control over the intended use and development of the land.

The use and development will still trigger the requirement for a planning permit in the MUZ due to the leasable floor area exceeding 150m<sup>2</sup> for the intended use as a supermarket. The proposed ancillary use of a take away food premises will not require a planning permit. The proposed liquor license use and signage development also require a planning permit.

#### Moe/Newborough Structure Plan

The Latrobe Planning Scheme Moe/Newborough Structure Plan does not specifically refer to the subject site at 50 High Street Moe. The proposal however is consistent with the strategic objectives for Moe/Newborough in that it:

- Encourages neighbourhood shops that provide local convenience goods and services in locations that are accessible to local communities;
- Encourages shops that do not significantly detract from the function of existing major retail centres;
- Provides for localised convenience retailing;
- Improves the efficiency and convenience of service to the local community; and
- Creates walkable neighbourhoods that provide shops within 400 to 800 metres walking distance from dwellings.

The Moe/Newborough Structure Plan also seeks to consolidate new retail commercial development within the existing town centre and within current zone boundaries. The proposal to rezone 50 High Street, Moe which will facilitate the use of a small retail outlet was submitted with an Economic

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

Assessment concluding that the proposed retail outlet would not have a detrimental impact on the main Moe Activity Centre.

### Social, Economic and Environmental Impacts Assessment

The application was submitted with the report '*Economic Impact Study for proposed Foodworks at 50 High Street Moe*' (August 2013). The report's findings show that the intended use of the site as a small supermarket;

- Will assist to maintain a strong and dynamic local economy through establishment of a new commercial enterprise that serves an important local convenience retailing function;
- Will not adversely affect the economic viability of any other supermarket retailer in Moe;
- Is expected to generate a weekly turnover of \$40,000, being too small to impact on existing supermarkets in the Moe Activity Centre and their profitability;
- The existing IGA in Elizabeth Street Moe will not be impacted, as it is geographically isolated from the site and relies upon a different catchment area;
- Will provide additional long term employment opportunities through the creation of at least 8 new permanent jobs; and
- Will provide additional short term employment associated with the building upgrade, internal fitout, landscaping and other associated works.

The findings of this Economic Impact Study are supported by work completed for the Lake Narracan Precinct Structure Plan, in particular *Retail Advice – Lake Narracan Structure Plan Final Report (July 2013)*. The report's findings suggest the existing IGA and Foodworks stores within Moe/Newborough are considered too small to be categorised as conventional supermarkets and are best described as basic grocery stores.

The proposed amendment is consistent with the objectives of State and Local Policy (as detailed in Attachment 2 of this report) by promoting the concept of a 'walkable neighbourhood', and facilitating a land use that will encourage walking and cycling as an alternative form of transport. This will inevitably lead to improved social interaction within the local community and healthier lifestyles resulting from a reduction in the need to use a motor vehicle to obtain convenience items such as milk or bread from a further retail destination.

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

As part of the background information for the Lake Narracan Precinct Structure Plan the report titled *Strategic Outlook for Moe/Newborough and Lake Narracan* (August 2013) was prepared. The findings show a significant shift to an aging population in Moe/Newborough between 2001 and 2011. In addition the population of Moe/Newborough is forecast to grow 0.9% per year for the next 22 years, equating to growth of 4200 people. In addition the findings of the Economic Impact Assessment show that the proposed 'Wakers Foodworks' will be a profitable business in the area and serve the local community, particularly the growing aging population of Moe/Newborough.

The development of the current site to the proposed 'Wakers Foodworks' will also facilitate an upgrade of the existing building and associated landscape design works, which will enhance the amenity and liveability of the public realm and promote the attractiveness of the local urban area.

The proposed amendment and associated use and development are unlikely to create any adverse environmental impacts as the site is already developed for the intended use and operated in the past as a convenience store/delicatessen. The subject site is connected to all major utilities including sewerage and has no existing native vegetation onsite.

The assessment of the planning permit for the use and development will be assessed and referred to the relevant internal Council departments and external agencies. This will ensure any potential issues such as hours of operation, liquor licensing, traffic movements etc are to the satisfaction of Council and referral authorities.

### **FINANCIAL, RISK 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.

Statutory fees associated with this proposed amendment will be met by the proponent.

### **INTERNAL/EXTERNAL CONSULTATION**

The amendment and planning permit 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

**ORDINARY COUNCIL MEETING MINUTES  
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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 and planning permit.

**OPTIONS**

The options available to Council are as follows:

1 That Council pursues the proposed amendment and planning permit 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 planning permit and therefore abandons the amendment.

**CONCLUSION**

Seeking Authorisation to exhibit the proposal would facilitate the start of a process to rezone land at 50 High Street, Moe from Residential 1 Zone to Mixed Use Zone and exhibition of a planning permit that may allow the use and development of a small supermarket on the land.

The Planning Scheme Amendment proposal is consistent with the Latrobe Planning Scheme Moe/Newborough Structure Plan by providing walkable neighbourhood centres, supporting the growing population of the area and complementing the Moe Activity Centre without impacting on existing business.

The proposed Planning Scheme Amendment is consistent with both Local and State Policy and provides a unique opportunity to facilitate development and urban renewal in this 'pocket' of Moe.

Proceeding to the public exhibition will enable the community to be engaged and make comment on the proposal.

**Attachments**

1. Subject Land and Proposed Zoning Map
2. Explanatory Report



**RECOMMENDATION**

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

- **Rezone land at Lot 5, PS17127, known as 50 High St, Moe, from Residential Zone 1 to Mixed Use Zone**
- **Facilitate consideration of a planning permit application that would allow the use and development of a small supermarket, licensed premises, associated works and business advertising signage.**

**Moved:** Cr Gibbons

**Seconded:** Cr Gibson

**That the Recommendation be adopted.**

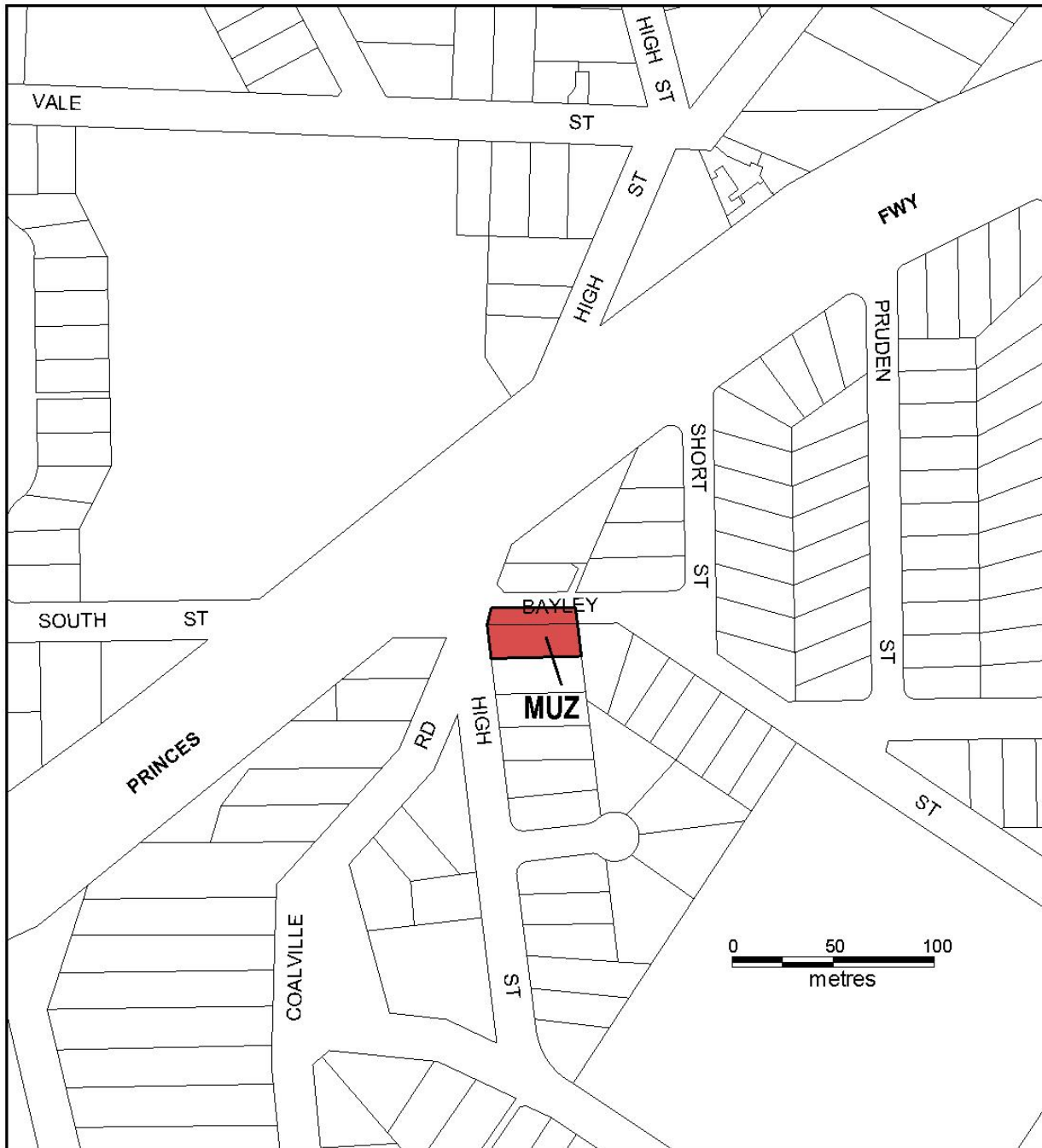
**CARRIED UNANIMOUSLY**

## **16.7**

### **AUTHORISATION OF PROPOSED COMBINED PLANNING SCHEME AMENDMENT AND PLANNING PERMIT - 50 HIGH STREET, MOE**

- |          |                                                   |            |
|----------|---------------------------------------------------|------------|
| <b>1</b> | <b>Subject Land and Proposed Zoning Map .....</b> | <b>409</b> |
| <b>2</b> | <b>Explanatory Report.....</b>                    | <b>411</b> |

### LATROBE PLANNING SCHEME LOCAL PROVISION



**LEGEND**

**MUZ** MIXED USE ZONE

Part of Planning Scheme Map 28

## AMENDMENT C83

| Planning Mapping Services |  
| Amendments Coordination Team |  
| Planning & Building Systems |  
| Planning, Building & Heritage |



Department of  
Transport, Planning and  
Local Infrastructure



001

*Planning and Environment Act 1987*

## LATROBE PLANNING SCHEME

### AMENDMENT C\*

#### 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.

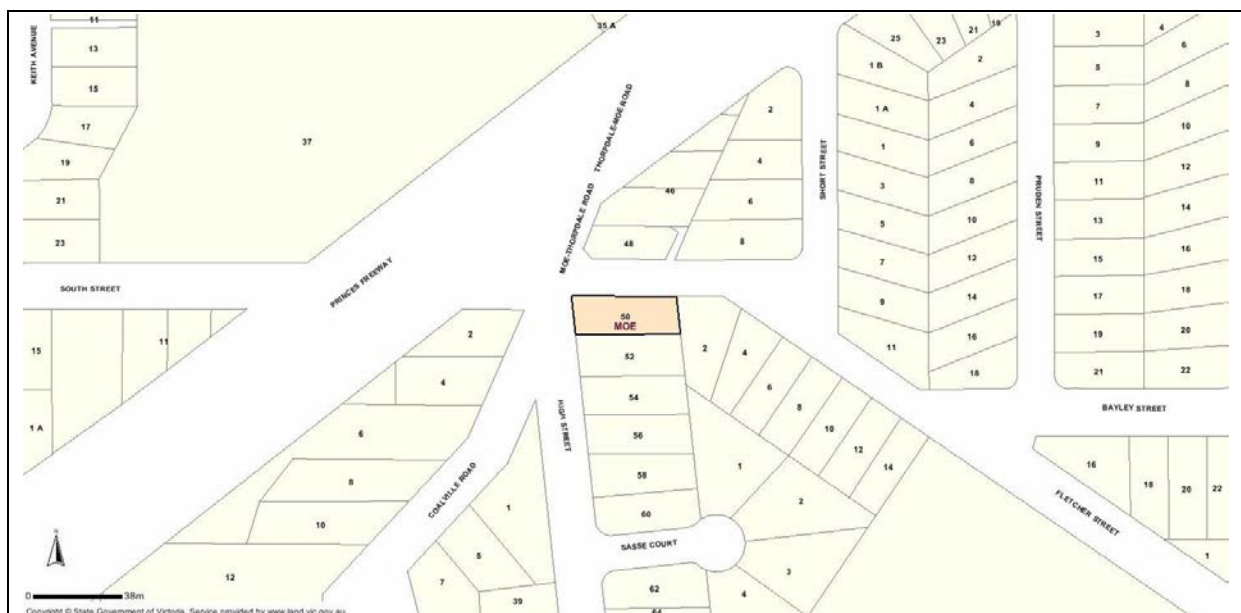
The proposed amendment and planning permit application has been made at the request of Beveridge Williams & Co Pty Ltd on behalf of Martini Investments Pty Ltd.

#### Land affected by the amendment

The land affected by the proposed amendment and planning permit application is located at 50 High Street, Moe and is shown in Figure 1 below.

The subject land is known as Lot 5 on Plan of Subdivision 17127 and is contained in Certificate of Title Volume 7165 Folio 859. The land is approximately 766m<sup>2</sup> in area.

The 'Waker convenience store and delicatessen' operated from the site from the early 1960's to 1998 when it was subsequently vacated. The current owner (i.e. Martini Investments) bought the land 2009 with the purpose of operating a small licensed supermarket.



**Figure 1 – Subject Land**

#### What the amendment does.

The amendment seeks to rezone the parcel of land at Lot 5, PS17127 known as 50 High St, Moe from Residential 1 Zone to Mixed Use Zone (MUZ) with a combined



request for a Planning Permit for Use and Development of the site. The planning permit application seeks permission to use and develop the land for a Supermarket and Licensed Premises, Associated Works and Business Identification Signage.

## **Strategic assessment of the amendment**

### **Why is the amendment required?**

The combined planning scheme amendment and planning permit application is required to apply an appropriate zone to facilitate the re-use of the existing building as a small supermarket, which is prohibited in the Residential 1 Zone. The rezoning to Mixed Use Zone will generally:

- Provide a greater flexibility for use of the land which is not afforded under the existing Residential 1 Zone;
- Facilitates establishment of an economically viable business that will serve an important local convenience retailing function; and
- Provides an appropriate level of control over the intended use and development of the land.

The planning application seeks permission to use and develop the land for a Supermarket and Licensed Premises, Associated Works and Business Identification Signage. The operation of a supermarket is a Section 2 Use in the Mixed Use Zone triggering the need for a permit requirement for 'buildings and works'.

The proposed amendment seeks to apply the Mixed Use Zone to facilitate the future use and development of the land for a licensed supermarket. This is consistent with Council's strategic policy position outlined in the Latrobe Planning Scheme Municipal Strategic Statement, which seeks to:

- Encourage neighbourhood shops that provide local convenience goods and services in locations that are accessible to local communities;
- Encourage shops that do not significantly detract from the function of existing major retail centres;
- Provide for localised convenience retailing;
- Improve the efficiency and convenience of service to the local community; and
- Create walkable neighbourhoods that provide shops within 400 to 800 metres walking distance from all dwellings.

The proposed amendment does not seek to repeat provisions that are already in the Latrobe Planning Scheme.

### **How does the amendment implement the objectives of planning in Victoria?**

The objectives of planning in Victoria are:

- a) To provide for the fair, orderly, economic and sustainable use and development of land.

- 
- b) To provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity.
  - c) To secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria.
  - d) To conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value.
  - e) To protect public utilities and other assets and enable the orderly provision and coordination of public utilities and other facilities for the benefit of the community.
  - f) To facilitate development in accordance with the objectives set out in the points above.
  - g) To balance the present and future interests of all Victorians.

The amendment implements the objectives of the *Planning and Environment Act 1987* by providing for the fair, orderly, economic and sustainable use and development of land. The establishment of an economically viable business will serve as an important local convenience retailing function while also enabling the re-use of an existing building for the purpose that it was originally constructed for in the 1960s.

There will be no impact on the orderly provision and coordination of public utilities as a result of this amendment and planning permit application, as all services and utilities are connected for the desired purpose.

The amendment and planning permit application delivers a pleasant and safe living and recreational environment by creating a walkable neighbourhood through localised convenience retailing supported through both Local and State Policy in the Latrobe Planning Scheme.

### **How does the amendment address any environmental, social and economic effects?**

The amendment and planning permit application adequately addresses environmental effects of the proposal considering the existing development on site. The subject site is devoid of native vegetation and does not have any other significant environmental characteristics. Other environmental matters, such as stormwater management, can be addressed through conditions on the planning permit (if the amendment is approved) and/or a future building permit.

The social and economic impacts of the amendment and planning permit application are likely to be positive and include direct and indirect employment opportunities as identified below. The rezoning will support the use of the existing site as it was originally intended (i.e. small supermarket).

The amendment and planning permit application will have positive social effects, in particular by:

- Promoting Moe as a strong regional town that provides a choice of places to live, establish a business and find a job;
- Improving the efficiency and convenience of service to the local community;

- Facilitating an upgrade of the existing building and associated landscape design works, which will enhance the amenity and liveability of the public realm and promote the attractiveness of this part of Moe's urban area;
- The proposed use acting as a community hub where local residents can meet and interact in a safe environment. The proposal already has already attracted a significant level of local community support which has been expressed through the proponents social media and word of mouth;
- Promoting the concept of a 'walkable neighbourhood' by facilitating a land use that will encourage walking and cycling as an alternative form of transport. This will encourage improved social interaction within the local community.

The rezoning to Mixed Use Zone will facilitate the assessment of the planning permit including the sale of packaged liquor at the site. The planning permit application will be referred to relevant agencies including the Victorian Commission for Gambling and Liquor Regulation. It is noted that the any social impacts from the sale of packaged liquor are required to be considered through the Liquor Licence and to some extent also through Planning Permit conditions if required.

The proposed amendment and planning permit application will provide the following economic benefits:

- It will assist to maintain a strong and dynamic local economy through establishment of a new commercial enterprise that serves an important local convenience retailing function;
- As detailed in the Economic Impact Study by Business Insight Group (August 2013), the proposal will not adversely affect the economic viability of any other supermarket retailer in Moe, as:
  - The proposed supermarket is expected to generate a weekly turnover of \$40,000. The existing supermarkets in the Moe Activity Centre are too large for this expenditure to have any impact on their profitability; and
  - The IGA in Elizabeth Street will not be impacted, as it is geographically isolated from the site and relies upon a different catchment area.
- It will provide additional long term employment opportunities through the creation of at least 8 new permanent jobs; and
- It will provide additional short term employment associated with the building upgrade, internal fit-out, landscaping and other associated works.

### **Does the amendment address relevant bushfire risk?**

This issue is not relevant to the proposal, as the site is not within a designated bushfire area.

### **Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?**

The amendment is consistent with the Ministerial Direction of the Form and Content of Planning Schemes under section 7(5) of the *Planning and Environment Act 1987*.

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Under Section 12(2)(a) of the *Planning and Environment Act 1987* the Minister's Direction No 11 (Strategic Assessment of Amendment) applies to this amendment. The amendment complies with the requirements of this direction, as evidenced by this explanatory report.

The amendment is affected by Ministerial Direction 15 *The Planning Scheme Amendment Process* by achieving the set time frames for completing steps in the planning scheme amendment process. This direction applies to the Minister for Planning, the Secretary to the Department, Panels appointed under Part 8 of the *Planning and Environment Act 1987* (Act), and all planning authorities in Victoria. The amendment will be processed in accordance with this direction and the associated Advisory Note 48: 'Ministerial Direction No. 15 – The Planning Scheme Amendment Process' and Practice Note 77: 'Pre-setting Panel Hearing Dates'.

Advisory Note 34: 'Addressing the *Transport Integration Act 2010* in a Planning Scheme Amendment' requires consideration of the provisions of this Act (also refer to page 7 and 8 of this report).

### **How does the amendment support or implement the State Planning Policy Framework and any adopted State policy?**

The amendment and planning permit application both considers and gives effect to relevant principles and specific policies contained in the State Planning Policy Framework (SPPF) as outlined below:

*Clause 11.05-1 – Regional settlement networks, Clause 11.05-4 – Regional planning strategies and principles & Clause 17.01-1 – Business* seek to promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework plan. Moe is identified as one of Victoria's Major Regional Cities on the Regional Victoria Settlement Framework plan, where developments which meet the communities' needs for retail services and provide a net community benefit in relation to accessibility, efficient infrastructure use and sustainability of commercial facilities are encouraged.

**Response:**

The amendment and planning permit application is consistent with the objectives of the above clauses, as it seeks to apply a zone that will allow the land to be re-used for the purpose it was originally designed for, i.e. a small supermarket that provides an important local neighbourhood function. By doing so, it promotes Moe as a strong regional town that provides a choice of places to live, establish a business and find a job and will improve the efficiency and convenience of service to the local community.

*Clause 15.01-1 – Urban design and Clause 15.01-2 – Urban design principles* promote the creation of good quality urban environments with a sense of place and cultural identity. They seek to achieve urban design outcomes that contribute positively to the local urban character and enhance the public realm.

**Response:**

The amendment and planning permit application is consistent with the objectives of the above clauses, as it will facilitate an upgrade of the existing building and associated landscape design works, which will enhance the amenity and liveability of the public realm and promote the attractiveness of this part of Moe's urban area.

*Clause 18.02-1 – Sustainable personal transport and Clause 18.02-5 – Car parking* promote the use of sustainable personal transport, along with an adequate supply of car parking commensurate with land use needs.



**Response:**

The amendment and planning permit application is consistent with the objectives of the above clauses, as it will facilitate a land use that will encourage walking and cycling as an alternative form of transport. The Traffic Impact Assessment submitted as part of the application states that the statutory parking requirements have been met for the proposal.

**How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?**

The amendment and planning permit application both considers and gives effect to relevant policy objectives and strategies contained in the Municipal Strategic Statement (MSS) as outlined below.

*Clauses 21.04-2 Settlement and 21.05 – Main Towns* seek to make the best possible use of communities' investment in urban infrastructure and support commercial services by encouraging infill or incremental development of existing towns in preference to dispersed development. *Clause 21.07-2 – Economic Sustainability* encourages a vibrant and dynamic economic environment and supports flexibility for development to occur to accommodate the needs of the population. *Clause 21.07-6 - Retailing* states that major town centres such as Moe must grow and innovate their retail offering in order to cater for increased demand and to remain competitive.

**Response:**

The amendment and planning permit application is consistent with the objectives of the above clauses, as it will protect existing businesses (particularly those that play a weekly shopping role) whilst embracing a private investment opportunity for a new retail development that fulfils identified gaps in the market. More specifically, the amendment will facilitate use of the land for a small licensed supermarket that will perform an important localised convenience retailing function.

The site is not identified within an existing 'Primary Activity Centre' or 'Possible Future Neighbourhood Centre' on the Moe Structure Plan in the MSS. However, neither is the existing local supermarket in Elizabeth Street, Moe, or other comparable sized facilities in other major towns of Latrobe City (e.g. the local supermarkets in Hyland and Henry Streets, Traralgon). The previous use of the site, existing site characteristics and potential economic viability of the proposed business are considered greater influencing factors in support of the rezoning. It should also be noted that the site does not seek to generate an expanded neighbourhood centre function that would compete with other community and commercial uses, as the adjacent land is expected to continue to be used for residential purposes and remain in a residential zone for the foreseeable future. It is also not expected to have any economic impact on the viability of existing full-line supermarkets within Moe's central activity district or other smaller supermarkets within existing neighbourhood centres elsewhere within Moe or Newborough (refer to the Economic Impact Assessment by Business Insight Group for further discussion).

*Clause 21.04-5 – Urban Design* seeks to encourage high quality urban design which enhances the amenity and liveability of the public realm and promotes the attractiveness of towns. This is to be achieved through planning outcomes that provide a visually attractive urban environment, display a high level of civic pride, community satisfaction and positive image.

**Response:**

The amendment is consistent with the objective of this clause, as it will facilitate an upgrade of the existing building and associated landscape design works, which will enhance the amenity and liveability of the public realm and promote the attractiveness of this part of Moe's urban area.

*Clauses 21.04-6 – Infrastructure and 21.08 – Liveability* refer to the concept of community liveability that relates to the provision of services and the ways in which they make a contribution to a community's way of life. *Clause 21.08-3 – Healthy Urban Design* promotes 'Healthy Urban Design' principles, with the provision of walkable neighbourhoods and shops that are within 400 to 800 metres walking distance from all dwellings.

**Response:**

The amendment is consistent with the objectives of these clauses, as it promotes the concept of a 'walkable neighbourhood' by facilitating a land use that will encourage walking and cycling as an alternative form of transport. This will encourage improved social interaction within the local community and healthier lifestyles resulting from a reduction in the need to use a motor vehicle to obtain convenience items such as milk or bread.

**Does the amendment make proper use of the Victoria Planning Provisions?**

The amendment seeks to rezone the subject land from Residential 1 Zone to the Mixed Use Zone to reflect the past and future land use of the site. The purpose of the Residential 1 Zone is primarily for providing for a range of housing densities to meet the needs of households and to encourage residential developments to respect neighbourhood character. The Residential Zone 1 also allows educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs in appropriate location.

The objectives of the Mixed Use Zone are

- *To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *To provide for a range of residential, commercial, industrial and other uses which complement the mixed-use function of the locality;*
- *To facilitate the use, development and redevelopment of land in accordance with the objectives specified in a schedule to this zone.*

Given the intent of the proposed amendment, which is to apply a zone that will facilitate the future use and development of the land for a small licensed supermarket to serve a local neighbourhood retailing function, the Mixed Use Zone is the most appropriate VPP tool to use.

The amendment does not seek to implement any new overlays.

The amendment does not affect, conflict with or duplicate another existing provision in the planning scheme that deals with the same land, use or development.

The proposed controls do not capture matters that do not specifically relate to the purpose or objectives of the control or matters that should not be dealt with under planning.

There are no other VPP Planning Practice Notes of relevance to the proposed amendment.

**How does the amendment address the views of any relevant agency?**

The proposed amendment and planning permit application will be referred to all relevant agencies that may have an interest in the proposal as part of the exhibition process, and will be placed on public exhibition for at least one calendar month.

Preliminary feedback in regard to the proposed sale of packaged liquor has not yet been sought from the Victorian Commission for Gambling and Liquor Regulation or any local authorities.

The proposed amendment does not seek to create any new formal or informal referral requirements.

### **Does the amendment address relevant requirements of the *Transport Integration Act 2010*?**

The proposed rezoning and intended use of the land for a supermarket is not likely to have an impact on the transport system as defined by section 3 of the *Transport Integration Act 2010*.

A Traffic Impact Assessment has been undertaken by TTM Consulting (Vic) Pty Ltd to inform the proposed rezoning and intended land use. The primary findings of the report are that:

- Parking is proposed both on-site and adjacent to the site frontage in accordance with the provisions of the Latrobe Planning Scheme;
- The anticipated traffic volumes generated by the proposal will have no adverse impacts on existing traffic conditions in the immediate area; and
- The on-site parking and loading arrangements are appropriate for the proposal.

The assessment of the planning permit for the use and development will be assessed and referred to the relevant internal Council departments and external agencies. This will ensure any potential issues such as hours of operation, liquor licensing, traffic movements and car parking etc. are to the satisfaction of Council and referral authorities.

### **Resource and administrative costs**

#### **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

This combined planning scheme amendment and planning permit application was submitted by Beveridge Williams (i.e. the applicant) on behalf of Martini Investments Pty Ltd (i.e. the proponent). Stage 1 application fees have been receipted and subsequent staged fees will be collected subject to progression of the amendment. Planning Panel costs associated with the consideration of any submissions will be at the cost of the proponent.

It is considered that the amendment and planning permit application will have negligible impact Council resources, with the main cost being officer time to assess and progress the proposed amendment and planning permit application.

The amendment will not result in an increase in the total number of planning permit applications processed by the responsible authority.

### **Where you may inspect this Amendment**

The amendment is available for public inspection, free of charge, during office hours at the following places:

Latrobe City Council  
Corporate Headquarters  
141 Commercial Road  
Morwell VIC 3840

Latrobe City Council

Moe Service Centre  
44 Albert Street  
Moe VIC 3842  
Latrobe City Council  
Traralgon Service Centre  
34-38 Kay Street

Traralgon VIC 3844

Churchill Service Hub

Latrobe City Council

9-11 Philip 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>.

### **Submissions**

Any person who may be affected by the amendment may make a submission to the planning authority. Submissions about the amendment must be received by [insert submissions due date].

A submission must be sent to: Latrobe City Council

3840

PO Box 264, Morwell VIC

### **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: [insert directions hearing date]
- panel hearing: [insert panel hearing date]



**16.8 NATURAL ENVIRONMENT SUSTAINABILITY STRATEGY 2014-2019**

**General Manager**

**Economic Sustainability**

**For Decision**

**PURPOSE**

The purpose of this report is to present to Council the draft *Natural Environment Sustainability Strategy 2014-2019*, and to seek approval for its release for community consultation.

**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 - Natural Environment*

*Latrobe City Council Plan 2013 - 2017*

*Theme and Objectives*

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

*Theme 3: Efficient, effective and accountable governance*

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

*Theme 5: Planning for the future*

*Strategic Direction*

Work with stakeholders to maintain and enhance the natural environment and by diversity by Latrobe City and the region.

Work collaboratively with our partners to engage and support volunteers in providing services to the community.

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

Advocate for and support our partners to improve air and water quality in Latrobe City.

*Strategy & Plans – Natural Environment*

Natural Environment Sustainability Strategy 2008-2013.

Latrobe City Council Waste Management Strategy 2010-2017

### **BACKGROUND**

Latrobe 2026 expresses the community's vision for Latrobe Valley, identifying three broad concepts shared by the Latrobe Valley community - Sustainability, Liveability and Leadership.

The *Natural Environment Sustainability Strategy (2008-2013)* (NESS) was adopted at the 2 June 2008 Ordinary Council meeting and outlined Latrobe City Council's position on the natural environment.

The NESS provided strong direction and guidance for Latrobe City's approach to natural environment sustainability over the five year period 2008 to 2013.

Annual reports and a mid-strategy review have been presented to Council detailing the progress against the NESS objectives, and made available to the community.

The *Natural Environment Sustainability Strategy (2008-2013)* has reached its conclusion and a new strategy is required.

The *Natural Environment Sustainability Strategy (2008-2013)* has been reviewed, revisiting the current operational and legislative environment and the actions and success of this strategy to inform the draft *Natural Environment Sustainability Strategy (2014-2019)*.

### **ISSUES**

The purpose of the draft *Natural Environment Sustainability Strategy (2014-2019)* is to:

- Provide direction and for Council to identify and prioritise activities across the municipality;
- Deliver the community and Council's vision and objectives to manage and protect our natural environment;
- Provide clear, practical and achievable actions; and
- To communicate with stakeholder agencies and the community.

The draft *Natural Environment Sustainability Strategy 2014 -2019* focuses on four themes for the sustainable management of the natural environment across Latrobe City for the next five years:

1. Meeting statutory requirements.
  - Continuing to fulfil our regulatory responsibilities under the *Planning and Environment Act* and meet the environmental requirements of state and federal legislation.

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

2. Building capacity to respond to change.
  - o Helping our organisation and our community to make better environmental decisions and respond more effectively to environmental challenges.
3. Improving resource efficiency use.
  - o Working towards overall reductions in water use, energy use, waste generation and unsustainable purchases.
4. Protecting natural assets.
  - o Working cooperatively to better manage, and increase protection for the waterways, air, soil and biodiversity valued by Latrobe City.

Each of these four themes contains objectives relevant to the *Council Plan 2014 -19*, Latrobe City Council's operations, and to the community as a whole. While some objectives can be delivered independently by Latrobe City Council, the success of many will be dependent on them being delivered in partnership with the community and other agencies.

In accordance with Council's Community Engagement Policy and Strategy the draft *Natural Environment Sustainability Strategy 2014 -2019* is required to be released for public consultation for a minimum of four weeks to ensure the greatest opportunity for input for all stakeholders.

Community consultation will include, but not be limited to:

- Notices in the Council Noticeboard in the 'Latrobe Valley Express' advising of release of document and inviting comment
- Place the draft Strategy on the Latrobe City website and providing details to submit feedback
- Targeted agency stakeholder feedback
- Media release.

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

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

### **INTERNAL/EXTERNAL CONSULTATION**

#### *Engagement Method Used:*

Preliminary peer review was undertaken with two respected individuals, external to the organisation and within the natural environment sustainability sector to gain an indication of the strategy within the current environment. The comments received were constructive stating that the document was 'well laid out and easy to read', 'nice and clear' and 'covered all the bases adequately'.

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

If the draft *Natural Environment Sustainability Strategy 2014 - 2019* is released for comment then the community consultation will include, but not be limited to:

- Notices in the Council Noticeboard in the 'Latrobe Valley Express' advising of release of document and inviting comment
- Place the draft Strategy on the Latrobe City website and providing details to submit feedback
- Targeted agency stakeholder feedback
- Media release.

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

No broad community engagement was undertaken in the preparation of the draft strategy or this report.

### **OPTIONS**

The options that are available to Council are;

1. Release the draft *Natural Environment Sustainability Strategy 2014 - 2019* for community consultation in accordance with Council's Community Engagement Policy and Strategy;
2. Amend the draft *Natural Environment Sustainability Strategy 2014 - 2019* and release for community consultation in accordance with Council's Community Engagement Policy and Strategy; or
3. Not release the draft *Natural Environment Sustainability Strategy 2014 - 2019* for consultation.

### **CONCLUSION**

The *Natural Environment Sustainability Strategy (2008-2013)* has reached its conclusion and a new strategy is required.

The draft *Natural Environment Sustainability Strategy 2014 -2019* focuses on four themes for the sustainable management of the natural environment across Latrobe City for the next five years.

In accordance with Council's Community Engagement Policy and Strategy the draft *Natural Environment Sustainability Strategy 2014 -2019* is required to be released for public consultation for a minimum of four weeks to ensure the greatest opportunity for input for all stakeholders.



**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

Attachments  
Nil

**RECOMMENDATION**

1. That Council Release the draft *Natural Environment Sustainability Strategy 2014 - 2019* for community consultation in accordance with Council's Community Engagement Policy and Strategy for a period of four weeks; and
2. That a further report detailing the results of the community consultation for the draft *Natural Environment Sustainability Strategy 2014 - 2019* be presented to Council for consideration at the 28 April 2014 Ordinary Council Meeting.

**Moved:** Cr Rossiter

**Seconded:** Cr Gibbons

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

## **16.8**

### **NATURAL ENVIRONMENT SUSTAINABILITY STRATEGY 2014-2019**

- 1 Draft Natural Environment Sustainability Strategy 2014 -  
2019..... 427**

# Natural Environment Sustainability Strategy 2014-2019





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## Acknowledgement

Since time immemorial, Aboriginal people have cared for this land and its resources. We acknowledge that Latrobe City is the traditional land of the Braiakaulung people of the Gunai/Kurnai clan, and pay respect to their past and present elders.

## *Environmental Sustainability*

*“Planning and providing for the needs of individuals and communities now and for future generations, creating resilient and prosperous communities and protecting the environment and ecosystem services”<sup>1</sup>*

## *Natural Environmental*

*Encompasses all living and non-living things that have evolved naturally; our landscapes, oceans, water, atmosphere and biodiversity. The natural environment both enables human life and is affected by human activity. The natural environment is essential to our wellbeing.*

### **Latrobe City Council 2013**

141 Commercial Road, Morwell, 3840  
Telephone: 1300 367 700  
Facsimilie: (03) 5128 5672  
TTY: (03) 5135 3822  
P.O. Box 264, Morwell, 3840  
Email: [latrobe@latrobe.vic.gov.au](mailto:latrobe@latrobe.vic.gov.au)  
[www.latrobe.vic.gov.au](http://www.latrobe.vic.gov.au)

This is a publication of Latrobe City Council. Information within this document was correct at the time of print and is subject to change without prior notice. For an accessible version of this document please contact Latrobe City Council.

<sup>1</sup> World Commission on Environment and Development, *Our Common Future*, 1987



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## Executive Summary

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

- ⇒ **Meeting statutory requirements.** Continuing to fulfil our regulatory responsibilities under the *Planning and Environment Act* and meet the environmental requirements of state and federal legislation.
- ⇒ **Building capacity to respond to change.** Helping our organisation and our community to make better environmental decisions and respond more effectively to environmental challenges.
- ⇒ **Improving resource efficiency use.** Working towards overall reductions in water use, energy use, waste generation and unsustainable purchases.
- ⇒ **Protecting natural assets.** Working cooperatively to better manage, and increase protection for the waterways, air, soil and biodiversity valued by Latrobe City.

Each of these four themes contain objectives relevant to the *Council Plan 2013 -17*, Latrobe City Council's operations, and to the community as a whole. While some objectives can be delivered independently by Latrobe City Council, the success of many will be dependent on them being delivered in partnership with the community and other agencies.

A full review of the Strategy and development of a new *Natural Environment Sustainability Strategy 2014-2019* will commence in late 2018 in response to a new Council Plan.



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

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*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## Introduction

Local governments have a close connection to their community and environment meaning they are well placed to work towards environmental sustainability – through policy, direct action and working in close partnership with the local community.

As the local planning authority, manager of reserves, parks and open space, and operator of community infrastructure, Council is responsible for many activities which impact upon the environment.

Local government also has the unique opportunity to be leaders by setting an example to the community, building community awareness through education, and promoting change in the way we utilise and conserve our environment.

The *Natural Environment Sustainability Strategy* will guide Latrobe City's approach to natural environment sustainability over the next five years (2014 – 2019).

The Strategy will help Council identify and prioritise environment sustainability activities across the municipality and will increase the capacity and understanding of environmental sustainability issues across Council and the community.

The Natural Environment Sustainability Strategy is based on practical and achievable actions within Council's jurisdiction and capacity.

## Purpose

Latrobe City Council seeks its direction from *Latrobe 2026: The Community Vision for Latrobe Valley* with the objective

*'In 2026, Latrobe Valley enjoys a beautiful natural environment that is managed and protected with respect to ensure a lasting legacy for future generations'*

This objective, together with the core principles of sustainability, liveability, leadership and organisational excellence provide the overarching framework under which the *Natural Environment Sustainability Strategy* has been developed.





### *Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

The *Natural Environment Sustainability Strategy* focuses on four themes for the sustainable management of the natural environment across Latrobe City for the next five years:

- ⇒ **Meeting statutory requirements.** Continuing to fulfil our regulatory responsibilities under the *Planning and Environment Act* and meet the environmental requirements of state and federal legislation.
- ⇒ **Building capacity to respond to change.** Helping our organisation and our community to make better environmental decisions and respond more effectively to environmental challenges.
- ⇒ **Improving resource efficiency use.** Working towards overall reductions in water use, energy use, waste generation and unsustainable purchases.
- ⇒ **Protecting natural assets.** Working cooperatively to better manage, and increase protection for the waterways, air, soil and biodiversity valued by Latrobe City.

## Strategic Context

Local government operates within the context of a broader governance framework, including the international community, and federal and state governments.

The *Natural Environment Sustainability Strategy* has been developed in line with relevant legislation and policies that have been adopted at both the Federal and State level. These documents include:

- *Environment Protection and Biodiversity Conservation Act 1999 (Fed)*
- *Environment Protection Act (EP ACT) 1970, with Amendment in 2006 (Vic.)*
- *National Greenhouse and Energy Reporting Act 2007 (Fed)*
- *Flora and Fauna Guarantee Act 1988 (Vic.)*
- *Permitted Clearing of Native Vegetation – Biodiversity Assessment Guidelines 2013 (Vic.)*
- *Climate Change Act 2010 (Vic.)*
- *Local Government (Finance and Reporting) Regulations 2004 (Vic.)*
- *Catchment and Land Protection Act (Vic.)*
- *Planning and Environment Act 1987 (Vic.)*
- *Local Government Act (Best Value Regulations) 1999 (Vic.)*





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***International**

In 1987, the United Nations' World Commission on Environment and Development published *Our Common Future*<sup>1</sup>, also known as 'the Brundtland Report'. The commission sought to unite nations on a sustainable development path and for the first time, sustainable development was placed firmly on the world political agenda. In the report, sustainable activities were defined as ones where the needs of the present generation are met without compromising the needs of future generations.

In 1992, the United Nations Earth Summit in Rio de Janeiro brought together leaders from across the world to focus on the sustainability challenge. The Summit adopted *Agenda 21*, which was an action plan for all groups – the United Nations, governments, and major organisations – at all levels and in every area in which people directly affect the environment. This established a blueprint for sustainability, and created an awareness of the need to consider the environmental and social, as well as economic, implications of our decisions and actions. Political commitment to *Agenda 21* was renewed at the Rio+10 conference in 2002.

In 2012, Rio+20 provided further opportunity to re-direct and re-energise political commitment to the three dimensions of sustainable development: economic growth, social improvement and environmental protection. This was the largest event in the history of the United Nations.

Australia's commitment to *Agenda 21* is reflected in a strong national response to meet our obligations under this international agreement. Local governments also have an important role to play in helping society to become sustainable and protect the natural environment<sup>3</sup>.

Since the Earth Summit in 1992, working towards environmental sustainability has become an increasingly important goal for governments across Australia<sup>2</sup>.



<sup>1</sup> World Commission on Environment and Development, *Our Common Future*, 1987

<sup>2</sup> Department of Sustainability, Environment, Water Population and Communities (SEWPaC), "Commission on Sustainable Development", [www.environment.gov.au/about/International/uncsd/index.html](http://www.environment.gov.au/about/International/uncsd/index.html)

<sup>3</sup> Department of Environment, "National Strategy for Ecologically Sustainable Development" <http://www.environment.gov.au/about/esd/publications/strategy/index.html>

*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***Australia**

In 1992, Australia developed the *National Strategy for Ecologically Sustainable Development* (NSESD)<sup>3</sup>, which tackles many key areas for sustainability action highlighted in *Agenda 21*. The NSESD directs governments to make policy and decisions which are more sustainable and which aim for long-term benefits over short-term gains. The NSESD defines ecologically sustainable development as:

*'Using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased'.*

**Victoria**

The Victorian Government outlines its overarching key sustainability objectives in *Environmental Partnerships*<sup>4</sup>. This document is built on three aspirations:

- Value the environment and what it has to offer;
- Act to protect, conserve and maintain the environment; and
- Enjoy the wide range of benefits of a healthy environment now and into the future.

It also identifies eight priorities to help strengthen environmental partnerships and achieve the vision of a healthy Victorian environment that supports prosperity and wellbeing. The *Victorian Adaptation and Sustainability Partnership*<sup>5</sup> is an established partnership between Victoria's 79 Councils and the State Government, previously known as the Victorian Local Sustainability Accord. The principles of Partnership are to:

- build shared understanding; establish shared local goals and priorities;
- develop long term strategic resource allocation and funding;
- pursue alignment and cooperation in service delivery; and
- improve procedures for regular, effective evaluation and review.



<sup>3</sup> Department of Environment, "National Strategy for Ecologically Sustainable Development" <http://www.environment.gov.au/about/esd/publications/strategy/index.html>

<sup>4</sup> Department of Environment and Primary Industries, State Government Victoria, "Environmental Partnerships" <http://www.depi.vic.gov.au/environment-and-wildlife/environmental-partnerships>

<sup>5</sup> Department of Environment and Primary Industries, State Government Victoria, "Victorian Adaptation and Sustainability Partnership" <http://www.dse.vic.gov.au/conservation-and-environment/sustainability/victorian-adaptation-and-sustainability-partnership>



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***Latrobe City Council**

Through the *Council Plan* and the *Natural Environment Sustainability Strategy*, Latrobe City Council identifies a range of objectives and actions to achieving the wider environmental aspirations of our community.

The *Council Plan 2013-2017* recognises natural environment sustainability within the themes:

- *Appropriate, Affordable and Sustainable Facilities, Services & Recreation;*
- *Advocacy for & Consultation with Our Community; and*
- *Planning for the Future.*

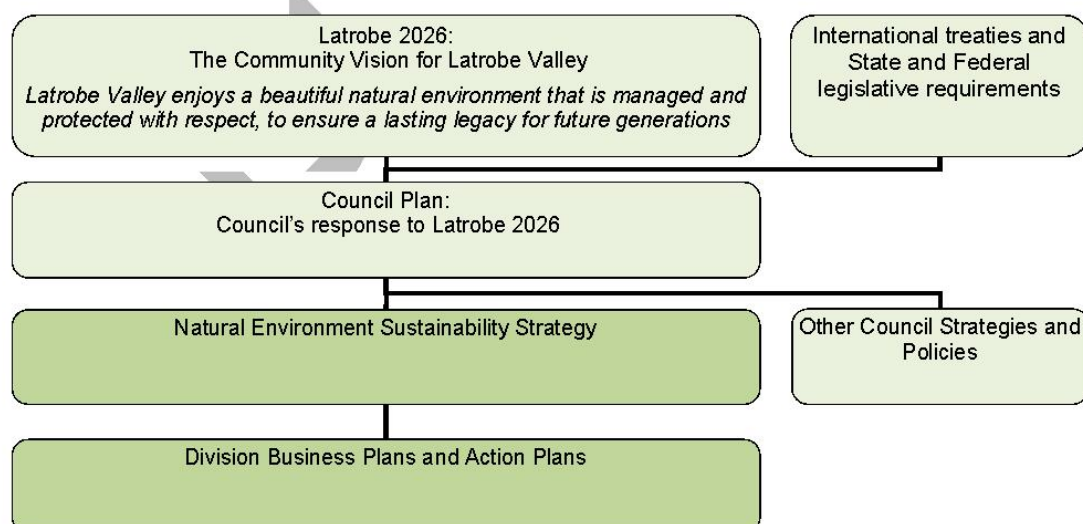
Strategic directions specific to the *Natural Environment Sustainability Strategy* within *Council Plan 2013-2017*:

- *Work with stakeholders to maintain and enhance the natural environment and biodiversity of Latrobe City and the region; and*
- *Advocate for and support our partners to improve air and water quality in Latrobe City.*

Latrobe City Council recognises waste management as a fundamental element of caring for our natural environment and has adopted a separate *Latrobe City Council Waste Management Strategy 2010-2017* to provide sustainable solutions to the collection, disposal and resource recovery of waste.

Latrobe City's *Ecologically Sustainable Development Policy (11 POL-4)* provides a basis for a series of outline policies and strategies to assist Latrobe City to achieve sustainability in various sectors of environmental protection, major land-use, business and industry, waste disposal and people and equity.

The *Natural Environment Sustainability Strategy* will guide Latrobe City's approach to sustainably managing our natural environment over the next five years (2014 – 2019).



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## Development and implementation

### Development

#### ***Natural Environment Sustainability Strategy 2008-2013***

This is the second Latrobe City Council Natural Environment Sustainability Strategy, with the first published in 2008. The 2008 Strategy provided a clear direction for natural environment sustainability action, with a wide array of council, community groups and other stakeholders involved in the delivery of the actions. It remains an important reference document regarding the development of a common understanding of the natural environment in Latrobe City and detailed information on our natural assets.

#### ***Natural Environment Sustainability Strategy 2014-2019***

The 2013 Strategy builds on the work achieved through the previous strategy and focuses clearly on the issues and responsibilities under the jurisdiction of Latrobe City Council. Themes and objectives have been developed with an emphasis on the *Council Plan 2013-2017*, council operations, and management and planning responsibilities. Emphasis has also been placed on Council's role in working with other organisations, agencies and the community to deliver natural environment sustainability outcomes for areas outside the direct influence of Council.

### Implementation

The 2014 Strategy has identified four themes for the sustainable management of the natural environment across Latrobe City for the next five years.

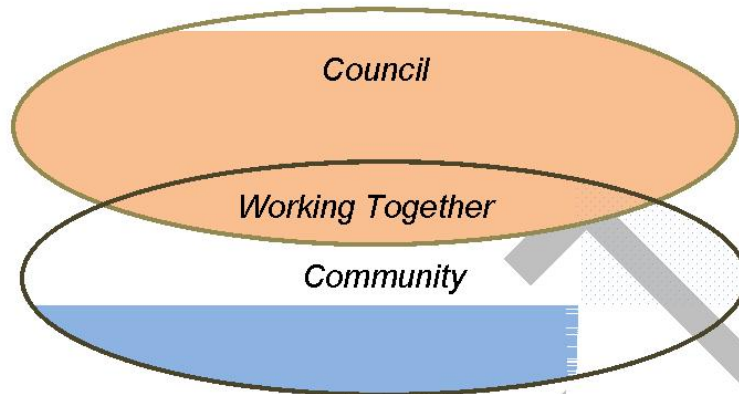
Each of these four themes contains strategic objectives relevant to Latrobe City Council's operations, and to the community as a whole. While some objectives can be delivered independently by Latrobe City Council, the success of many will be dependent on them being delivered in partnership with the community and other agencies.





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

To demonstrate how we will deliver the strategic objectives several flagship projects have been identified that have high interest within the community, are a particular focus of the Strategy and have a strong resource and funding commitment.



Council is responsible for implementing the Strategy by ensuring that it is incorporated into its annual business planning process.

### **1. Meeting statutory requirements**

*Continuing to fulfil our regulatory responsibilities under the Planning and Environment Act (1987) and meet the environmental requirements of state and federal legislation.*

We 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.

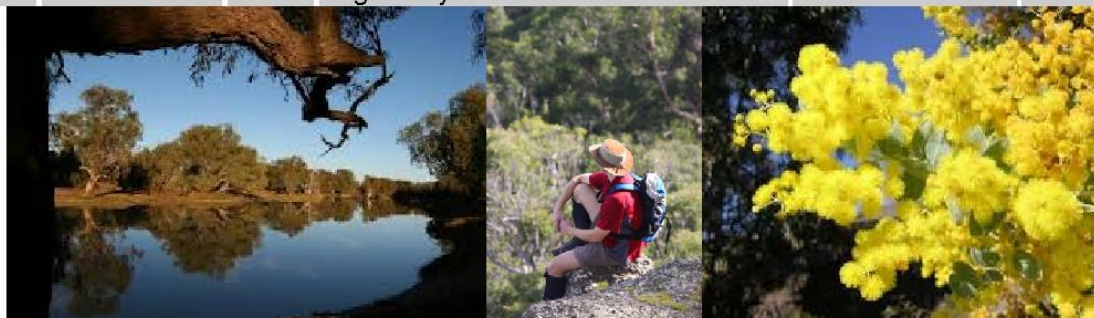
We will also work to meet our legal obligations as a land owner, for the protection of land and water and the management of invasive species; this includes treating weeds on Council land to make sure they do not spread.



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***1. Meeting statutory requirements**

***Continuing to fulfil our regulatory responsibilities under the Planning and Environment Act and meet the environmental requirements of state and federal legislation.***

<b>Action Area</b>	<b>Objective</b>	<b>Responsibility</b>	<b>Timing</b>
Compliance activities	1.1.1 Continue to fulfil Council's regulatory responsibility in ensuring compliance with permitted clearing and the Code of Practice for Timber Production under the Latrobe Planning Scheme.	Statutory Planning/ Environment Sustainability	Ongoing
	1.1.2 Maintain Council's enforcement capacity and capability regarding our natural environment sustainability regulatory responsibilities.	Statutory Planning/ Environment Sustainability	Ongoing
<i>Flagship project (pg. 22)</i>	1.1.3 Work cooperatively to control and reduce the spread of weeds on Council rural roadsides and other Council-managed land.	Environment Sustainability/ Recreational Liveability/ External Stakeholders	Ongoing
Sustainable future	1.2.1 Utilise Council's role as the responsible planning authority to encourage environmentally sustainable design principles in public and private developments including open space.	Statutory Planning/ Future Planning	Ongoing
	1.2.2 Work cooperatively with relevant community, industry and agency groups to develop shared understanding and agreed action on natural environment sustainability regulatory issues.	Statutory Planning/ Environment Sustainability	Ongoing





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## **2. Building capacity to respond to change**

*Helping our organisation and our community to make better environmental decisions and respond more effectively to environmental challenges.*

We will do this by planning future Council infrastructure and services around expected changes in climate and extreme weather, replacing aging and inefficient Council vehicles, lighting and hot water systems with more efficient units to reduce emissions, and planting native trees, shrubs and grasses to offset the emissions of our vehicle fleet. We will also provide targeted environmental information and environmental recovery programs following natural 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.

### **Flagship Project - Latrobe City's 'State of the Environment'.**

*2.3.2 Maintain data and publish a 'State of the Environment' report to measure progress and indicate priorities and developing issues.*

*Latrobe City's local 'State of the Environment' report, first published in 2010 and again in 2013, provides an objective basis for assessing whether the natural environment, resource use and the capacity for sustainability in the municipality are stable, improving or deteriorating. It also provides a basis for identifying priorities and evaluating the success or failure of actions aimed at sustainability.*

*The data which is used to create the 'State of the Environment' report is collected regularly as it becomes available from a range of sources. These sources include, among others, data sets from the Bureau of Meteorology, Australian Bureau of Statistics, Office of the Clean Energy Regulator, Victorian Water Data Warehouse, Latrobe Valley Air Monitoring Network, Trust for Nature, and Parks Victoria.*

*The 2013 publication indicated that while climate stability and ecosystem health were predominantly still deteriorating, capacity building and sustainability interventions were generally improving and natural resource extraction and consumption have remained generally stable. This points to the need for more effort to be put into maintaining and enhancing ecosystem health, which includes things like air, water, soil and biodiversity.*

*Data will continue to be collated, shared and trends monitored for change.*



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## 2. Building capacity to respond to change

*Helping our organisation and our community to make better environmental decisions and respond more effectively to environmental challenges.*

Action Area		Objective	Responsibility	Timing	
2.1	Emissions reduction and climate change adaptation	2.1.1	Participate in regional climate change forums and networks to share information and develop better strategies for emissions reduction and climate change adaptation.	Regional Partnerships/ Environment Sustainability	Ongoing
		2.1.2	Pursue emissions reduction and climate change adaptation actions that provide a net social, economic or environmental benefit.	Environment Sustainability/ All Units	Ongoing
	<i>Flagship project (pg. 28)</i>	2.1.3	Continue to offset Council's annual vehicle emissions through revegetation programs and pursue an overall reduction in vehicle emissions.	Environment Sustainability/ Finance	Ongoing
2.2	Environmental recovery	2.2.1	Utilise Council's ongoing natural environment sustainability programs to complement other disaster recovery efforts where appropriate.	Environment Sustainability	As needed
		2.2.2	Support relevant authorities and community groups to undertake environmental recovery works in disaster affected areas.	External Stakeholders/ Environment Sustainability	As needed
2.3	Sustainability information and education	2.3.1	Engage with schools, businesses and households to improve energy efficiency and reduce environmental impacts.	Environment Sustainability	Ongoing
	<i>Flagship project (pg. 12)</i>	2.3.2	Maintain data and publish a 'State of Environment' report to measure progress and indicate priorities and developing issues.	Environment Sustainability	2-4 yrs
		2.3.3	Encourage, support and promote local community sustainability initiatives.	Environment Sustainability/ Community Development	Ongoing



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

		2.3.4	Demonstrate leadership in environmental sustainability through regular information to the community about Council's sustainability actions and achievements.	Environment Sustainability	Ongoing
2.4	Continuous improvement	2.4.1	Regularly measure and report on Latrobe City's progress against the Natural Environment Sustainability Strategy.	Environment Sustainability	Annually
		2.4.2	Improve internal communications to better inform staff of current trends and developments in natural environment sustainability, to encourage informed debate and co-operation across Council.	Environment Sustainability	Ongoing
	<i>Flagship project (pg. 30)</i>	2.4.3	Participate in regional networks and forums and work cooperatively to ensure alignment with regional and state environmental sustainability strategies, policies and programs.	Environment Sustainability	Ongoing



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

### **3. Improving resource efficiency use**

*Working towards overall reductions in water use, energy use, waste generation and unsustainable purchasing.*

We will do this by monitoring and reviewing the water and energy use at Council facilities, and reporting this to the facility managers to identify improvement. We will also do this by designing energy efficient buildings; installing energy efficient products; and installing water conservation and water re-use systems, such as rainwater tanks, low flow shower heads and taps. We also work towards needing fewer office supplies, and increasing the amount that have better sustainability credentials, such as 100% recycled copy paper.

#### **Flagship Project – Energy efficiency upgrades**

*3.2.2 Work towards an overall reduction in Latrobe City corporate energy consumption to improve energy efficiency.*

*Every year, we monitor corporate energy consumption and try to reduce the amount used. This has benefits for the environment, through reduced greenhouse gas emissions, and also for Council budgets, through reduced electricity, gas and fuel charges. Council's biggest single energy user is street lighting, which accounts for about 40% of all our energy use. Council's leisure centres, regional gallery and HQ building are also major users of energy. Between 2013-2016, with the assistance of the Australian Government, Council will be embarking on the single greatest greenhouse reduction project we have ever implemented; upgrading residential street lights and a number of internal building lights to highly energy efficient LEDs.*

*Between 2013 – 2016 Council plans to:*

- Upgrade approximately 6000 residential street lights from Category P (mercury vapour) to LED lights.*
- Upgrade internal building lights in five of Councils community facilities, approximately 2000 lights, to mostly LED lights.*
- Save 41 million kWh of electricity, 56,000 tonnes of greenhouse gas emissions and \$11.1 million in costs over the 20 year lifespan of the new LED lights.*

*Other projects currently underway to improve energy efficiency include changing over to solar hot water systems in four of Councils community facilities, improving the energy efficiency of theatrical stage lighting in Council's performing arts venues, and reducing the amount of time that air conditioning and security lighting needs to remain on in Council's HQ building.*

*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***3. Improving resource efficiency use**

*Working towards overall reductions in water use, energy use, waste production and unsustainable purchases.*

<b>Action Area</b>		<b>Objective</b>		<b>Responsibility</b>	<b>Timing</b>
3.1	Water efficiency	3.1.1	Monitor and review Latrobe City Council's water use and make the information available to the community.	Environment Sustainability	Ongoing
		3.1.2	Work towards an overall reduction in Latrobe City corporate water usage and improve water re-use and water conservation.	Environment Sustainability/ All Departments	Ongoing
		3.1.3	Support and promote water re-use and water conservation within the community, industries, developers and other agencies to maximise the amount of water available for river health and human use.	Environment Sustainability/ Statutory Planning/ Future Planning	Ongoing
3.2	Energy efficiency	3.2.1	Monitor and review Latrobe City Council's energy consumption and make the information available to the community.	Environment Sustainability	Ongoing
	<i>Flagship project (pg. 15)</i>	3.2.2	Work towards an overall reduction in Latrobe City corporate energy consumption to improve energy efficiency.	Environment Sustainability/ All Departments	Ongoing
		3.2.3	Support and promote energy efficiency within the community, industries, developers and other agencies to minimise the amount of energy needed and maximise the efficiency of what is used.	Environment Sustainability/ Statutory Planning	Ongoing
3.3	Sustainable procurement	3.3.1	Increase the proportion of environmentally sustainable products and services purchased by Latrobe City.	Finance	2-4 yrs
		3.3.2	Encourage a reduction in Latrobe City's corporate consumption by identifying and investigating changes in quantity and cost of consumables purchased.	Environment Sustainability/ Finance	2-4 yrs
3.4	Waste minimisation	3.4.1	Implement and review the Latrobe City Council Waste Management	Environment Sustainability	2-4 yrs



*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

		Strategy 2010-2017.			
		3.4.2	Implement and review the Latrobe City Council Waste Education Plan 2010-2015.	Environment Sustainability	2-4 yrs
		3.4.3	Ensure the socially, environmentally and economically responsible disposal of municipal waste.	Environment Sustainability	Ongoing
		3.4.4	Maintain and enhance community engagement over waste management services provided by Council.	Environment Sustainability	Ongoing
		3.4.5	Work cooperatively with other agencies to increase the amount of material recycled, and promote positive waste disposal behaviour, in the Latrobe City community.	Environment Sustainability/ External Stakeholders	Ongoing

#### **4. Protecting natural assets**

*Working cooperatively to better manage, and increase protection for the waterways, air, soil and biodiversity valued by Latrobe City.*

We will do this by providing gross pollutant traps to prevent litter entering our waterways, maintaining waterway vegetation to support biodiversity and regulate water flow, and developing plans and memorandums to ensure consistent waterway management between different land owners. We will support and advocate for local monitoring of air quality, cooperate with state government agencies to promote better management of land in erosion prone areas, particularly in the Strzelecki Ranges and encourage a triple bottom line approach to Council activities. We will protect biodiversity and native vegetation in Council reserves and roadsides, run biodiversity restoration projects and support private landowners and community groups to protect biodiversity by providing grants, rate rebates, tree planting equipment, information and advice.





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***4. Protecting natural assets**

*Working cooperatively to better manage, and increase protection for the waterways, air, soil and biodiversity valued by Latrobe City.*

<b>Action Area</b>		<b>Objective</b>		<b>Responsibility</b>	<b>Timing</b>
4.1	Waterway health	4.1.1	Advocate for and support our partners to improve water quality in Latrobe City.	Environment Sustainability/ External Stakeholders	Ongoing
		4.1.2	Continue to minimise the amount of litter and other pollutants entering the stormwater system through infrastructure and education.	Infrastructure Development/ Environment Sustainability	Ongoing
	<i>Flagship project (pg. 26)</i>	4.1.3	Continue to support Neighbourhood Environment Improvement Plans for Traralgon Creek and Morwell River, and encourage other cooperative action between industry, agencies and community.	Environment Sustainability	Ongoing
		4.1.4	Work in cooperation with the West Gippsland Catchment Management Authority to develop a Waterway Management Plan for Waterhole Creek.	External Stakeholders/ Environment Sustainability	>2 yrs
		4.1.5	Work cooperatively with relevant agencies to protect natural waterways within Latrobe City from threatening activities.	Environment Sustainability	Ongoing
		4.1.6	Work in cooperation with the West Gippsland Catchment Management Authority to develop a memorandum of understanding for the management of the urban section of Traralgon Creek.	External Stakeholders/ Environment Sustainability	>2 yrs
4.2	Air quality	4.2.1	Advocate for and support our partners to improve air quality in Latrobe City.	Environment Sustainability	Ongoing
		4.2.2	Support the continued monitoring of air quality and publication of information by the Latrobe Valley Air Monitoring Network Inc.	Environment Sustainability	Ongoing

*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

		4.2.3	Encourage the reduction of pollution from Latrobe City Council activities as well as local domestic, transport and business sources.	Environment Sustainability	Ongoing
		4.2.4	Where particular local air quality issues are identified, explore the use of Local Laws to address them.	Local Laws/ Environment Sustainability	As needed
4.3	Soil conservation	4.3.1	In cooperation with relevant agencies, promote awareness of appropriate land management to landholders in high erosion risk-areas.	External Stakeholders/ Environment Sustainability	2-4 yrs
		4.3.2	Support actions to improve soil health where they contribute to whole-of-catchment sustainability.	Environment Sustainability	2-4 yrs
4.4	Biodiversity protection	4.4.1	Work cooperatively to protect existing biodiversity within Latrobe City from threatening processes, with a priority focus on remnant vegetation and protected species.	Environment Sustainability/ External Stakeholders	Ongoing
		4.4.2	Work cooperatively to plan, implement and maintain biodiversity restoration projects, with a priority focus on strategic landscape linkages and waterways.	Environment Sustainability/ External Stakeholders	Ongoing
		4.4.3	Support individuals and groups undertaking biodiversity management actions that are of benefit to the Latrobe City's natural environment and community.	Environment Sustainability	Ongoing
	<i>Flagship project (pg. 20)</i>	4.4.4	Demonstrate leadership in natural environment sustainability through appropriate management of biodiversity on Council managed land, particularly bushland reserves.	Recreational Liveability/ Environment Sustainability/ Statutory Planning	Ongoing
	<i>Flagship project (pg. 23)</i>	4.4.5	Develop a <i>Biolinks</i> paper highlighting areas of potential connectivity of habitat which can be used to prioritise revegetation and biodiversity restoration work.	Environment Sustainability	>2 yrs

*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***Flagship Project - Threatened species**

*4.4.4 Demonstrate leadership in natural environment sustainability through appropriate management of biodiversity on Council managed land, particularly bushland reserves.*

*Many threatened species are found within the Council boundaries, including plants, mammals, birds, reptiles, amphibians, fish and invertebrates. Some well-known threatened species in Latrobe City include the Growling Grass Frog (*Litoria raniformis*), Yarra Gum (*Eucalyptus yarraensis*), Powerful Owl (*Ninox strenua*), Strzelecki Gum (*Eucalyptus strzeleckii*), Matted Flax-lily (*Dianella amoena*) and the small fish, Dwarf Galaxias (*Galaxiella pusilla*).*

*Threatened species are assigned a status, for example endangered, vulnerable or rare, under the federal Environment Protection and Biodiversity Conservation Act 1999 and National Action Plans; and the state Flora and Fauna Guarantee Act 1988 and Advisory Lists.*

*The Latrobe City Council Planning Scheme specifically makes reference to habitat protection measures for both Dwarf Galaxias and Growling Grass Frog when assessing sites within the municipality. Recent work to protect the Matted Flax-lily has also resulted in the Latrobe City Council collecting seed, propagating and planting many new Matted Flax-lily plants in Councils garden beds and reserves. Council also manages the Eric Lubcke Yarra Gum Conservation Reserve, considered to be the most important of the four localities in Gippsland where Yarra Gum can still be found.*





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## About Latrobe City

### Our natural environment

Latrobe City is located in the Gippsland region of Victoria, about 150 kilometres south-east of Melbourne. It is the fourth largest Regional City in Victoria and the only Regional City in eastern Victoria. Latrobe City is an urban and rural area, with the majority of the population living in the urban areas. The City encompasses a total land area of about 1,422 square kilometres.

As a Regional City, Latrobe City takes a leadership role in strategically planning for our future and that of our region by attempting to find a balance in advancing our City's built environment and liveability whilst planning for and protecting our natural environment.

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.

#### **Highlands-Southern Fall bioregion**

To the north, Latrobe City contains rugged and heavily forested foothills of the Great Dividing Range, part of the Highlands – Southern Fall bioregion that extends across the whole southern fall of the Great Dividing Range. It consists largely of hard, very old, folded marine sediments dissected by rocky gorges through which flow the Tanjil East River, Tyers River, Rintouls Creek, Eaglehawk Creek, Toongabbie Creek and Fells Creek. The most common vegetation is Shrubby Dry Forest and Damp Forest on the upper slopes, with Wet Forest in the valleys and Cool Temperate Rainforest in the most protected gullies. Tyers Regional Park is located in this bioregion.

#### **Gippsland Plain bioregion**

Running through the centre of Latrobe City is the broad plain of the Latrobe Valley, part of the Gippsland Plain bioregion that extends from Melbourne to the Gippsland Lakes. It consists of younger sands and gravels and recent sedimentary deposits along the river floodplain through which the Latrobe River flows. It is broad, relatively flat and





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

bordered by low, rounded foothills. Stands of Lowland Forest including the saw-leaved Banksia occur in the foothills, with redgums and patches of rare Grassy Woodlands found in parts of the plain. The Traralgon South Flora and Fauna Reserve, Traralgon Railway Reservoir Conservation Reserve, Edward Hunter Heritage Bush Reserve Moe, Ollerton Avenue Newborough and Crinigan Bushland Reserves Morwell are located in this bioregion.

**Flagship Project - Managing roadside weeds**

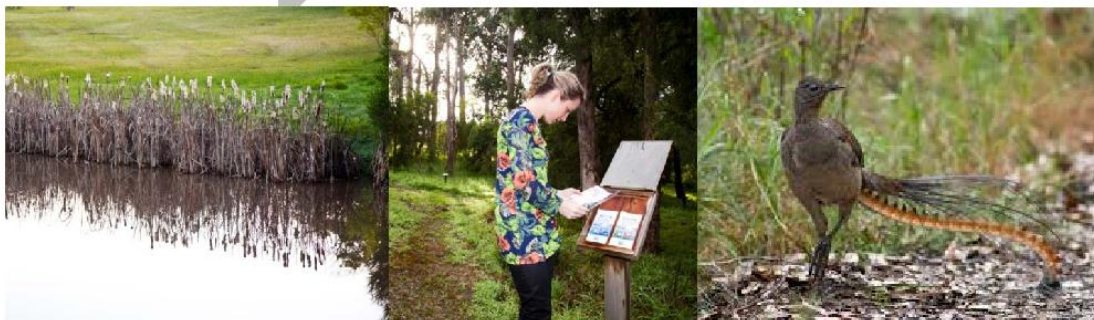
*1.1.3 Work cooperatively to control and reduce the spread of weeds on Council rural roadsides and other Council-managed land.*

*The responsibility for weed management, and actions taken, are spread across a wide variety of organisations and individuals in Latrobe City. Because weeds spread so easily, there are also major advantages in coordinating weed control across land tenures.*

*Of the 1800 km of maintained public roads in Latrobe City, approximately 1000 km are rural roads with road reserves which are the responsibility of Latrobe City Council. Since 2005, through the support of a range of State Government funding programs, Latrobe City Council has been managing weeds on these rural roadsides. This has included monitoring the presence and abundance of target weeds, herbicide spraying and a small amount of manual removal. Target weeds have been chosen in line with State and Catchment wide priorities, as well as local needs, and have included weeds such as Ragwort, Blackberry, Sweet Briar, Gorse, Cape Broom, English Broom, African Lovegrass and Prickly Pear.*

*In 2012/13*

- *Council targeted Blackberry, Gorse, African Lovegrass, Cape Broom, Flax-leaf Broom and English Broom.*
- *Conducted independent weed monitoring on 1942 km of roadside reserves.*
- *Treated 792 km of roadside reserves for Blackberry, Gorse and Broom.*
- *Treated isolated occurrences of African Lovegrass in roadside reserves.*





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***Strzelecki Ranges bioregion**

To the south, Latrobe City contains the northern slopes of the Strzelecki Ranges, part of the Strzelecki Ranges bioregion which extends towards Warragul in the west and Yarram in the East. It consists of soft, erosion prone Cretaceous sediments, overlain in places with more recent volcanics, which produce patches of fertile red soil. The hills are rounded with moderate to steep slopes and are deeply dissected by Flynn Creek, Traralgon Creek, Bennett's Creek, the Morwell River and Narracan Creek. Mountain Ash forests are the main native vegetation type, with Damp Forest frequent in the lower elevations, and Cool-temperate Rain forest in the steep sheltered gullies. Tarra Bulga National Park, Morwell National Park, Morwell River Falls Reserve and Yerrang Park are located in this bioregion.

**Flagship Project - Connected biodiversity**

*4.4.5 Develop a biolinks paper highlighting areas of potential connectivity of habitat which can be used to prioritise biodiversity restoration work.*

*The aim of this project is to determine areas of potential connectivity for native habitat corridors across Latrobe City. By doing this, we can then encourage landholders of all kinds to work together on strategic biolinks across property boundaries - in order to support native biodiversity, improve the ecological resilience of the landscape, and secure the ecosystems on which many social and economic activities depend.*

*Biolinks areas of the landscape are managed primarily as habitat for native flora and fauna, which link other similar areas together. This project focuses on identifying biolinks at the whole of municipality scale.*

*Whilst native vegetation cover is high in the Highlands-Southern Fall bioregion in the north, it is far lower in the Strzelecki Ranges bioregion to the south, and extremely low in the Gippsland Plain bioregion which separates these two ranges. With the impacts of climate change, it is likely there will be an increasing need for connectivity to allow plants and animals to move about the landscape to find new habitats as their old ones become less habitable. In its current state, the area within the Gippsland Plain bioregion offers very little connectivity. Creating strategic biolinks across this area will provide significant benefits to biodiversity.*





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## Our land use

Prior to European settlement, Latrobe City had a native vegetation cover of 100%, which was used to varying degrees by the traditional owners. Approximately 20% native vegetation cover remains scattered throughout the municipality today, the majority of it on private land. Some 2.5% of bushland in the municipality is formally protected.

Approximately 36% of the land in Latrobe City is used for agriculture, primarily dairy farming and livestock. The most agriculturally productive areas are located within the Gippsland Plain bioregion around the Latrobe River and its main tributaries.

Approximately 29% of the land is used for forestry, with private forestry concentrated in the Strzelecki Ranges bioregion and public forestry in the Highlands-Southern Fall bioregion. Much of the forest product produced from these areas is then used by the pulp and paper mill located in Maryvale.

Approximately 17% of the land is reserved for open-cut coal mining. The brown coal resource stretches eastward from Yallourn for about 50 kilometres beneath the Gippsland Plain and is used to feed the power stations at Yallourn, Hazelwood and Loy Yang.

Only some 6% of the municipality is under urban development (residential, business, industrial, roads etc. but including public parks), and 5% for rural living and hobby farms. This urban and industrial development is also concentrated in the Gippsland Plain bioregion.

## Our industry and economy

Natural resources are the focus of Latrobe City's economy. The City's rich brown coal reserves, forestry and agriculture all represent a major contribution to Victoria's economy. Latrobe City is an urban and rural area, built on one of the largest brown coal reserves in the world, and traditionally recognised as the centre of Victoria's electricity industry.

The electricity generated in the Latrobe Valley from brown coal resources has contributed significantly to the state's economic prosperity over the past 90 years. Latrobe City currently supplies over 90% of Victoria's electricity generation requirements; around 11% of the population is directly employed within the sector, with an additional eight percent of jobs indirectly supported within the local economy. The electricity generation sector accounts for 21 % of the area's Gross Regional Product.



### *Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

Latrobe City is also at the centre of a large forestry industry which supplies timber to the largest pulp and paper mill in Australia. The agricultural industry in Latrobe City's worth some \$57 million a year and is based primarily on dairy farming (45% of the value of Latrobe's agricultural production in 2006) and livestock (a further 36% of the value).

Other industries in the area include hospital and health care, food processing, engineering, education and the service sector.

As the largest population centre in the Gippsland region, Latrobe City is the regional headquarters for both Government agencies and private operators.

## **Our diverse community**

Latrobe City is part of the region traditionally owned by the Braiakaulung people of the Gunai/Kurnai clan. European settlement began in the Gippsland Plain in the 1840's and extended to most of the Strzelecki Ranges after 1900.

The current (2012) population of Latrobe City is estimated at 77,365 people. The population is predicted to steadily increase over the next 24 years, reaching approximately 95,000 people by 2036.

The median age of the population is 39 years with 35% of residents in the 0 -24 age group and only 12% over 65 years. 38.7% of households have children with 26.3% of these being comprised of couples and 12.3% being single parent households. 10 % of households are comprised of older couples without children.

Latrobe is a vibrant area with a diversity of heritage and cultures. 13.2% of the population were born overseas and 7.3% are from a non-English speaking background. The dominant non-English speaking country of birth in the Latrobe City was Netherlands, where 1.2% of the population were born. Approximately 1.3 % of the population is indigenous.

Numerous community groups with an interest in the natural environment operate within the municipality. Community groups, along with businesses, philanthropic organisations and individuals, make an important and significant contribution to Latrobe City's environment through financial investment, business practices and volunteering.





*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019***Flagship Project - Neighbourhood Environment Improvement Plans**

*4.1.3 Continue to support Neighbourhood Environment Improvement Plans for Traralgon Creek and Morwell River, and encourage other cooperative action between industry, agencies and community.*

*In 2006 and 2007, Neighbourhood Environment Improvement Plans were developed to improve the local environments of Traralgon Creek and Morwell River. Each of the plans included a vision for the area, and an action plan with detailed objectives, actions and targets, such as improving water quality, recreation and tourism facilities, biodiversity and partnerships.*

*The plans were developed by collaborative steering committees, which included representatives from government agencies, power and forestry industries, landowners, environmental groups, education providers and community organisations. Once completed, the plans then became incorporated into the Planning Scheme for Latrobe City.*

*Latrobe City Council has been a guiding body for both of the plans, providing co-ordination and secretariat support for both their development and implementation. Since their development the plans have facilitated riverside weed control and fencing, platypus monitoring, lobbying, the publication of catchment report cards, the development of a friends group, and in 2012, the re-opening of a tourist attraction, the Morwell River Falls.*



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## Our changing climate

Overall the climate of Latrobe City is warm-temperate, with a warm dry summer and a cool, wet winter. Within Latrobe City, the climate of the Strzelecki Ranges is the coolest and wettest, the Gippsland Plain is the warmest and driest, and the climate of the Highlands-Southern Fall ranges between the two.

The Gippsland Plain averages some 40% more days over 25°C, compared to the Strzelecki Ranges, and 25% more than in the Highlands-Southern Fall. Rainfall in the high Strzelecki Ranges is around twice that in the Gippsland Plain, and the deep gullies and south-facing slopes of the Ranges can remain particularly cool and moist compared to north-facing slopes. The 1984-2006 data from the Latrobe Regional Airport in the Gippsland Plain show an annual average of 0.5 days over 40°C, 7 days over 35°C, 26 days over 30°C and 14 days below 0°C. However, we can no longer expect that past climate is an adequate guide to the future climate.

In comparison to 1990, by the year 2070, under the influence of climate change, we can expect:

- Average temperatures to have increased by at least 2.6°C
- Average rainfall to have decreased by at least 11%
- Potential evaporation to have increased by at least 10%
- Relative humidity to have decreased by at least 1.7%
- Solar radiation to have increase by at least 2.6%

The decrease in average annual rainfall is likely to be most noticeable in spring. The number of rainy days will also decrease, but the rainfall intensity will increase. By 2030, runoff to the Latrobe River system is expected to have decreased by up to 20%.

The increase in average annual temperatures is likely to be most noticeable by higher maximum temperatures in summer and milder winters. The frequency and intensity of extreme fire weather days will also increase, with longer fire seasons and a reduction in the number of days suitable for controlled burning.





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The key impacts for Latrobe City include:

- changes in rainfall patterns that pose challenges for water supply and agriculture,
- more common intense rainfall events which increase the risk of severe flooding,
- higher temperatures which increase the likelihood of large and intense fires,
- increased number of hot days and heatwaves which place substantial pressure on our health services and infrastructure, and
- biodiversity changes.

Decisions about carbon emissions made from now to 2020 will determine the severity of climate change experienced by Latrobe City into the future.

**Flagship Project - Offsetting vehicle emissions**

*2.1.3 Continue to offset Council's annual vehicle emissions through revegetation programs and pursue an overall reduction in vehicle emissions.*

*Every year, Latrobe City Council offsets the greenhouse gas emissions created by our vehicle fleet.*

*We do this by restoring bushland and revegetating cleared areas that soak up carbon dioxide from the atmosphere as they grow. Our bushland restoration projects are made up of a wide variety of locally native plants. The number of plants needed to create each year's offset is calculated based on how much greenhouse gas is created from the fuel used to drive our Council machinery, trucks and cars. As well as soaking up carbon dioxide, these plants also help to reduce soil erosion and salinity, improve water quality and provide habitat for native animals.*

*On National Tree Day, many Latrobe City staff get involved to help plant trees, shrubs and grasses for our offset. We also work with local contractors, Landcare Groups, community groups and school children to source seed, grow seedlings, do planting and look after the sites.*

*In 2012/13:*

- *Council owned 139 fleet vehicles*
- *Used 429,226 litres of fuel*
- *Released 1205 tonnes carbon dioxide equivalent into the atmosphere from fleet vehicles*
- *Planted 8330 locally native plants as a fleet vehicle offset*
- *Involved 87 staff and contractors in helping to plant the offset*

*Latrobe City Council Natural Environment Sustainability Strategy 2014 - 2019*

## Future directions

### Looking forward

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.

Predicted population growth in Latrobe City means a growing demand for land availability and housing development. The ageing population may threaten the viability of many of Latrobe's environmental volunteer groups unless opportunities are taken to engage our young people in volunteering activities.

The rapidly increasing costs of utilities are driving resource efficiency in both industry and the community. Increased responsibilities under environmental legislation and the cost penalties associated with non-compliance are also driving improved practices across business and industry.

Of particular note, Latrobe City has been identified as a community likely to be exposed to significant structural adjustment pressures as a result of the introduction of more sustainable and clean energy technologies. Consequently, the long-term economic future of the Latrobe Valley will be very different from its immediate past.

It is anticipated that the community push for more sustainable and clean energy technologies will decrease the competitiveness of the brown coal fired generators that are located within the Latrobe Valley, which will in turn impact on the local economy and employment growth. A successful transition to a clean energy (low carbon) economy will be critical to Latrobe City's future.

A changing climate will affect biodiversity at varying scales and species may alter their distribution patterns, abundance, behaviour and the timing of migration and breeding.

The conditions for large and intense fires – low humidity, high winds and extreme temperatures – are likely to become more common in Latrobe City by mid-century. These were some of the contributing factors in the 2009 Black Saturday bushfires which devastated parts of the municipality, claiming lives, destroying homes, and native flora and fauna.





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Lower runoff will reduce the flow of water in the Latrobe River system, which may reduce water quality within the catchment and increase the potential for algal blooms. The drying trend and reduced runoff may also have important consequences for the composition of ecosystems and their distribution; urban water supply and agriculture across municipality. While runoff will reduce, it will reduce by a much lesser extent than other areas of Victoria, which may lead to enterprises such as horticulture shifting into the municipality in the search for higher levels of water security.

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

Taking the unique context of Latrobe City, and these future directions and implications into account, the Natural Environment Sustainability Strategy focuses on four themes for the sustainable management of the natural environment across Latrobe City for the next five years.

**Flagship Project - Partnerships**

*2.4.3 Participate in regional networks and forums and work cooperatively to ensure alignment with regional and state environmental sustainability strategies, policies and programs.*

*Latrobe City Council has the ability to influence our local environment directly, but by working in partnership with businesses, government agencies, individuals and organisations, we have the opportunity to influence and support our environment much more broadly.*

*For example, in recent years, Council has been working closely with Landcare, the Victorian Farmers Federation and the Department of Environment and Primary Industries to improve the management of private agricultural land. On air quality issues, Council has been working closely with the Environment Protection Authority and the Latrobe Valley Air Monitoring Network, which consists of a number of the Valley's power generators and big businesses. In the forestry sector, Council pools its resources with HVP Plantations to increase the number of coupes which are audited for compliance against the Code of Forest Practice. In waterway management, Council has been working with the West Gippsland Catchment Management Authority to improve the management of both Traralgon Creek and Waterhole Creek. In preventing and preparing for climate change, Council is working with the Gippsland Climate Change Network, Gippsland Local Government Network, state and federal governments on implementing projects. And in biodiversity conservation, Council works in partnership with numerous volunteers, friends groups and dedicated Committees of Management to ensure that our bushland reserves are protected well into the future.*

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## Review and Report

Progress of this Strategy will be reviewed and presented to Council in an annual snapshot report to highlight the major achievements and activities against the strategy objectives.

There are many ongoing routine activities undertaken by the Environment Sustainability team, the organisation more broadly and the Latrobe City community on a daily basis, to meet the strategic objectives that can be captured within the snapshot report.

Latrobe City Council has mechanisms to measure and monitor environmental indicators and Latrobe City's environmental progress over the 2014-19 period. The data will enable Latrobe City Council to identify opportunities and issues, and to adapt or supplement business plan actions accordingly. However, not all of these indicators can be used directly to assess the implementation of this Strategy as there are many factors outside the control of Latrobe City Council that impact on environmental sustainability.

Latrobe City Council formulates four year rolling business plans each year, which will incorporate the identified Natural Environment Sustainability strategic themes and will detail specific actions, priorities and resourcing to deliver the Strategy.

Selected actions in this strategy will be measured and reported through the Council's corporate performance monitoring process. Achievements and work towards meeting targets will be reported as part of Council's Annual Report.

A full review of the Strategy and development of a new *Natural Environment Sustainability Strategy* will commence in 2018 in response to a new Council Plan.



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**16.9 DECEMBER 2013 QUARTERLY FINANCIAL AND  
PERFORMANCE REPORT****General Manager****Planning and Governance****For Information****PURPOSE**

The purpose of this report is to present the December 2013 quarterly Financial and Performance Report to Council.

**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 2012-2016.

***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 – Regularly report Council decisions and performance to the community*

***Legislation –***

Local Government Act 1989

**BACKGROUND**

Under the provisions of the *Local Government Act 1989 Section 138 (1)*, at least every six months, the Chief Executive Officer must ensure that a statement comparing the budgeted revenue and expenditure to date is presented to Council. This report ensures compliance with this legislative requirement.

The attached report as at 31 December 2013 is provided for the information of Council and the community. The financial report compares



**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

budgeted income and expenditure with actual results for the first six months of the financial year. A status report on the Key Strategic Activities, adopted in the 2013/2014 budget is also attached.

**ISSUES**

The attached report, "Income Statement", shows the actual result for the six months ended 31 December 2013 compared with the budgeted year to date result. The report also provides a forecast for the full year financial result compared to the budgeted full year financial result.

Overall the report is showing an unfavourable year to date variance of \$0.159M. This is a result of an unfavourable variance of \$1.547M in income mainly due to the following factors;

- Operating grants and contributions (\$1.906M unfavourable) due to Victoria Grants Commission allocations for 2013/2014 being advanced to Council in June 2013 and therefore recognised in the 2012/2013 carry forward surplus.
- Capital grants and contributions (\$0.832M unfavourable) mainly as a result of later timing of project grants than anticipated in the budget.
- Rates (\$0.210M unfavourable) mainly as a result lower than anticipated supplementary rates growth.

These unfavourable income variances have been partially offset by favourable variances in the other income categories as detailed in the report.

The unfavourable income variance is largely offset by a favourable year to date expenditure variance of \$1.388M resulting from the following factors;

- Materials and Services (\$1.201M) principally relating to project and program expenditure that will be incurred later than anticipated in the budget.
- Employee costs (\$0.287M) principally relating to a number of unfilled vacant staffing positions in the first six months of the financial year.
- Finance Costs (\$0.134M) as a result of Council receiving a lower interest rate than budgeted for its 2013/2014 borrowings.

The "Income Statement" report forecasts a surplus result for the full financial year of \$4.507M which is an unfavourable variance of \$7.003M to the original budget. The main contributing factors are reduced grant revenue and additional recurrent program expenditure relating to surplus funds generated in previous years. The 2012/2013 financial year surplus was \$6.741M greater than the Adopted Budget mainly due to a combination of government grants received in advance and other unspent project and program funding required to be carried forward for completion in 2013/2014. More detailed explanations of all variances are included in the attached report.

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)****FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

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

This report assists in ensuring legislative requirements are met.

The attached report provides details of budget variances for the six months to 31 December 2013 and the forecasted full financial year.

**INTERNAL/EXTERNAL CONSULTATION**

No consultation was required in the preparation of this report.

**OPTIONS**

The requirement to report on financial and key strategic actions quarterly is a statutory requirement, therefore the options that exist are:

1. Council receives and notes the financial and performance report for the quarter ending 31 December 2013, in accordance with the *Local Government Act 1989*; or
2. Council does not accept the report; or
3. Council seeks additional information.

**CONCLUSION**

The attached report provides financial details, as required by the *Local Government Act 1989*. The report indicates that Council is operating within the parameters of its 2013/2014 adopted budget. Variances arising from the timing of the receipt of grant revenues and the carry over of incomplete 2012/2013 recurrent and capital works programs to be completed in 2013/2014 have resulted in a forecasted reduced operating surplus for the full financial year. This reduction is fully offset and largely a result of the additional surplus achieved in the 2012/2013 financial year.

**Attachments**

1. Quarterly Statutory Finance Report\_December 2013
2. KSA Report\_December 2013

**RECOMMENDATION**

**That Council receives and notes the financial and performance reports for the six months ended 31 December 2013, in accordance with the *Local Government Act 1989*.**

**Moved:** Cr White  
**Seconded:** Cr Rossiter

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

## **16.9**

### **DECEMBER 2013 QUARTERLY FINANCIAL AND PERFORMANCE REPORT**

- 1 Quarterly Statutory Finance Report\_December 2013..... 465**
- 2 KSA Report\_December 2013 ..... 479**

**STANDARD INCOME STATEMENT**  
**For The Quarter Ended 31 December 2013**

	NOTE	YTD Actual \$'000	YTD Budget \$'000	Variance YTD Act/Bud \$'000	Full Year Forecast \$'000	Annual Budget \$'000	Variance Annual Budget /Forecast \$'000
<b>INCOME</b>							
Rates	1	66,234	66,444	(210)	66,330	66,530	(200)
Operating Grants and Contributions	2	10,370	12,275	(1,906)	19,380	23,504	(4,124)
Capital Grants and Contributions	3	3,000	3,832	(832)	12,804	11,777	1,028
Interest	4	738	632	106	1,596	1,223	373
User fees and charges	5	7,627	6,730	898	14,503	14,060	443
Other Income	6	1,453	1,041	412	2,501	1,869	632
Developer Contributions (Cash)	7	23	36	(13)	65	72	(7)
Developer Contributed assets	8	0	0	0	2,000	2,000	0
Net gain (loss) on disposal of property, infrastructure and equipment	9	(1)	0	(1)	0	0	0
<b>TOTAL INCOME</b>		<b>89,444</b>	<b>90,990</b>	<b>(1,547)</b>	<b>119,180</b>	<b>121,035</b>	<b>(1,854)</b>
<b>EXPENSES</b>							
Employee costs	10	22,366	22,653	287	49,511	49,696	185
Materials and services	11	13,497	14,698	1,201	35,978	31,995	(3,983)
Bad and Doubtful Debts	12	9	9	0	23	18	(5)
Finance costs	13	568	702	134	1,190	1,337	147
Other Expenditure	14	2,568	2,545	(23)	5,201	4,378	(823)
Depreciation and amortisation	15	11,240	11,028	(212)	22,770	22,100	(670)
<b>TOTAL EXPENSES</b>		<b>50,248</b>	<b>51,636</b>	<b>1,388</b>	<b>114,673</b>	<b>109,524</b>	<b>(5,148)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>39,196</b>	<b>39,355</b>	<b>(159)</b>	<b>4,507</b>	<b>11,510</b>	<b>(7,003)</b>



**NOTES TO THE INCOME STATEMENT - Year to Date and Full Year Variances****1. Rates****Year to Date - (\$0.210M) Unfavourable**

The unfavourable variance is primarily a result of lower than anticipated supplementary rates growth.

**Full Year - (\$0.200M) Unfavourable**

The unfavourable variance is primarily a result of lower than anticipated supplementary rates growth.

**2. Operating grants and contributions****Year to Date - (\$1.906M) Unfavourable**

The unfavourable variance is mainly due to the Grants Commission first instalment being received in the 2012/2013 financial year and included in last financial year's surplus together with other variances in the timing of receipt of grants.

**Full Year - (\$4.124M) Unfavourable**

The unfavourable variance is due to the first instalment (\$5,684K) for 2013/2014 Grants Commission allocations being received in the 2012/2013 financial year. This has been partially offset by additional funding for Vicroads Blackspot projects (\$485K), Child and Family Services programs (\$270K), Community Infrastructure Flood Recovery (\$216K), Community/Employment Development (\$158K), Fire Services Levy Implementation (\$106K) and Economic Development (\$88K) together with a number of other minor variances.

**3. Capital Grants and Contributions****Year to Date - (\$0.832M) Unfavourable**

The unfavourable variance is mainly due to later than anticipated receipt of project funding mainly for the Moe Rail Precinct Revitalisation and partially offset by some favourable timing variances for the Moe Outdoor Pool and Newman Park Access Track & Carpark project.

**Full Year - \$1.028M Favourable**

The favourable variance is mainly due to Flood Recovery works in relation to the June 2012 flood event (\$895K) together with the later than expected timing of funding instalments for the Latrobe Regional Airport expansion (\$163K) which was originally budgeted in the 2012/2013 financial year.

**4. Interest****Year to Date - \$0.106M Favourable**

The favourable variance is a result of greater than expected funds available for investing.

**Full Year - \$0.373M Favourable**

The favourable variance is a result of greater than expected funds available for investing.

**5. User fees and charges****Year to Date - \$0.898M Favourable**

The variance is mainly a result of favourable year to date results in Landfill gate fees (\$728K), Child & Family Services programs (\$101K), Subdivision supervision fees (\$93K) and failure to vote fines (\$38K).

**Full Year - \$0.443M Favourable**

The forecasted variance is mainly a result of expected additional income in Landfill gate fees (\$700K) and Subdivision supervision fees (\$108K) partially offset by expected unfavourable results for Home Care services and Family Day Care.

**6. Other Income****Year to Date - \$0.412M Favourable**

The favourable variance is mainly due to an insurance claim for earthquake damage at the Moe Tennis Complex (\$205K), minor land sales (\$95K), greater than anticipated interest on rate arrears (\$85K) and SPI Ausnet rebates for the Moe underground powerline relocation (\$78K).

**Full Year - \$0.632M Favourable**

The favourable variance is mainly due to an insurance claim for earthquake damage at the Moe Tennis Complex (\$205K), minor land sales (\$95K), greater than anticipated interest on rate arrears (\$76K), SPI Ausnet rebates for the Moe underground powerline relocation (\$78K) together with a number of other minor variances.

**7. Developer Contributions****Year to Date - (\$0.013M) Unfavourable**

Minor variance.

**Full Year - (\$0.007M) Unfavourable**

Minor variance.

**8. Developer Contributed assets****Year to Date - \$0.000M Nil Variance**

No variance to date.

**Full Year - \$0.000M Nil Variance**

No variance is forecasted at this stage.

**9. Net gain (loss) on disposal of property, infrastructure and equipment**  
**Year to Date - (\$0.001M) Unfavourable**

Minor variance.

**Full Year - \$0.000M Nil Variance**

No variance is forecasted at this stage.

**10. Employee costs**  
**Year to Date - \$0.287M Favourable**

The favourable variance is largely due to a number of vacant staffing positions during the first six months of the financial year.

**Full Year - \$0.185M Favourable**

The favourable variance is largely due to a number of vacant staffing positions which has been partially offset by an increase in workcover premium and additional temporary contract staff.

**11. Materials and services**  
**Year to Date - \$1.201M Favourable**

The favourable year to date result is mainly due to a number of minor variances in the timing of works and supplier payments.

**Full Year - (\$3.983M) Unfavourable**

The unfavourable full year variance reflects expenditure on a number of projects/programs that were funded from the 2012/2013 accumulated surplus due to them not being fully completed in the last financial year. Other contributing factors are expenditure on new externally funded programs and additional expenditure required to implement Council's new procurement policy.

**12. Bad and Doubtful Debts**  
**Year to Date - \$0.000M Favourable**

Minor variance.

**Full Year - (\$0.005M) Unfavourable**

Minor variance.

**13. Finance costs****Year to Date - \$0.134M Favourable**

The favourable variance is a result of Council receiving a lower interest rate than budgeted for its 2013/2014 borrowings.

**Full Year - \$0.147M Favourable**

The favourable variance forecasted is a result of Council receiving a lower interest rate than budgeted for its 2013/2014 borrowings, it is proposed to apply these savings to increase loan principal repayments.

**14. Other Expenditure****Year to Date - (\$0.023M) Unfavourable**

The unfavourable result to date is mainly due to various minor variances in the timing of grants, advertising and promotion.

**Full Year - (\$0.823M) Unfavourable**

The forecasted unfavourable variance is mainly due to the Community Minor Capital Grants Program being incorrectly classified as Materials and Services in the adopted budget (\$414K), the forecast has been amended to correctly classify them as Other Expenditure. The other main variance is higher than expected Environmental Protection Agency (EPA) levies as a result of greater than expected volumes of commercial waste received at Council's landfill facility.

**15. Depreciation****Year to Date - (\$0.212M) Unfavourable**

The unfavourable result to date is mainly due to larger than anticipated increases in infrastructure valuations in the the 2012/2013 financial year, that were identified after the budget was prepared.

**Full Year - (\$0.670M) Unfavourable**

The unfavourable result forecasted is mainly due to larger than anticipated increases in infrastructure valuations in the the 2012/2013 financial year, that were identified after the budget was prepared.



**RECONCILIATION OF STANDARD INCOME STATEMENT TO CASH BUDGET**

For The Quarter Ended 31 December 2013

	NOTE	YTD Actual \$'000	YTD Budget \$'000	Variance YTD Act/Bud \$'000	Full Year Forecast \$'000	Annual Budget \$'000	Variance Annual Budget /Forecast \$'000
<b>Operating Surplus (Deficit)</b>		<b>39,196</b>	<b>39,355</b>	<b>(159)</b>	<b>4,507</b>	<b>11,510</b>	<b>(7,003)</b>
<b>Reconciliation to Cash Budget</b>							
Plus Depreciation		11,240	11,028	212	22,770	22,100	670
Plus Written Down Value of Assets Disposed		55	246	(190)	622	621	1
Less Developer Contributed assets		0	0	0	(2,000)	(2,000)	0
Less Capital Expenditure		(10,306)	(15,916)	5,610	(29,525)	(41,216)	11,690
Less Loan Principal Repayments		(1,893)	(1,817)	(76)	(3,698)	(3,483)	(215)
Less Landfill Rehabilitation Expenditure		(135)	0	(135)	(2,134)	(2,850)	716
Plus Internal Transfers		17,800	6,829	10,971	487	6,347	(5,860)
Plus Loan Proceeds		8,970	8,970	0	8,970	8,970	0
Net Other Non-Operating Items		15	(0)	15	0	0	0
<b>Net Total Non-Operating items</b>		<b>(25,746)</b>	<b>(9,339)</b>	<b>(16,406)</b>	<b>4,507</b>	<b>11,510</b>	<b>(7,003)</b>
<b>Cash Budget Surplus (Deficit)</b>		<b>64,941</b>	<b>48,694</b>	<b>16,247</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

**STANDARD INCOME STATEMENT**  
For The Quarter Ended 31 December 2013 Compared To Previous Financial Year

	2013/14			2012/13		
	YTD Actuals	YTD Budgets	Variance YTD Act/Bud	YTD Actuals	YTD Budgets	Variance YTD Act/Bud
<b>INCOME</b>						
Rates	66,234	66,444	(210)	62,654	62,478	176
Operating Grants and Contributions	10,370	12,275	(1,906)	10,315	13,914	(3,599)
Capital Grants and Contributions	3,000	3,832	(832)	1,277	760	517
Interest	738	632	106	918	490	428
User fees and charges	7,627	6,730	898	6,395	7,122	(726)
Other Income	1,453	1,041	412	974	992	(19)
Developer Contributions (Cash)	23	36	(13)	393	35	358
Developer Contributed assets	0	0	0	986	0	986
Net gain (loss) on disposal of property, infrastructure and equipment	(1)	0	(1)	9	0	9
<b>TOTAL INCOME</b>	<b>89,444</b>	<b>90,990</b>	<b>(1,547)</b>	<b>83,921</b>	<b>85,791</b>	<b>(1,869)</b>
<b>EXPENSES</b>						
Employee costs	22,366	22,653	287	22,238	22,266	28
Materials and services	13,497	14,698	1,201	14,444	14,943	499
Bad and Doubtful Debts	9	9	0	8	12	4
Finance costs	568	702	134	571	587	15
Other Expenditure	2,568	2,545	(23)	2,209	2,416	207
Depreciation and amortisation	11,240	11,028	(212)	9,368	10,700	1,332
<b>TOTAL EXPENSES</b>	<b>50,248</b>	<b>51,636</b>	<b>1,388</b>	<b>48,838</b>	<b>50,924</b>	<b>2,085</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>39,196</b>	<b>39,355</b>	<b>(159)</b>	<b>35,083</b>	<b>34,867</b>	<b>216</b>

## STANDARD CASH FLOW STATEMENT

For the Quarter ended 31 December 2013

	NOTE	YTD Cash Flow \$'000s	Adopted Budget Annual Cashflow \$'000s	Cash Flow 2012/13 \$'000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Receipts</i>				
Rates and charges		21,720	65,534	62,471
User fees and fines		7,884	14,060	15,496
Grants		12,874	35,209	30,458
Interest Received		859	1,223	1,773
Developer Contributions		23	72	665
Other Receipts		2,624	1,941	4,095
		<b>45,985</b>	<b>118,039</b>	<b>114,957</b>
<i>Payments</i>				
Employee Costs		(24,547)	(49,112)	(46,008)
Other Payments		(29,942)	(46,467)	(37,125)
		<b>(54,489)</b>	<b>(95,579)</b>	<b>(83,133)</b>
<b>Net cash from operating activities</b>		<b>(8,505)</b>	<b>22,460</b>	<b>31,824</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net movement in financial assets (investments)		6,000	0	(5,190)
Proceeds from Property, Plant & Equipment		54	621	828
Payments for Property, Plant & Equip		(10,306)	(41,216)	(24,286)
<b>Net Cash Flows used in investing activities</b>		<b>(4,252)</b>	<b>(40,595)</b>	<b>(28,648)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Finance costs		(568)	(1,337)	(1,086)
Proceeds from borrowings		8,970	8,970	1,000
Repayment of borrowings		(1,893)	(3,483)	(3,150)
Other Interest Bearing Liabilities		0	0	0
<b>Net Cash Flows from Financing Activities</b>		<b>6,508</b>	<b>4,150</b>	<b>(3,237)</b>
<b>Net Increase/(Decrease) in cash held</b>		<b>(6,248)</b>	<b>(13,985)</b>	<b>(60)</b>
Cash & cash equivalents at beginning of year	1	27,663	31,011	27,723
<b>Cash &amp; cash equivalents at end of period</b>		<b>21,415</b>	<b>17,026</b>	<b>27,663</b>

## NOTES

1. The budgeted cash at the beginning of the year was based on \$10.714M of the 2012/2013 capital works program being incomplete at 30 June 2013. The actual amount of incomplete capital works and capital grants received in advance was \$13.354M. This additional \$2.640M together with additional advance funding and incomplete operational projects from 2012/2013 are the principal factors contributing to the variance in the opening cash balance.

**STANDARD BALANCE SHEET**  
As at 31 December 2013

	Current Balance \$'000s	Balance as at 30/06/2013 \$'000s	Movement for Year to Date \$'000s	Balance as at 31/12/2012 \$'000s
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	21,415	27,663	(6,248)	30,769
Financial Assets	13,500	19,500	(6,000)	0
Prepayments	9	207	(198)	9
Trade and Other Receivables	61,160	6,293	54,868	44,939
Non-Current Assets Held for Sale	0	0	0	743
<b>Total Current Assets</b>	<b>96,084</b>	<b>53,662</b>	<b>42,422</b>	<b>76,460</b>
<b>NON CURRENT ASSETS</b>				
Property, Plant and Equipment	1,028,961	1,029,950	(989)	932,899
Trade and Other Receivables	26	26	0	46
Financial Assets	2	2	0	2
<b>Total Non-Current Assets</b>	<b>1,028,989</b>	<b>1,029,979</b>	<b>(989)</b>	<b>932,948</b>
<b>TOTAL ASSETS</b>	<b>1,125,073</b>	<b>1,083,641</b>	<b>41,432</b>	<b>1,009,408</b>
<b>CURRENT LIABILITIES</b>				
Payables	12,518	16,695	(4,177)	1,390
Interest-bearing Liabilities	10,035	2,959	7,077	1,606
Provisions - Employee Benefits	10,048	10,465	(417)	9,768
Provisions - Landfill	1,892	2,027	(135)	1,994
Trust Funds and Deposits	1,932	2,043	(111)	2,028
<b>Total Current Liabilities</b>	<b>36,425</b>	<b>34,188</b>	<b>2,237</b>	<b>16,786</b>
<b>NON CURRENT LIABILITIES</b>				
Payables	0	0	0	6,975
Interest-bearing Liabilities	11,427	11,427	0	13,386
Provisions - Employee Benefits	1,406	1,406	0	1,409
Provisions - Landfill	14,387	14,387	0	14,581
<b>Total Non-Current Liabilities</b>	<b>27,221</b>	<b>27,221</b>	<b>0</b>	<b>36,350</b>
<b>TOTAL LIABILITIES</b>	<b>63,646</b>	<b>61,409</b>	<b>2,237</b>	<b>53,136</b>
<b>NET ASSETS</b>	<b>1,061,427</b>	<b>1,022,232</b>	<b>39,195</b>	<b>956,271</b>
<b>EQUITY</b>				
Current Year Surplus/(Deficit)	39,196	9,523	29,673	35,083
Accumulated Surplus	620,618	611,003	9,614	611,241
Reserves	401,614	401,706	(92)	309,948
<b>TOTAL EQUITY</b>	<b>1,061,427</b>	<b>1,022,232</b>	<b>39,195</b>	<b>956,271</b>



**FINANCIAL RATIOS**  
**As at 31 December 2013**

	Year to Date Ratios			Forecast at 30/06/14	Budget at 30/06/14	Prudential Guidelines
	\$'000s	Ratio at 31/12/13	Ratio at 31/12/12			
<p><b>Debt Servicing Ratio</b> (to identify the capacity of Latrobe City Council to service its outstanding debt)</p> <p style="text-align: center;"><u>Debt Servicing Costs</u> Total Revenue</p> <p style="text-align: center;">568 89,444</p> <p>Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.</p> <p>The ratio expresses the amount of interest paid as a percentage of Latrobe City Council's total revenue.</p>	0.64%	0.68%	1.00%	1.10%	Less than 5%	
<p><b>Debt Commitment Ratio</b> (to identify Latrobe City Council's debt redemption strategy)</p> <p style="text-align: center;"><u>Debt Servicing &amp; Redemption Costs</u> Rate Revenue</p> <p style="text-align: center;">2,462 66,234</p> <p>The strategy involves the payment of loan principal and interest, finance lease principal and interest.</p> <p>The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.</p>	3.72%	3.38%	7.37%	7.24%	No guidelines for this ratio	
<p><b>Indebtedness Ratio</b> (to ensure Council has the ability to pay its long term debts &amp; provisions)</p> <p style="text-align: center;"><u>Non Current Liabilities</u> Own Source Revenue</p> <p style="text-align: center;">27,221 76,051</p> <p>Compares Council's long term debt (loans &amp; other non-current liabilities) to its own source revenue (ie. Rates, user charges, other income) which is used to gain a general idea as to Council's ability to meet its debts.</p> <p>The ratio expresses the percentage of own source revenue required to meet long term debts.</p>	35.79%	51.91%	35.12%	35.65%	No guidelines for this ratio	

	Year to Date Ratios				Prudential Guidelines
	\$'000s	Ratio at 31/12/13	Ratio at 31/12/12	Forecast at 30/06/14	
<p><b>Debt Exposure Ratio</b> (to identify Latrobe City Council's exposure to debt)</p> <p style="text-align: center;"><u>Total Indebtedness</u> Total Realisable Assets</p> <p>63,646 422,757</p> <p>15.05%      12.36%</p> <p>12.47%      13.50%</p> <p>Less than 150%</p> <p>For the purpose of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. Any liability represented by a restricted asset is excluded from total indebtedness. The following assets are excluded from total assets when calculating Council's realisable assets: Land under roads, Intangible assets and total infrastructure assets. The ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage to total liabilities for each dollar of realisable assets.</p>					
<p><b>Operating Revenue Ratio</b> (to identify Latrobe City Council's dependence on non-rate income)</p> <p style="text-align: center;"><u>Rate Revenue</u> Total Revenue</p> <p>66,234 89,444</p> <p>74.05%      74.66%</p> <p>55.66%      54.97%</p> <p>No guidelines for this ratio</p> <p>The level of Latrobe City Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue.</p>					
<p><b>Liquidity Ratio (Working Capital)</b> (to assess Latrobe City Council's ability to meet current commitments)</p> <p style="text-align: center;"><u>Current Assets</u> Current Liabilities</p> <p>96,084 36,425</p> <p>264%      455%</p> <p>173%      107%</p> <p>Greater than 100%</p> <p>The ratio expresses the level of current assets the Council has available to meet its current liabilities.</p>					
<p><b>Adjusted Liquidity Ratio</b> (to assess Latrobe City Council's ability to meet current commitments)</p> <p style="text-align: center;"><u>Current Assets</u> Current Liabilities</p> <p>96,084 30,332</p> <p>317%      702%</p> <p>229%      146%</p> <p>No guidelines for this ratio</p> <p>The ratio expresses the level of current assets the Council has available to meet its adjusted current liabilities.</p> <p>Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.</p>					

	Year to Date Ratios				Prudential Guidelines
	\$'000s	Ratio at 31/12/13	Ratio at 31/12/12	Forecast at 30/06/14	
<p><b>Infrastructure Renewal Gap Ratio</b> (to ensure the community's infrastructure assets don't become run down)</p> <p style="text-align: center;"><u>Infrastructure Renewal Expenditure</u> Infrastructure Depreciation</p> <p>7,943 7,971</p> <p>99.65%    56.29%</p> <p>107.99%    103.98%</p> <p>Greater than 100%</p> <p>Compares the renewal expenditure on existing infrastructure assets (e.g. roads, drains, footpaths, buildings, etc.) to the dollar value of the asset that has been used up in that year (depreciation).</p> <p>Target of 100% indicates that spending on existing assets is equal to their consumption.</p>					
<p><b>Underlying Result Ratio</b> (To ensure enough revenue is raised to maintain the existing assets base and fund recurrent services. We don't rely on capital grants to run the basic business of Council.)</p> <p style="text-align: center;"><u>Adjusted net Surplus/(Deficit)</u> Adjusted underlying revenue</p> <p>36,172 86,420</p> <p>41.86%    38.77%</p> <p>(9.93%)    (2.18%)</p> <p>Greater than 0%</p> <p>Determines if each year Council is raising enough revenue to cover operating costs &amp; asset renewal costs of the existing asset base.</p> <p>The ratio takes out the effect of once off capital grants &amp; developer contributions.</p> <p><b>Note:</b> The forecasted negative ratio of 9.93% reflects the reduced operating surplus that is now projected in the 'Standard Income Statement' and is mainly a result of the early receipt of 2013/2014 grant revenue and unspent 2012/2013 recurrent project and program expenditure which led to a greater than expected surplus result in the 2012/2013 financial year.</p>					

**STANDARD CAPITAL WORKS STATEMENT**  
**For The Quarter Ended 31 December 2013**

	NOTE	YTD Actuals \$'000	Full Year Forecast \$'000	Annual Budget \$'000	Variance Annual Budget /Forecast \$'000
<b>CAPITAL WORKS AREAS</b>					
Roads / Paths/ Bridges & Carparks	1	6,660	18,188	19,283	1,095
Drainage	2	210	572	1,361	788
Land, Buildings & Improvements	3	2,246	6,281	13,205	6,925
Plant & Equipment	4	284	2,439	2,291	(148)
Furniture & Equipment	5	401	1,117	800	(317)
Playgrounds	6	473	751	761	9
Artworks	7	10	15	15	0
Landfill	8	22	161	3,500	3,339
<b>Total Capital Works</b>		<b>10,306</b>	<b>29,525</b>	<b>41,216</b>	<b>11,690</b>
<b>REPRESENTED BY;</b>					
Renewal	9	8,480	20,094	18,802	(1,292)
New Assets	10	1,337	6,383	18,055	11,671
Asset Expansion/Upgrade	11	489	3,048	4,359	1,311
<b>Total Capital Works</b>		<b>10,306</b>	<b>29,525</b>	<b>41,216</b>	<b>11,690</b>

**NOTES TO THE CAPITAL WORKS STATEMENT - Full Year Forecast Variances**

- Roads / Paths / Bridges and Carparks** **\$1.095M Favourable**  
The forecast reduced expenditure relates mainly to project funds that are forecast to be carried over to the 2014/2015 financial year. A number of projects have been delayed due to various reasons including design issues, objection processes and land exchange negotiations.
- Drainage** **\$0.788M Favourable**  
The forecast reduced expenditure relates mainly to project funds that are forecast to be carried over to the 2014/2015 financial year. A number of projects have been delayed due to various reasons including design issues and drainage easement acquisition negotiations.
- Land, Buildings and Improvements** **\$6.925M Favourable**  
The forecast reduced expenditure relates mainly to project funds that are forecast to be carried over to the 2014/2015 financial year. The main one being the Moe Rail Precinct Revitalisation Project (\$6.823M) which has been delayed due to the new federal government not confirming the funding until December.
- Plant and Equipment** **(\$0.148M) Unfavourable**  
The forecasted additional expenditure relates mainly to funds carried forward from 2012/2013 for plant and vehicle purchases that were ordered in the previous year but delivery did not occur until the 2013/2014 financial year together with depot workshop equipment funded from the Building Maintenance program.
- Furniture and Equipment** **(\$0.317M) Unfavourable**  
The forecasted additional expenditure relates mainly to funds carried forward from 2012/2013 for the telephone system upgrade and the Traralgon Entertainment Precinct CCTV.
- Playgrounds, Skate Parks & BMX Tracks** **\$0.009M Favourable**  
Minor variance.
- Artworks** **\$0.000M Nil Variance**  
Nil variance.
- Landfill Cell Construction** **\$3.339M Favourable**  
The forecast reduced expenditure is due to project funds that are forecast to be carried over to the 2014/2015 financial year for the construction of the next landfill cell.
- Renewal** **(\$1.292M) Unfavourable**  
The forecast additional renewal expenditure relates mainly to government funded flood recovery works (\$2.321M) and other projects carried over from the previous financial year (\$0.969M). These additional expenditures have been partially offset by projects forecast to be carried over for completion in the 2014/2015 financial year (\$1.897M).
- New Assets** **\$11.671M Favourable**  
The forecast reduced expenditure on new assets relates mainly to project funds that are forecast to be carried over to the 2014/2015 financial year e.g. Moe Rail Precinct Revitalisation (\$6.823M), Future Landfill Cell Construction (\$3.493M), Churchill Town Centre Plan (\$0.700M) and Hazelwood Pondage Wastewater (\$0.538M).
- Asset expansion/upgrade** **\$1.311M Favourable**  
The forecast reduced expenditure relates mainly to project funds that are forecast to be carried over to the 2014/2015 financial year e.g. Timber Haulage Program delayed due to objection processes and drainage projects delayed due to drainage easement acquisition negotiations.





**Latrobe City Council**

**Key Strategic Actions Report**

Period: 13/14



Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

## Key Strategic Actions Report

**Strategic Document:** 1 Council Plan

**Council Plan Theme:** 1.1 JOB CREATION & ECONOMIC SUSTAINABILITY

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b> 1.1.7 Enhance community and business confidence in the future of the local economy.					
1.1.7.10 In accordance with the Economic Sustainability Strategy, present the outcomes of 2014 Gippsland Major Projects and Opportunities Summit to Council.	In Progress	60%	<p><b>COST MEASURE:</b> Latrobe City Council's financial contribution during the 2013/2014 financial year will be limited to resources allocated within Council's adopted budget.</p> <p><b>COST PROGRESS:</b> Commitments to financially support the event have been obtained from all local governments in Gippsland and applications have been submitted to the Victorian and Australian governments for funding support.</p> <p><b>TIME MEASURE:</b> The Ordinary Council Meeting, at which a report detailing the outcomes of the Summit will be presented to Council for consideration, will be no later than 30 April 2014.</p> <p><b>TIME PROGRESS:</b> Project progressing as forecast.</p> <p><b>QUANTITY MEASURE:</b> At least 80 representatives of business and government will attend the 2014 Gippsland Major Projects and Opportunities Summit.</p> <p><b>QUANTITY PROGRESS:</b> The invitation list is currently being finalised</p> <p><b>QUALITY MEASURE:</b> The 2014 Gippsland Major Projects and Opportunities Summit will present details of five or more identified major investment opportunities within Gippsland.</p> <p><b>QUALITY PROGRESS:</b> Presentations on six major investment opportunities have been confirmed.</p>	Economic Sustainability	30/06/2014

January 23, 2014



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Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

## Key Strategic Actions Report

**Strategic Document:** 1 Council Plan

**Council Plan Theme:** 1.1 JOB CREATION & ECONOMIC SUSTAINABILITY

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b> 1.1.8 Facilitate the creation of an Industrial Park and an Intermodal Freight Terminal in the municipality.					
1.1.8.1 In accordance with the Economic Sustainability Strategy, advocate for the creation of an industrial park and the Gippsland Logistics Precinct.	In Progress	50%	<p><b>COST MEASURE:</b> Latrobe City Council's financial contribution during the 2013/2014 financial year will be limited to resources allocated within Council's adopted budget.</p> <p><b>COST PROGRESS:</b> No expenditure specifically for these projects has been incurred this year to date.</p> <p><b>TIME MEASURE:</b> The Ordinary Council Meeting, at which a report detailing progress and activities during 2013/14 financial year will be presented to Council for consideration no later than 30 June 2014.</p> <p><b>TIME PROGRESS:</b> Project progressing as forecast.</p> <p><b>QUANTITY MEASURE:</b> A report on the progress support of the creation of an industrial park and the Gippsland Logistics Precinct will be presented to Council for consideration.</p> <p><b>QUANTITY PROGRESS:</b> Preparation of a report to Council will be undertaken in the first half of 2014 unless significant progress is made in the mean time.</p> <p><b>QUALITY MEASURE:</b> The creation of an industrial park and Gippsland Logistics Precinct are prioritised within the Economic Sustainability Strategy 2011 as key Latrobe City Employment Zones.</p> <p><b>QUALITY PROGRESS:</b> During December, Council resolved that responsibility for the full cost of infrastructure for the Heavy Industry Park should be borne by the Victorian Government.</p>	Economic Sustainability	30/06/2014

January 23, 2014



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Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

## Key Strategic Actions Report

**Strategic 1 Council Plan**  
**Document:**

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b>					
<b>1.2.4 Encourage and create opportunities for more community participation in sports, recreation, arts, culture and community activities.</b>					
1.2.4.8 Develop a Latrobe City Council 2013-2017 Arts Strategy and Action Plan for Council endorsement.	In Progress	35%	<p><b>COST MEASURE:</b> Latrobe City Council's financial contribution during the 2013/2014 financial year will be limited to resources allocated within Council's adopted budget.</p> <p><b>COST PROGRESS:</b> Application for additional funding submitted (\$30K). If successful the budget for the proposal will be \$60K.</p> <p><b>TIME MEASURE:</b> The Ordinary Council Meeting, at which the 2013-2017 Arts Strategy and supporting action plan is presented to Council for consideration, will be no later than 30 June 2014.</p> <p><b>TIME PROGRESS:</b> A project brief has been prepared and funding application is with the State Government. This project is now behind schedule with a tender process for consultancy unlikely prior to February 2014. It is unlikely this project will be delivered by 30 June 2014.</p> <p><b>QUANTITY MEASURE:</b> An Arts Strategy which is adopted by Council.</p> <p><b>QUANTITY PROGRESS:</b> Funding has been sought in order to progress this project.</p> <p><b>QUALITY MEASURE:</b> The creation of an Arts Strategy will guide Council in the future in respect to its provision of Arts based facilities and programs, with a view of increasing participation in the Arts.</p> <p><b>QUALITY PROGRESS:</b> A project brief has been prepared.</p>	Economic Sustainability	30/06/2014

January 23, 2014



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Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

**Key Strategic Actions Report**

**Strategic Document:** 1 Council Plan

**Council Plan Theme:** 1.2 APPROPRIATE, AFFORDABLE & SUSTAINABLE FACILITIES, SERVICES & RECREATION

	ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b>	1.2.9 Continue to maintain and improve access to Latrobe City's parks, reserves and open spaces.					



Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

## Key Strategic Actions Report

**Strategic Document:** 1 Council Plan

**Council Plan Theme:** 1.2 APPROPRIATE, AFFORDABLE & SUSTAINABLE FACILITIES, SERVICES & RECREATION

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b> 1.2.9 Continue to maintain and improve access to Latrobe City's parks, reserves and open spaces.					
1.2.9.1 Complete the development of master plans for Morwell and Traralgon Recreation Reserves.	Planning / Design / Approval	50%	<p><b>COST MEASURE:</b> Latrobe City Council's financial contribution during the 2013/2014 financial year will be limited to resources allocated within Council's adopted budget.</p> <p><b>COST PROGRESS:</b> Budget progressing as forecast.</p> <p><b>TIME MEASURE:</b> The Ordinary Council Meeting, at which the master plans for Morwell and Traralgon Recreation Reserves is presented to Council for consideration, will be no later than 30 June 2014.</p> <p><b>TIME PROGRESS:</b> Project is progressing as forecast.</p> <p><b>QUANTITY MEASURE:</b> The two master plans will be presented to Council following extensive engagement with the key users and stakeholders of the two reserves, as well as the wider community.</p> <p><b>QUANTITY PROGRESS:</b> Project is progressing as forecast. Community consultation for the master plans commenced 23 October 2013. All stakeholders from Morwell Recreation Reserve Precinct and Traralgon Recreation Reserve &amp; Showgrounds have participated in either individual meetings or community meetings. A project bulletin was provided to all stakeholders in November 2013.</p> <p><b>QUALITY MEASURE:</b> Both of the master plans when completed will provide clear direction for the future development of the precincts and be supporting documents for the future pursuit of external funding.</p>	Recreation and Community Infrastructure	30/06/2014

January 23, 2014



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Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

**Key Strategic Actions Report**

**Strategic Document:** 1 Council Plan

**Council Plan Theme:** 1.2 APPROPRIATE, AFFORDABLE & SUSTAINABLE FACILITIES, SERVICES & RECREATION

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b> 1.2.9 Continue to maintain and improve access to Latrobe City's parks, reserves and open spaces.					
			QUALITY PROGRESS: Project is progressing as forecast.		



Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

## Key Strategic Actions Report

**Strategic Document:** 1 Council Plan

**Council Plan Theme:** 1.3 EFFICIENT, EFFECTIVE & ACCOUNTABLE GOVERNANCE

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b> 1.3.1 Continuously review our policies and processes to increase efficiency and quality of our facilities and the services we provide.					
1.3.1.6 Review Latrobe City Council's Procurement Policy to maximise the proportion of local goods and services purchased.	Planning / Design / Approval	95%	<p><b>COST MEASURE:</b> Latrobe City Council's financial contribution during the 2013/14 financial year will be limited to resources allocated within Council's adopted budget.</p> <p><b>COST PROGRESS:</b> Progressing in-line with budget.</p> <p><b>TIME MEASURE:</b> The Ordinary Council Meeting, at which a revised procurement policy is presented to Council for consideration, will be no later than 30 June 2014.</p> <p><b>TIME PROGRESS:</b> The current Policy review is as a result of the 2012/13 statutory process. A further review will need to be completed by June 2014 in order to meet statutory requirements.</p> <p><b>QUANTITY MEASURE:</b> A procurement policy which is adopted by Council.</p> <p><b>QUANTITY PROGRESS:</b> The Procurement Policy was adopted by Council on 7 October 2013 and 6 November following further amendments. A further review will need to be completed by June 2014 in order to meet statutory requirements.</p> <p><b>QUALITY MEASURE:</b> The adopted procurement policy will be compliant with the Local Government Act 1989 and consistent with the Victorian Local Government Procurement Best Practice Guidelines 2013.</p> <p><b>QUALITY PROGRESS:</b> The policy is compliant with Local Government Act and best Practice Guidelines.</p>	Planning & Governance	30/06/2014

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Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

## Key Strategic Actions Report

Strategic 1 Council Plan  
Document:

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction: 1.4.14 Strengthen our region by actively leading and encouraging partnerships with other local governments, industry and community agencies.</b>					
1.4.14.1 Develop and conduct a program of Councillor meetings with peak industry and community bodies.	In Progress	50%	<p><b>COST MEASURE:</b> Latrobe City Council's financial contribution during the 2013/14 financial year will be limited to resources allocated within Council's adopted budget.</p> <p><b>COST PROGRESS:</b> No expenditures to date. Budget target on track.</p> <p><b>TIME MEASURE:</b> The Ordinary Council Meeting at which a report outlining progress on the program of meetings will be presented to Council for consideration no later than 30 June 2014.</p> <p><b>TIME PROGRESS:</b> Time target on track. Council resolved during November to meet with Qube, AGL Loy Yang and the Port of Hastings Development Authority during 2013/14. The AGL Loy Yang visit has been scheduled for 6 February 2014.</p> <p><b>QUANTITY MEASURE:</b> A minimum of three meetings will be scheduled.</p> <p><b>QUANTITY PROGRESS:</b> Quantity target on track. Meetings will be scheduled after advisory committee is established.</p> <p><b>QUALITY MEASURE:</b> Meetings will be consistent with Council's innovative and holistic approach to job creation and the transformation of Latrobe City.</p> <p><b>QUALITY PROGRESS:</b> Quality target on track.</p>	Economic Sustainability	30/06/2014

January 23, 2014



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Latrobe City Council

KEY STRATEGIC ACTIONS REPORT (13/14)

## Key Strategic Actions Report

**Strategic Document:** 1 Council Plan

**Council Plan Theme:** 1.5 PLANNING FOR THE FUTURE

ACTIONS	STATUS	% COMP	PROGRESS COMMENTS	DIVISION	COMP DATE
<b>Strategic Direction:</b> 1.5.2 Provide efficient and effective planning services and decision making to encourage development and new investment opportunities.					
1.5.2.1 Undertake improvements to Council's statutory planning procedures and delegations to improve timely processing of planning applications.	In Progress	40%	<p><b>COST MEASURE:</b> Latrobe City Council's financial contribution during the 2013/14 financial year will be limited to resources allocated within Council's adopted budget.</p> <p><b>COST PROGRESS:</b> Progressing in accordance with adopted budget.</p> <p><b>TIME MEASURE:</b> A service improvement plan will be developed and presented to Councillors and implementation commenced by 30 June 2014.</p> <p><b>TIME PROGRESS:</b> Progressing in accordance with time frames. Drafting of a service improvement plan has commenced.</p> <p><b>QUANTITY MEASURE:</b> A service improvement plan will be developed and presented to Councillors and implementation commenced.</p> <p><b>QUANTITY PROGRESS:</b> Progressing in accordance with project plan. Consultation and drafting of plan have commenced.</p> <p><b>QUALITY MEASURE:</b> A service improvement plan will be developed and presented to Councillors and implementation commenced.</p> <p><b>QUALITY PROGRESS:</b> Progressing in accordance with project plan.</p>	Planning & Governance	30/06/2014

January 23, 2014



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**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

**16.10 DOCUMENTS PRESENTED FOR SIGNING AND SEALING**

**General Manager**

**Planning and Governance**

**For Decision**

**DECLARATION OF INTEREST**

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

**DOCUMENTS**

PP 2013/122	Section 173 Agreement under the <i>Planning and Environment Act 1987</i> between Latrobe City Council and Neil King, Kerry N Nicholson, Peter Walkley and Peter Walkley Superannuation Pty Ltd as the owners of the Land more particularly described in Certificate of Title Volume 10844 Folio 644 being Lot 2 on PS 512358A situated at 100 Cairnbrook Road, Glengarry pursuant to Condition 7 on PP 2013/122 issued 21 August 2013 providing that prior to the issue of a Statement of Compliance under the <i>Subdivision Act 1988</i> , the owner must enter into an agreement with the Responsible Authority made pursuant to Section 173 of the <i>Planning and Environment Act 1987</i> and must make application to the Register of Titles to have the agreement registered on the titles to the land under Section 181 of the Act, which provides that any subsequent building approval or planning approval for Lot 1 created as a result of planning permit 2013/122 will trigger the requirement for one vehicle crossing to service Lot 2 which must be constructed to Latrobe City Council standards for a rural culvert crossing, including provision of an all-weather sealed surface from the edge of the existing road pavement to a distance of six (6) metres toward the property boundary if the road upon which the vehicles accessing Lot 1 from Lot 2 subsequent to the above occurring is limited to passenger vehicles only (no agricultural machinery).

**Attachments**  
Nil

**RECOMMENDATION**

- 1. That Council authorises the Chief Executive Officer to sign and seal the Section 173 Agreement under the *Planning and Environment Act 1987* between Latrobe City Council and Neil King, Kerry Nicholson, Peter Walkley and Peter Walkley Superannuation Pty Ltd as the owners of the Land more particularly described in Certificate of Title Volume 10844 Folio 644 being Lot 2 on PS 512358A situated at 100 Cairnbrook Road, Glengarry pursuant to Condition 7 on PP 2013/122 issued 21 August 2013.**

**Moved:** Cr Harriman

**Seconded:** Cr Rossiter

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**



## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

### 16.11 ASSEMBLY OF COUNCILLORS

**General Manager**

**Planning and Governance**

**For Decision**

#### PURPOSE

The purpose of this report is to present to Council, the Assembly of Councillors forms submitted since the Ordinary Council Meeting held 3 February 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 on 28 January 2014:

<b>Date:</b>	<b>Assembly Details / Matters Discussed:</b>	<b>In Attendance:</b>	<b>Declaration of Interest Declared:</b>
28 January 2014	Issues and Discussions Session 4.1 Tonight's Presentations 4.3 Future Presentations 4.4 Future Presentations – Outside Issues & Discussion Sessions 7.1 New Issues 7.1.1 – Vago Report Tertiary Education and other Entities – Results of the 2012 Audits. 7.2 Outstanding Issues 9.1 Preparation of Annual Budget & Action Plan 13.1 Mid Year Budget Review 13.2 Statutory Planning Variation to Delegations 13.4 Public Holidays Act 1993 – 2014 Melbourne Cup Public Holiday	Cr Gibbons, Cr Gibson, Cr Harriman, Cr Kam, Cr Middlemiss, Cr Rossiter, Cr White  John Mitchell, Carol Jeffs, Chris Wightman, Allison Jones, Jamey Mullen, Grantley Switzer, David Elder, Jodie Pitkin	John Mitchell declared an interest in Item 7.1.1 – Vago Report Tertiary Education and other Entities – Results of the 2012 Audits

#### **Attachments**

1. Assembly of Councillors

#### **RECOMMENDATION**

**That Council note this report.**

**Moved:** Cr Harriman

**Seconded:** Cr Middlemiss

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

## **16.11**

### **Assembly of Councillors**

<b>1</b>	<b>Assembly of Councillors.....</b>	<b>493</b>
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## Assembly of Councillors Record

**Assembly details:** Issues & Discussion Session

**Date:** Monday 28 January 2014

**Time:** 6.00 PM

**Assembly Location:** Nambur Wariga Meeting Room, Latrobe City Council Offices, Commercial Road, Morwell

**In Attendance:**

**Councillors:** Cr Gibbons, Cr Gibson, Cr Harriman, Cr Kam, Cr Middlemiss, Cr Rossiter, Cr White

**Officer/s:** John Mitchell, Carol Jeffs, Chris Wightman, Allison Jones, Jamey Mullen, Grantley Switzer, David Elder, Jodie Pitkin

**Matter/s Discussed:**

- 4.1 Tonight's Presentations
- 4.3 Future Presentations
- 4.4 Future Presentations – Outside Issues & Discussion Sessions
- 7.1 New Issues
  - 7.1.1 – Vago Report Tertiary Education and other Entities – Results of the 2012 Audits.
- 7.2 Outstanding Issues
- 9.1 Preparation of Annual Budget & Action Plan
- 13.1 Mid Year Budget Review
- 13.2 Statutory Planning Variation to Delegations
- 13.4 Public Holidays Act 1993 – 2014 Melbourne Cup Public Holiday

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

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

**Councillors:** NIL

**Officer/s:** John Mitchell declared an interest in Item 7.1.1 – Vago Report Tertiary Education and other Entities – Results of the 2012 Audits.

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

Cr Gibson left the room at 7.35pm and did not return.

**Completed by:** Jayne Emans



**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.



# ORGANISATIONAL EXCELLENCE

## 17. ORGANISATIONAL EXCELLENCE

### 17.1 REVIEW OF LOCAL LAW NO. 1

**General Manager**

**Organisational Excellence**

**For Decision**

#### PURPOSE

The purpose of this report is to present Council with the amended version of Local Law No.1 Meeting Procedures for adoption.

#### 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.*

##### *Legislation*

Local Government Act 1989

Council must comply with Part 5 of the Local Government Act 1989 (“the Act”), in regards to the procedure for making a local law. Council’s requirement to make a local law governing the conduct of Council meetings is detailed in section 91 of the Act.

The following legislation sets out the procedure for making a local law.

#### **s111. Power to make local laws**

Section 111 of the Local Government Act 1989 provides councils with the authority to make local laws. These local laws are designed to assist councils to balance the needs of the individual against the needs of the broader community. They are limited to areas which local councils have

jurisdiction (except those things dealt with under the planning scheme) and cannot be inconsistent with any other laws (either state or federal).

#### **s119. Procedure for making a local law**

Before a Council makes a local law it must comply with the procedure contained within section 119. This procedure includes giving a notice in the Government Gazette and a public notice stating the purpose and general purport of the proposed local law, that a copy of the proposed local law can be obtained from the Council office, and that any person affected by the proposed local law may make a submission relating to the proposed local law under section 223.

After a local law has been made the Council must give a notice in the Government Gazette and a public notice specifying the title of the local law; and the purpose and general purport of the local law; and that a copy of the local law may be inspected at the Council office. In addition, Council must send a copy to the Minister.

#### **s223. Right to make a submission**

Section 223 of the Local Government Act 1989 details that the submissions received must be heard by Council and that a person making a submission can specify in their submission that they (or representative) wish to appear before Council to be heard in support of the submission. In addition, Council must notify in writing, each person who has made a separate submission, and in the case of a submission made on behalf of a number of persons, one of those persons, of the decision and the reasons for that decision.

### **BACKGROUND**

The purpose of Local Law No.1 is to:

- Provide for the election of the Mayor;
- Regulate the use of the common seal;
- Prohibit unauthorised use of the common seal or any device resembling the common seal;
- Provide for the procedures governing the conduct of Council meetings and Special Committee Meetings;
- To promote and encourage community participation in the system of local government by providing a mechanism for Council to ascertain the community's views and expectations; and
- To revoke Council's Process of Municipal Government (Meetings and Common Seal) Local Law No.1 – 2004.

Local Law No1 is not due to sunset until 2019, subject to section 122 of the Act. However the 2012-2016 Council Plan identified the review of Local Law No1 as a major initiative following the general election. As a result of this Councillors have undertaken a review of this Local Law which commenced as the review of the Councillor Code of Conduct.

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

The draft Local Law No.1 was released for public comment in accordance with s.223 of the Local Government Act 1989 and Council's resolution on 18 November 2013 when Council resolved that:

1. *That Council, pursuant to sections 119 and 223 of the Local Government Act 1989, gives notice in the Government Gazette and a public notice placed in the Latrobe Valley Express of its intention to consider amending Local Law No.1 (09 LLW-3) and invited written submissions in regards to the draft Local Law No.1 [13 LLW-1];*
2. *That Council, in accordance with section 223 of the Local Government Act 1989, considers any submissions received in relation to the draft Local Law No.1 at Ordinary Council Meeting to be held on 3 February 2014.*
3. *That Council considers adoption of the draft Local Law No.1 at the Ordinary Council Meeting to be held on 17 February 2014.*

*NOTE – amendment 'order of business include the CEO and Mayor' (division 3 section 23), also include 9.4 – previously removed*

Council received one submission in regard to the draft local law and considered this at its previous Ordinary Council meeting on 3 February 2014, whereby Council resolved:

*That Council notes the submission received in regard to the draft Local Law No.1.*

### **ISSUES**

The draft Local Law No.1 was released for public exhibition on Monday, 25 November 2013 and closed on Friday 10 January 2014.

Prior to this Council has undergone a process of reviewing Local Law No.1 and has identified a need to amend the Local Law with the following changes:

1. Expansion of clause 9 (Election of the Mayor) by inserting a subclause to the effect that immediately following the election, the Mayor is to take the chair.
2. Deletion of clause 9.3 (Candidates addressing the Council on their suitability for the office of Mayor, Deputy Mayor or Chair).
3. Expansion of clause 63 (Petitions) to require each page of a petition to contain the entire wording of the petition.
4. Amending clauses 28.1 and 28.3 (Notice of motion) by allowing for lodgement by 10:00 AM on the Friday before the next Council meeting and deleting the wording "to allow sufficient time for him or her to give each Councillor at least 96 hours' notice of such notice of motion." (Note that clause 28.1 currently allows for lodgement by email).
5. Amending clause 49 (Addressing the meeting) to provide for Councillors to remain seated when addressing the meeting. (Note that prior to this amendment, any person addressing the Chair must stand if the Chair so determines). (Also note that clause 45.2 infers



**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

that Councillors will stand given the reference to "...the Chair may direct the speaker to be seated.")

6. Expansion of Division 13 (Behaviour) to allow the Chair to adjourn the meeting if it is disrupted by the public, after having warned the meeting of the Chair's intention to do so if further disruption occurs.
7. Amending clause 62 (Question time) to require receipt of questions by 12 noon on the day of the meeting.
8. Amending clause 91 (Criticism of members of Council staff) to prohibit criticism of members of Council staff and despite the prohibition, allow the CEO to respond to any such criticism.
9. Distinct from Question Time, a provision has been inserted to formalise the current practice of allowing the public to address a meeting, including –
  - a. a requirement that persons requesting to speak notify Council in writing by 12 noon on the day of the meeting; and
  - b. provision for the Mayor to exercise discretion on who may speak, the maximum number of speakers, and time limits.
10. Insertion of a clause that allows for a protocol to be incorporated by reference into the local law. The protocol may deal with matters outside the meeting such as –
  - a. Consultation with the Mayor by the CEO about the content of a proposed agenda;
  - b. Electronic confirmation to be sent to Councillors acknowledging receipt of emailed notices of motion;
  - c. The introduction of the term "preliminary agenda" to replace the currently issued agenda and the further term "final agenda" to expand on the contents of the preliminary agenda by including notices of motion;
  - d. Foreshadowing proposed notices of motion at an assembly of Councillors ("I & D" meeting).

In addition to the proposed changes identified above, Councillors have also expressed some interest in the development of a document known as a 'protocol' to work in conjunction with Local Law No1. This is identified as item 10 above, and such a document would be incorporated into the Local Law by reference but would not be subject to the same review process as a Local Law. It would cover more operational matters outside of the meeting procedures and would serve to provide improved administration of Council meetings. This document should be developed following the adoption of the proposed amendment to Local Law No1.

## ORDINARY COUNCIL MEETING MINUTES 17 FEBRUARY 2014 (CM430)

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

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

There are minimal financial implications in the review of Local Law No.1. Costs of approximately \$400 has been incurred for the placing of a notice in the Government Gazette Notice and public notices in the Latrobe Valley Express. Minor consultancy fees were incurred for the review of Local Law No. 1 and the Councillor Code of Conduct

These items were budgeted for in the 2013-2014 budget.

### **INTERNAL/EXTERNAL CONSULTATION**

*Details of Community Consultation / Results of Engagement:*

The draft Local Law No.1 was released and advertised for public exhibition for 28 days following Council's resolution at its Ordinary Meeting on 18 November 2013. All submissions have been treated in accordance with section 223 of the Local Government Act 1989.

A notice informing the community of the availability of the draft document and inviting written submissions was placed in the Victoria Government Gazette on 9 January 2014 and a public notice was placed in the Latrobe Valley Express on 16 and 19 December and 6 and 9 January 2014.

Copies of the draft Local Law No.1 were made available on the website and hard copies were able to be viewed in all Council Service Centres and libraries.

### **OPTIONS**

The options available to Council are:

- To adopt the amended Local Law No.1
- To defer the adoption of Local Law No.1
- To note the Local Law No.1 and continue to operate under the current version that was adopted in June 2009 although this would negate the work that Council has put into amending the Local Law.

### **CONCLUSION**

The amended Local Law No.1 was released for public comment in accordance with s.223 of the Local Government Act 1989 and Council's resolution on 18 November 2013 and submissions heard at the Ordinary Council meeting on 3 February 2014.

These actions will fulfil the 2012-2016 Council Plan Action 'Review Local Law No.1 and are presented to Council for consideration.

#### **Attachments**

1. Proposed Local Law No.1

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)****RECOMMENDATION**

That Council

- Adopts the amended Local Law No.1 as presented
- Writes to the Moe and District Residents Association and thanks them for their submission.
- Writes to the Minister for Local Government and provides a copy of the revised Local Law No.1
- Makes copies of the amended Local Law No.1 available on Council's website and in Service Centres and libraries for the public.

**ALTERNATE MOTION**

**That Council defer consideration of this matter until the next ordinary Council meeting.**

**Moved:** Cr Middlemiss

**Seconded:** Cr Gibbons

**That the Motion be adopted.**

**CARRIED UNANIMOUSLY**

# **17.1**

## **Review of Local Law No. 1**

<b>1</b>	<b>Proposed Local Law No.1 .....</b>	<b>503</b>
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# LATROBE CITY COUNCIL

## LOCAL LAW NO.1 [14 LLW-1]

*Adopted 17 February 2014*

### MEETING PROCEDURE LOCAL LAW

Consideration of all rights contained within the *Charter of Human Rights and Responsibilities Act 2006* took place in the preparation of this Local Law; and any reasonable limitation to human rights can be demonstrably justified.

For enquiries please contact  
Tom McQualter  
Manager Council Operations & Legal Services  
Ph. 1300 367 700



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**PART A**

**INTRODUCTION**

**1. Title**

This Local Law will be known as the "Meeting Procedure Local Law".

**2. Purpose and objective of this Local Law**

The purpose and objective of this Local Law is to:

- 2.1 Provide for the election of the Mayor;
- 2.2 Regulate the use of the common seal;
- 2.3 Prohibit unauthorised use of the common seal or any device resembling the common seal;
- 2.4 Provide for the procedures governing the conduct of Council meetings and Special Committee Meetings;
- 2.5 To promote and encourage community participation in the system of local government by providing a mechanism for Council to ascertain the community's views and expectations; and
- 2.6 To revoke Council's Process of Municipal Government (Meetings and Common Seal) Local Law No. 1 – 2004.

**3. Authorising Provision**

This Local Law is made under section 111(1) of the *Local Government Act* 1989.

**4. Operation and Commencement and End Dates**

This Local Law:

- 4.1 commences on the day following the day on which notice of the making of this Local Law is published in the *Victoria Government Gazette*, and operates throughout the municipal district; and
- 4.2 ends on the 10<sup>th</sup> anniversary of the day on which it commenced operation.

**5. Revocation of Local Law No. 1 - 2004**

On the commencement of this Local Law, Council's Process of Municipal Government (Meetings and Common Seal) Local Law No. 1 - 2004 is revoked.

**6. Definitions and Notes**

6.1 In this Local Law:

"Act" means the *Local Government Act* 1989 (Vic);

"agenda" means the notice of a meeting setting out the business to be transacted at the meeting;

"Authorised Officer" means a member of Council staff who is authorised by Council or the Chief Executive Officer under delegation to carry out specific functions under this Local Law;

"Chair" the position of responsibility for conducting the meeting; the Chair usually takes their physical place at the head of the meeting table and includes an acting, a temporary and a substitute Chair;

"Chief Executive Officer" means the Chief Executive Officer of Council;

"common seal" means the common seal of Council;

"Council" means Latrobe City Council;

"Councillor" has the same meaning as the *Local Government Act 1989*.

"Council meeting" means an Ordinary Meeting or a Special Meeting;

"Deputy Mayor" means the Deputy Mayor of Council;

"division" means a formal count and recording in the minute book, of those Councillors for and against a motion;

"Executive Team" means the team or group of senior officers designated as such in Council's organisational chart or, if no such designation exists, which meets regularly to superintend Council's administration;

"Mayor" means the Mayor of Council;

"Minister" means the Minister responsible for administering the *Local Government Act 1989*;

"minute book" means the collective record of proceedings of Council;

"municipal district" means the municipal district of Council;

"notice of motion" means a notice setting out the text of a motion, which it is proposed to move at the next relevant meeting;

"notice of rescission" means a notice of motion to rescind a resolution made by Council;

"offence" means an act or default contrary to this Local Law;

"Ordinary Meeting" means any meeting of Council which is not a Special meeting;

"Penalty units" mean penalty units as prescribed in the *Sentencing Act 1992*;

"senior officer" has the same meaning as in the *Local Government Act 1989*;

"Special Committee" means a special committee established by Council under section 86 of the Act;

"Special Meeting" means a Special Meeting of Council convened and held in accordance with section 84 or 84A of the Act;

“Resolution” means a formal expression of opinion or intention made by Council.

"visitor" means any person (other than a Councillor, member of a Special Committee or member of Council staff) who is in attendance at a Council meeting or a Special Committee meeting; and

"written" includes duplicated, lithographed, photocopied, printed and typed, and extends to both hard copy and soft copy form.

- 6.2 Introductions to Parts, headings and notes are explanatory and do not form part of this Local Law. They are provided to assist understanding.

–  
**PART B**

–  
**ELECTION OF MAYOR**

**Introduction:** This Part is concerned with the election of the Mayor and any Deputy Mayor. It describes how the Mayor and Deputy Mayor are to be elected.

**7. Election of Mayor**

The Chief Executive Officer or a member of Council staff nominated by the Chief Executive Officer must facilitate the election of the Mayor in accordance with the provisions of the Act.

**8. Method of Voting**

The election of the Mayor or temporary Chair must be carried out by a show of hands.

**9. Determining the Election of the Mayor**

9.1 The Chief Executive Officer or a member of Council staff nominated by the Chief Executive Officer must open the meeting at which the Mayor is to be elected, and call for nominations for the election of a Councillor as a temporary Chair.

9.2 Upon the meeting electing a temporary Chair:

9.2.1 The temporary Chair takes the Chair;

9.2.2 The temporary Chair must invite nominations for the office of Mayor; Councillors may nominate themselves but each nomination must be seconded. If there is only one nomination, the candidate nominated is deemed to be elected; and in the event that a Councillor nominates themselves and they are the only Councillor who is nominated, then that Councillor is elected even if the nomination is not seconded;

9.2.3 If there is more than one nomination, the Councillors present at the meeting must vote for one of the candidates;



- 9.2.4 In the event of a candidate receiving an absolute majority of the votes, that candidate is declared to have been elected;
- 9.2.5 In the event that no candidate receives an absolute majority of the votes, the candidate with the fewest number of votes is declared to be a defeated candidate. The Councillors present at the meeting must then vote for one of the remaining candidates;
- 9.2.6 If one of the remaining candidates receives an absolute majority of the votes, he or she is duly elected. If none of the remaining candidates receives an absolute majority of the votes, the process of declaring the candidates with the fewest number of votes a defeated candidate and voting for the remaining candidates must be repeated until one of the candidates receives an absolute majority of the votes. That candidate must then be declared to have been duly elected;
- 9.2.7 In the event of two or more candidates having an equality of votes and one of them having to be declared:
- 9.2.7.1 a defeated candidate; or
- 9.2.7.2 a candidate or candidates being declared a defeated candidate and the other duly elected,
- the declaration will be determined by lot.
- 9.2.8 If a lot is conducted, the Chief Executive Officer or a member of Council staff nominated by the Chief Executive Officer will have the conduct of the lot and the following provisions will apply:
- 9.2.8.1 each candidate will draw one lot;
- 9.2.8.2 the order of drawing lots will be determined by the alphabetical order of the surnames of the Councillors who received an equal number of votes except that if two or more such Councillors' surnames are identical, the order will be determined by the alphabetical order of the Councillors' first names; and
- 9.2.8.3 as many identical pieces of paper as there are Councillors who received an equal number of votes must be placed in a receptacle. If the lot is being conducted to determine which is a defeated candidate, the word "Defeated" shall be written on one of the pieces of paper, and the Councillor who draws the paper with the word "Defeated" written on it must be declared the defeated candidate (in which event a further vote must be taken on the remaining candidates). Where there are only 2 candidates remaining and the lot is being conducted to determine which candidate is to be duly elected, the word "Elected" must be written on one of the pieces of paper, and the Councillor who draws the paper with the word "Elected" written on it must be declared to have been duly elected.
- 9.2.9 The procedure provided for in this clause 9.2 also applies to the election of a temporary Chair and Chair of a Special Committee.

**Explanatory Note**

*As an example, if 4 candidates are nominated and candidate A receives 3 votes and candidates B, C and D each receive 2 votes, a lot must be used to determine which of candidates B, C or D is considered defeated. This is because candidate A did not receive an absolute majority of the votes (having received only 3 of a possible 9 votes).*

*In this instance, a lot is used to determine which of the 3 candidates is defeated and then the vote is re-taken for all candidates to determine if a candidate receives an absolute majority.*

*If the vote is taken and 2 candidates each receive equal votes, a lot is used to determine which candidate is elected. In this instance, the word "Elected" is written on the paper and the person who draws that piece of paper is elected.*

9.3 Immediately following the election, the Mayor is to take the chair

9.4 Prior to the taking of the vote, any person nominated to the position of Chair, Mayor or Deputy Mayor must be given a reasonable opportunity to address Council as to their suitability for the office for which they have been nominated.

**10. Determining the Election of any Deputy Mayor**

If Council resolves that there be an office of Deputy Mayor, the Deputy Mayor is to be elected in the manner provided for in clause 9.2 except that any reference in that sub-clause to:

10.1 a temporary Chair is to be taken as a reference to the Mayor; and

10.2 the Mayor is to be taken as a reference to the Deputy Mayor.

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**PART C**

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**COUNCIL'S COMMON SEAL**

**Introduction:** The common seal is a device which formally and solemnly records the collective will of Council. The provisions in this Part are designed to protect the integrity of the common seal, and describe when it may be affixed to a document.

**11. Council's Common Seal**

11.1 The Chief Executive Officer must ensure the security of Council's common seal at all times.

11.2 The Council's common seal must only be used on the authority of the Council given either generally or specifically to a matter that is being or has been presented to Council;

11.3 The affixing of Council's common seal to any document must be attested to by the signature of the:

- 11.3.1 Mayor; or
  - 11.3.2 the Chief Executive Officer, or any other member of Council staff authorised by Council.
- 11.4 A person must not use the common seal or any device resembling the common seal without the authority of Council.

**Penalty:** 10 penalty units

***Explanatory Note***

Council may resolve to authorise the seal to be affixed to a specific document, or may authorise that the seal be affixed to a particular type or class of documents which may or may not be in existence at the time of the Council resolution.

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**PART D**

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**MEETINGS PROCEDURE**

**Introduction:** This Part is divided into a number of Divisions. Each Division addresses a distinct aspect of the holding of a meeting. Collectively, the Divisions describe how and when a meeting is convened, when and how business may be transacted at a meeting and the particular circumstances of Special Committee meetings.

***DIVISION 1 - NOTICES OF MEETINGS AND DELIVERY OF AGENDAS***

**12. Dates and Times of Meetings**

Council must from time to time fix the date, time and place of all Ordinary meetings.

**13. Council may alter Ordinary and Special Meeting dates**

Council may change the date, time and place of any Ordinary or Special Meeting which has been fixed and must provide reasonable notice of the change to the public.

**14. Special Meetings**

- 14.1 Council may by resolution call a Special Meeting.
- 14.2 The Mayor or at least 3 Councillors may by a written notice call a Special Meeting.
- 14.3 The written notice described in clause 14.2 must specify the date and time of the Special Meeting and the business to be transacted.
- 14.4 The Chief Executive Officer must convene the Special Meeting as specified in the notice.
- 14.5 The notice necessary to call a meeting in accordance with section 84 of the Act must be delivered to the Chief Executive Officer in sufficient time to

enable reasonable notice of the Special Meeting to be given to the Councillors.

- 14.6 In giving such a notice to the Chief Executive Officer under this clause 14, Councillors should have regard to any need for preparatory investigations to enable the business to be undertaken at the Special Meeting.
- 14.7 Unless all Councillors are present and unanimously agree to deal with any other matter, only the business specified in the notice or resolution is to be transacted at the Special Meeting.
- 14.8 Subject to any resolution providing otherwise, the order of business of any Special Meeting must be the order in which such business stands in the agenda for the meeting.

## **15. Emergencies**

- 15.1 In the case of an emergency, the Chief Executive Officer or, in his or her absence, a senior officer appointed as a member of Council's Executive Team may postpone a Council meeting provided reasonable attempts are made to notify every Councillor.
- 15.2 The Chief Executive Officer must submit a full report of the circumstances which required action under clause 15.1 at the next Ordinary Meeting.

## **16. Notice of Meeting**

- 16.1 A notice of meeting, incorporating or accompanied by an agenda of the business to be dealt with, must be delivered to every Councillor for all Ordinary Meetings at least 48 hours before the meeting.
- 16.2 The notice of meeting must state the date, time and place of the meeting and the business to be dealt with and can be sent by post, facsimile, electronic mail, personally delivered or otherwise as specified by the Councillors or Chief Executive Officer from time to time.
- 16.3 A notice of meeting, incorporating or accompanied by an agenda of the business to be dealt with, must be delivered to every Councillor for any Special Meeting within a reasonable time of the Special Meeting being called. Generally, this means that a notice of meeting must be delivered to every Councillor at least 24 hours before the Special Meeting. A period less than 24 hours may, however, be justified if exceptional circumstances exist.
- 16.4 Reasonable notice of each Ordinary and Special Meeting must be provided to the public. Council may do this for Ordinary Meetings by preparing a schedule of meetings annually, twice yearly or from time to time, and arranging publication of such schedule in a newspaper generally circulating within the municipal district and/or on Council's internet website either at various times throughout the year, or just prior to each Ordinary Meeting.
- 16.5 It will not be necessary for a notice of meeting under clause 16 to be served on any Councillor who has been granted a leave of absence, unless the Councillor has requested in writing to the Chief Executive Officer to continue to be given notice of any meeting to be held during the period of his or her absence and must provide details to the Chief Executive Officer how this notice is to be reasonably delivered.



## **DIVISION 2 – QUORUMS**

### **17. Ordinary Meetings**

The quorum for Ordinary Meetings is the presence of a majority of the Councillors.

### **18. Special Meetings**

The quorum for Special Meetings is the presence of a majority of the Councillors.

### **19. Inability to gain a Quorum**

If, after 30 minutes from the scheduled starting time of any Ordinary or Special Meeting, a quorum cannot be obtained:

19.1 those Councillors present; or

19.2 if there are no Councillors present, the Chief Executive Officer, or, in the absence of the Chief Executive Officer, a senior officer appointed as a member of Council's Executive Team,

must adjourn the meeting for a period not exceeding seven days from the date of the adjournment.

### **20. Inability to maintain a Quorum**

If, during any Ordinary or Special Meeting or any adjournment of the meeting, a quorum cannot be maintained:

20.1 those Councillors present; or

20.2 if there are no Councillors present, the Chief Executive Officer, or, in the absence of the Chief Executive Officer, a senior officer appointed as a member of Council's Executive Team,

must adjourn the meeting for a period not exceeding seven days from the date of the adjournment.

### **21. Inability to achieve or maintain a Quorum due to Conflicts of Interest of Councillors**

If a quorum cannot be achieved or maintained due to the disclosure of conflicts of interest by the majority of Councillors, the Chief Executive Officer, or, in his or her absence, a senior officer appointed as a member of Council's Executive Team, must adjourn the meeting for a length of time sufficient to enable dispensation for the affected Councillors to be obtained from the Minister.

### **22. Adjourned Meetings**

22.1 Council may adjourn any meeting.

22.2 The Chief Executive Officer must give notice to each Councillor of the date, time and place to which the meeting stands adjourned and of the business remaining to be considered.

- 22.3 The Chief Executive Officer must provide written notice of a meeting adjourned under clause 17, 18, 19, 20 or 21 but where this is not practicable because time does not permit that to occur, then, provided every reasonable attempt is made to contact every Councillor, notice by telephone, facsimile, email, in person or by some other means is sufficient.

### **DIVISION 3 – BUSINESS OF MEETINGS**

#### **23. The Order of Business**

The order of business for any Ordinary Meeting will be determined by the Chief Executive Officer and the Mayor to facilitate and maintain open, efficient and effective processes of government. Without detracting from this:

- 23.1 although preparation should aim at consistent agendas from meeting to meeting, this should not preclude altering the order of business to enhance the fluent and open process of government of Council, to meet identified needs of Council or to take advantage of opportunities which may arise from time to time; and
- 23.2 the Chief Executive Officer and the Mayor may include any matter in an agenda which he or she thinks should be considered by that meeting.

#### **24. Change to Order of Business**

Once an agenda has been sent to Councillors, the order of business for that meeting may be altered with the consent of the Mayor.

#### **25. Conflicts of Interest**

- 25.1 A Councillor must disclose any conflict of interest which that Councillor has in an item of business at the time specified in the agenda.
- 25.2 Nothing in clause 25.1 detracts from a Councillor's duty under the Act to disclose the existence, type and, if necessary, nature, of any conflict of interest which that Councillor has in an item of business immediately before the consideration or discussion of that item of business.

#### **Explanatory Note**

Section 77A of the Act defines when a Councillor will have a direct and indirect interest. Any Councillor who has a conflict of interest must comply with the requirements of section 79 of the Act.

Among these requirements is the requirement to disclose the existence and type of the conflict of interest. This must be done 'immediately' before the consideration or discussion of the item in which the Councillor has a conflict of interest.

So, even if the Councillor has disclosed the conflict of interest earlier in the meeting, the existence and type (and, if necessary, nature) of the conflict of interest must again be disclosed immediately before any consideration or discussion of the agenda item occurs.

**26. Urgent Business**

Business cannot be admitted as urgent business other than by resolution of Council and only then if it:

- 26.1 relates to or arises out of a matter which has arisen since distribution of the agenda; and
- 26.2 cannot safely or conveniently be deferred until the next Ordinary Meeting or involves a matter of urgent community concern.

**DIVISION 4 – MOTIONS AND DEBATE**

**27. Councillors may propose Notices of Motion**

- 27.1 Councillors may ensure that an issue is listed on an agenda by completing a Councillor's Notice of Motion form.
- 27.2 A notice of motion cannot be accepted by the Chair, unless it has been listed on the agenda for the meeting at which it was proposed to be moved or unless it is accepted by Council as urgent business.

**28. Notice of Motion**

- 28.1 A notice of motion must be in writing. The Councillor must lodge with or email to the Chief Executive Officer a signed notice of motion no later than 10.00 am on the Friday before the next meeting of Council, to allow sufficient time for him or her to give each Councillor notice of such notice of motion.
- 28.2 The full text of any notice of motion accepted by the Chief Executive Officer must be included in the material accompanying the agenda.
- 28.3 If the notice of motion is not sufficiently clear or is not received prior to 10.00 am on the Friday before the next meeting of Council, in time to allow the Chief Executive Officer to distribute the notice to each Councillor before the next Ordinary Meeting, the notice of motion can only be accepted as urgent business by resolution of Council under clause 26 of this Local law.
- 28.4 The Chief Executive Officer must cause all notices of motion to be numbered, dated and entered in the notice of motion book in the order in which they were received.
- 28.5 Except by leave of Council, each notice of motion before any meeting must be considered in the order in which they were entered in the notice of motion book.
- 28.6 If a Councillor who has given a notice of motion is absent from the meeting, any other Councillor may move the motion.
- 28.7 If a notice of motion is not moved at the meeting at which it is listed, it lapses.

**29. Rejection of a Notice of Motion**

The Chief Executive Officer may reject any proposed notice of motion that in his or her opinion is too vague. In that event, the Chief Executive Officer must:

- 29.1 give the Councillor delivering the rejected notice of motion an opportunity to amend the proposed notice of motion; and
- 29.2 provide the Councillor with reasons for rejecting their notice of motion.

**30. Chair's Duty**

Any motion or amendment which is determined by the Chair to be:

- 30.1 defamatory;
- 30.2 objectionable in language or nature;
- 30.3 vague or unclear in intention;
- 30.4 outside the powers of Council; or
- 30.5 irrelevant to the item of business on the agenda and has not been admitted as urgent or general business, or purports to be an amendment but is not,

must not be accepted by the Chair.

**31. Introducing a Motion or an Amendment**

The procedure for moving any motion or amendment is:

- 31.1 the mover must state the motion without speaking to it;
- 31.2 the motion must be seconded and the seconder must be a Councillor other than the mover; if a motion is not seconded, the motion lapses for want of a seconder;
- 31.3 if a motion or an amendment is moved and seconded the Chair must ask:  
"Is the motion or amendment opposed?"
- 31.4 if no Councillor indicates opposition, the Chair must ask:  
"Does any Councillor wish to speak in favour of the motion?"
- 31.5 if no Councillor indicates that they oppose the motion and if no Councillor wishes to speak in favour of the motion, the Chair must declare the motion or amendment carried without discussion;
- 31.6 if a Councillor indicates opposition under clause 31.3 contained herein, then the Chair must call on the mover to address the meeting; and
- 31.7 after the mover has addressed the meeting, the seconder may address the meeting or reserve their right to address the meeting at a later point in the debate; and



- 31.8 after the seconder has addressed the meeting (or after the mover has addressed the meeting if the seconder does not address the meeting or reserves their right,) the Chair must invite debate by calling on any Councillor who wishes to speak to the motion, providing an opportunity to alternate between those wishing to speak against the motion and those wishing to speak for the motion; and
- 31.9 if, after the mover and seconder have addressed the meeting, or after the mover or seconder has declined to address the meeting, the Chair has invited debate and no Councillor speaks to the motion, then the Chair must put the motion to the vote.
- 31.10 if a Councillor wishes to speak in favour of the motion following a call from the Chair under clause 31.4, then the Chair must call on the mover to address the meeting; and
- 31.11 after the mover has addressed the meeting, the seconder may address the meeting or reserve their right to address the meeting; and
- 31.12 after the seconder has addressed the meeting (or after the mover has addressed the meeting if the seconder does not address the meeting,) the Chair must invite and provide an opportunity for any Councillor to speak in favour of the motion; and
- 31.13 if, the Chair has invited any Councillor to speak in favour of the motion and no further Councillors wish to speak in favour of the motion, then the Chair must put the motion to the vote.

## **32. Right of Reply**

- 32.1 The mover of a motion, including an amendment, has a right of reply to matters raised during debate.
- 32.2 After the right of reply has been exercised but subject to any Councillor exercising his or her right to ask any question concerning or arising out of the motion, the motion must immediately be put to the vote without any further discussion or debate.

## **33. Moving an Amendment**

- 33.1 Subject to clause 33.2, a motion which has been moved and seconded but not put to the vote may be amended by leaving out or adding words. Any added words must be relevant to the subject of the motion. The added words or deletion must not be contradictory to the form or substance of the motion.
- 33.2 A motion to confirm a previous resolution of Council cannot be amended.

## **34. Who may propose an Amendment**

An amendment may be proposed or seconded by any Councillor, except the mover or seconder of the original motion.

**35. Who may debate an Amendment**

A Councillor may address the meeting once on any amendment, whether or not they have spoken to the original motion, but debate must be confined to the terms of the amendment.

**36. How many Amendments may be Proposed**

36.1 Any number of amendments may be proposed to a motion but only 1 amendment may be accepted by the Chair at any one time.

36.2 No second or subsequent amendment, whether to the motion or an amendment of it, may be taken into consideration until the previous amendment has been dealt with.

**37. An Amendment Once Carried**

37.1 If the amendment is carried, the motion as amended then becomes the motion before the meeting and is declared carried and no further vote is taken on the original motion.

37.2 If the amendment is not carried, the amended motion is declared lost.

37.3 If there are no further proposed amendments to the original motion, the original motion is then put to the vote.

**38. Withdrawal of Motions and Amendments**

38.1 Before any motion or amendment is put to the vote, it may be withdrawn by the mover and seconder with leave of Council.

38.2 If the majority of Councillors object to the withdrawal of the motion or amendment, it may not be withdrawn.

**39. Separation of Motions and Amendments**

Where a motion or amendment contains more than one part, a Councillor may request the Chair to put the motion to the vote in separate parts.

**40. Chair may Separate or Aggregate Motions and Amendments**

The Chair may decide to put any motion to the vote in:

40.1 several parts; or

40.2 its aggregate form.

**41. Foreshadowing Motions**

41.1 At any time during debate a Councillor may foreshadow a motion so as to inform Council of his or her intention to move a motion at a later stage in the meeting, but this does not extend any special right to the foreshadowed motion.

- 41.2 A foreshadowed motion must substantially relate to an item already listed on the agenda of the Ordinary Meeting, otherwise it can only be accepted by Council as urgent business.
- 41.3 A motion foreshadowed may be prefaced with a statement that in the event of a particular motion before the Chair being resolved in a certain way, a Councillor intends to move an alternative or additional motion.
- 41.4 Upon a motion being foreshadowed, the Chair may request the Councillor who foreshadowed it to move that motion immediately or after the business currently before the meeting is disposed of.
- 41.5 The Chief Executive Officer or person taking the minutes of the meeting is not expected to record foreshadowed motions in the minutes until the foreshadowed motion is formally moved.

#### **42. Motions and Amendments in Writing**

- 42.1 The Chair must require that a complex or detailed motion or amendment be in writing.
- 42.2 Council may adjourn the meeting while a motion or amendment is being written.
- 42.3 Council may defer a matter until a motion has been written, allowing the meeting to proceed uninterrupted.

#### **43. Repeating Motion and/or Amendment**

The Chair may request the Chief Executive Officer or the person taking the minutes to read the motion or amendment to the meeting before the vote is taken.

#### **44. Notice of Motion that is Lost**

Unless the Council resolves to re-list the notice of motion at a future meeting of Council, a notice of motion which has been lost must not be put before Council in its substantive or amended form for at least three months from the date it was lost.

#### **45. Debate must be relevant to the Motion**

- 45.1 Debate must always be relevant to the motion before the Chair, and, if not, the Chair must request the speaker to confine debate to the motion.
- 45.2 If after being requested to confine debate to the motion before the Chair, the speaker continues to debate irrelevant matters, the Chair may direct the speaker to not speak further in respect of the motion then before the Chair.
- 45.3 A speaker to whom a direction has been given under clause 45.2 contained must comply with that direction. Should the speaker fail to adhere to the direction, the Chair may require the speaker to leave the chamber until the motion has been put to the vote. The speaker must comply with any such requirement.

**46. Priority of address**

In the case of competition for the right to speak, the Chair must decide the order in which the Councillors concerned will be heard.

**47. Speaking Times**

A Councillor must not speak longer than the time set out below, unless granted an extension by the Chair:

47.1 the mover of a motion or an amendment which has been opposed or where a Councillor has asked to speak in favour of the motion under clause 31: 3 minutes;

47.2 any other Councillor: 3 minutes; and

47.3 the mover of a motion exercising a right of reply: 3 minutes.

**48. Extension of Speaking Times**

48.1 An extension of speaking time may be granted by resolution of Council at any time before, during or immediately after debate, but only one extension is permitted for each speaker on any question and the extension cannot be granted for longer than 3 minutes.

48.2 A motion for an extension of speaking time cannot be accepted by the Chair if another speaker has commenced participation in the debate.

**49. Addressing the Meeting**

If the Chair so determines:

49.1 any person addressing the Chair must refer to the Chair as:

49.1.1 Madam Mayor; or

49.1.2 Mr Mayor; or

49.1.3 Madam Chair; or

49.1.4 Mr Chair

as the case may be;

49.2 all Councillors, other than the Mayor, must be addressed as Cr

\_\_\_\_\_ (name).

49.3 all members of Council staff, must be addressed as Mr or Ms

\_\_\_\_\_ (name) as appropriate or by their official title.

**50. Right to Ask Questions**

50.1 A Councillor may, at any time when no other Councillor is speaking, ask any question concerning or arising out of the motion or amendment before the Chair.



- 50.2 The Chair has the discretion to restrict the number of questions asked and answered to allow for the orderly flow of the meeting.

## **DIVISION 5 – PROCEDURAL MOTIONS**

### **51. Procedural Motions**

- 51.1 Unless otherwise prohibited, a procedural motion may be moved at any time and must be dealt with immediately by the Chair.
- 51.2 Procedural motions require a seconder.
- 51.3 Procedural motions do not need to be recorded in the minutes of the meeting, unless requested by the Chair.
- 51.4 Notwithstanding any other provision in this Local Law, procedural motions must be dealt with in accordance with the following table:

**PROCEDURAL MOTIONS TABLE**

<b>Procedural Motion</b>	<b>Form</b>	<b>Mover and Seconder</b>	<b>When Motion Prohibited</b>	<b>Effect if Carried</b>	<b>Effect if Lost</b>	<b>Debate Permitted on Motion</b>
1. Adjournment of debate to later hour and/or date	That this matter be adjourned to *am/pm and/or *date	Any Councillor who has not moved or seconded the substantive motion or otherwise spoken to the substantive motion	(a) During the election of a Chair; (b) When another Councillor is speaking	Motion and amendment is postponed to the stated time and/or date	Debate continues unaffected	Yes
2. Adjournment of debate indefinitely	That this matter be adjourned until further notice	Any Councillor who has not moved or seconded the substantive motion or otherwise spoken to the substantive motion	(a) During the election of a Chair; (b) When another Councillor is speaking; (c) When the matter is one in respect of which a call of the Council has been made for that meeting in accordance with section 85 of the Act; or (d) When the motion would have the effect of causing Council to be in breach of a legislative requirement	Motion and any amendment postponed but may be resumed at any later meeting if on the agenda	Debate continues unaffected	Yes

<b>Procedural Motion</b>	<b>Form</b>	<b>Mover and Secunder</b>	<b>When Motion Prohibited</b>	<b>Effect if Carried</b>	<b>Effect if Lost</b>	<b>Debate Permitted on Motion</b>
3. The closure	That the motion be now put	Any Councillor who has not moved or seconded the substantive motion or otherwise spoken to the substantive motion	During nominations for Chair	Motion or amendment in respect of which the closure is carried is put to the vote immediately without debate of this motion, subject to any Councillor exercising his or her right to ask any question concerning or arising out of the motion	Debate continues unaffected	No
4. Laying question on the table	That the question lie on the table	Any Councillor who has not moved or seconded the substantive motion or otherwise spoken to the substantive motion	(a) During the election of a Chair; (b) During a meeting which is a call of the Council has been made for that meeting in accordance with section 85 of the Act; or (d) When the motion would have the effect of causing Council to be in breach of a legislative requirement	Motion and amendment is not further discussed or voted on until: (a) Council resolves to take the question from the table at the same meeting; or (b) The matter is placed on a subsequent agenda and Council resolves to take the question from the table	Debate continues unaffected	No

<b>Procedural Motion</b>	<b>Form</b>	<b>Mover and Secunder</b>	<b>When Motion Prohibited</b>	<b>Effect if Carried</b>	<b>Effect if Lost</b>	<b>Debate Permitted on Motion</b>
5. Previous question	That the question be not now put	Any Councillor who has not moved or seconded the substantive motion or otherwise spoken to the substantive motion	<p>(a) During the election of a Chair;</p> <p>(b) When another Councillor is speaking;</p> <p>(c) When the matter is one in respect of which a call of the Council has been made for that meeting in accordance with section 85 of the Act;</p> <p>(d) When an amendment is before Council; or</p> <p>(e) When a motion would have the effect of causing Council to be in breach of a legislative requirement</p>	<p>(a) No vote or further discussion on the motion until it is placed on a subsequent agenda for a later meeting; and</p> <p>(b) Proceed to next business</p>	Motion (as amended up to that time) put immediately without further amendment or debate	Yes



<b>Procedural Motion</b>	<b>Form</b>	<b>Mover and Secunder</b>	<b>When Motion Prohibited</b>	<b>Effect if Carried</b>	<b>Effect if Lost</b>	<b>Debate Permitted on Motion</b>
6. Proceeding to next business	<p>That the meeting proceed to the next business</p> <p>Note: This motion:</p> <p>(a) may not be amended;</p> <p>(b) may not be debated; and</p> <p>(c) must be put to the vote as soon as seconded</p>	Any Councillor who has not moved or seconded the substantive motion or otherwise spoken to the substantive motion	<p>(a) During the election of a Chair;</p> <p>(b) When another Councillor is speaking;</p> <p>(c) When the matter is one in respect of which a call of the Council has been made in accordance with section 88 of the Act; or</p> <p>(d) When a motion would have the effect of causing Council to be in breach of a legislative requirement</p>	<p>If carried in respect of:</p> <p>(a) An amendment, Council considers the motion without reference to the amendment:</p> <p>(b) A motion - no vote or further discussion on the motion until it is placed on an agenda for a later meeting</p>	Debate continues unaffected	No

## DIVISION 6 – RESCISSION MOTIONS

### 52. Notice of Rescission

52.1 A Councillor may propose a notice of rescission provided:

52.1.1 the resolution proposed to be rescinded has not been acted on; and

52.1.2 the notice of rescission is lodged with or emailed to the Chief Executive Officer setting out;

52.1.2.1 the resolution to be rescinded; and

52.1.2.2 the meeting and date when the resolution was made.

#### **Explanatory Note**

It should be remembered that a notice of rescission is a form of notice of motion.

Accordingly, all provisions in the Local Law regulating notices of motion equally apply to notices of rescission.

When the notice of rescission is before the meeting, it is like any other form of motion. It is referred to as a "rescission motion".

52.2 A resolution will be deemed to have been acted on if:

52.2.1 its contents or substance has been formally communicated to a person whose interests are materially affected by it; or

52.2.2 a statutory process has been commenced,

so as to vest enforceable rights in or obligations on Council or any other person.

52.3 The Chief Executive Officer or an appropriate member of Council staff must defer implementing a resolution which:

52.3.1 has not been acted on; and

52.3.2 is the subject of a notice of rescission which has been delivered to the Chief Executive Officer in accordance with clause 52.1.2,

unless deferring implementation of the resolution would have the effect of depriving the resolution of efficacy.

#### **Explanatory Note**

By way of example, assume that, on a Monday evening, Council resolves to have legal representation at a planning appeal to be heard on the following Thursday. Assume also that, immediately after that resolution is made, a Councillor lodges a notice of motion to rescind that resolution. Finally, assume that the notice of rescission would not be dealt with until the next Monday evening (being after the day on which the planning appeal is to be heard).

In these circumstances, deferring implementation of the resolution would have the effect of depriving the resolution of efficacy. This is because the notice of rescission would not be debated until after the very thing contemplated by the resolution had come and gone. In other words, by the time the notice of rescission was dealt with the opportunity for legal representation at the planning appeal would have been lost.

Clause 52.3 would, in such circumstances, justify the Chief Executive Officer or an appropriate member of Council staff actioning the resolution rather than deferring implementation of it.

**53. If Lost**

53.1 If a rescission motion is lost, a similar motion may not be put before Council for at least 3 months from the date it was last lost, unless Council resolves that the notice of motion be re-listed at a future meeting.

53.2 If a rescission motion is lost, the Chief Executive Officer or an appropriate member of Council staff is not prevented from acting upon the original resolution even if a subsequent notice of rescission has been listed for a Council meeting at least 3 months subsequent to when the motion for rescission was lost.

**Explanatory Note**

By way of example, assume that Council resolves to write a letter to a Minister relating to a planning matter. Immediately after the resolution is made, a Councillor lodges a notice of motion to rescind that resolution at the next Council meeting. The notice of rescission is subsequently lost. Assume that the Councillor seeks to lodge a further notice of rescission to be heard in not less than 3 months time.

Clause 53.2 would, in such circumstances, justify the Chief Executive Officer or an appropriate member of Council staff actioning the original resolution rather than deferring implementation of it until after the further notice of rescission.

**54. If Not Moved**

If a rescission motion is not moved at the meeting at which it is listed, it lapses and can not be put before Council for at least 3 months from the date it lapsed.

**55. May be Moved by any Councillor**

A rescission motion listed on an agenda may be moved by any Councillor present but may not be amended.

**56. When Not Required – Changes to Council Policy**

56.1 A rescission motion is not required where Council wishes to change policy.

56.2 The following provisions apply if Council wishes to change policy:

- 56.2.1 if the policy has been in force in its original or amended form for less than 12 months, a motion revoking the policy must first be passed; and
- 56.2.2 any intention to change a Council policy which may result in a significant impact on any person should be communicated to those affected. This may entail publication and consultation, either formally or informally.

## **DIVISION 7 – POINTS OF ORDER**

### **57. Chair to Decide**

The Chair must decide all points of order by stating the provision, rule, practice or precedent which he or she considers applicable to the point raised without entering into any discussion or comment.

### **58. Chair may Adjourn to Consider**

- 58.1 The Chair may adjourn the meeting to consider a point of order but otherwise must rule on it as soon as it is raised.
- 58.2 All other questions and matters before Council are suspended until the point of order is decided.

### **59. Dissent from Chair's Ruling**

- 59.1 A Councillor may move that the Council disagree with the Chair's ruling on a point of order, by moving:
  - "That the Chair's ruling [setting out that ruling or part of that ruling] be dissented from".
- 59.2 When a motion in accordance with this clause is moved and seconded, the Chair must invite the mover to state the reasons for his or her dissent and the Chair may then reply.
- 59.3 The Chair must put the motion in the following form:
  - "That the Chair's ruling be dissented from."
- 59.4 The Chair must remain in the Chair during the motion of dissent and he or she maintains their right to a second vote.
- 59.5 If the vote is in the negative, the meeting proceeds.
- 59.6 If the vote is in the affirmative, the Chair must reverse or vary (as the case may be) his or her previous ruling and proceed.
- 59.7 The defeat of the Chair's ruling is in no way a motion of censure or non-confidence in the Chair, and should not be so regarded by the meeting.



**60. Procedure for Point of Order**

60.1 A Councillor raising a point of order must:

60.1.1 state the point of order; and

60.1.2 state any section, clause, paragraph or provision relevant to the point of order;

before resuming his or her seat.

60.2 Any Councillor interrupted by another Councillor calling for a point of order must sit down and remain silent until the Councillor raising the point of order has been heard and the question disposed of by the Chair.

**61. Valid Points of Order**

A point of order may be raised in relation to:

61.1 a motion, which, under clause 31, or a question which, under clause 62.5, should not be accepted by the Chair;

61.2 a question of procedure; or

61.3 any act of disorder.

**Explanatory Note**

Rising to express a difference of opinion or to contradict a speaker is not a point of order.

Raising issues irrelevant to the motion before the meeting can be considered a basis of a valid point of order.

Making defamatory remarks or verbally personally attacking another Councillor would be considered a basis for a valid point of order.

***DIVISION 8 – PUBLIC QUESTION TIME***

**62. Question Time**

62.1 There will be a public question time at every Ordinary Meeting to enable members of the public to submit questions to Council.

62.2 Public Question Time will have a duration determined by the Chair from time to time.

62.3 Questions submitted to Council no later than 12 noon on the day of the meeting and must be prefaced by the name and address of the person submitting the question and generally be in a form approved or permitted by Council.

62.4 If a person has submitted 2 or more questions to a meeting, the second question and beyond:

- 62.4.1 may, at the discretion of the Chair, be deferred until all other persons who have asked a question have had their first question asked and answered; or
- 62.4.2 may not be asked if the time allotted for public question time has expired.
- 62.5 A question may be disallowed by the Chair if the Chair determines that it:
  - 62.5.1 relates to a matter outside the duties, functions and powers of Council;
  - 62.5.2 is defamatory, indecent, abusive, offensive, irrelevant, trivial or objectionable in language or substance;
  - 62.5.3 deals with a subject matter already answered;
  - 62.5.4 is aimed at embarrassing a Councillor or a member of Council staff;
  - 62.5.5 relates to personnel matters;
  - 62.5.6 relates to the personal hardship of any resident or ratepayer;
  - 62.5.7 relates to industrial matters;
  - 62.5.8 relates to contractual matters;
  - 62.5.9 relates to proposed developments;
  - 62.5.10 relates to legal advice;
  - 62.5.11 relates to matters affecting the security of Council property; or
  - 62.5.12 relates to any other matter which Council considers would prejudice Council or any person.
- 62.6 All questions and answers must be as brief as possible, and no discussion may be allowed other than for the purposes of clarification.
- 62.7 The Chair may nominate a Councillor or the Chief Executive Officer to respond to a question.
- 62.8 A Councillor or the Chief Executive Officer may require a question to be put on notice. If a question is put on notice, the answer to it must be incorporated in the minutes of the meeting at which it was asked and a written copy of the answer sent to the person who asked the question.
- 62.9 A Councillor or the Chief Executive Officer may advise Council that it is his or her opinion that the reply to a question should be given in a meeting closed to members of the public. The Councillor or Chief Executive Officer (as the case may be) must state briefly the reason why the reply should be so given and, unless Council resolves to the contrary, the reply to such question must be so given.

## **DIVISION 9 – PETITIONS AND JOINT LETTERS**

### **63. *Petitions and Joint Letters***

- 63.1 A petition shall be defined as a formal written complaint or request, typed or printed without erasure, requesting Council to take action, from ten or more persons and is signed by all persons whose name and physical address appears on a page of the petition bearing the wording of the whole petition and shall include the name and address of the head petitioner.
- 63.2 A petition must be addressed to the Council, Mayor, Councillor or a Council Officer.
- 63.3 A petition must not be defamatory, indecent, abusive or offensive in language or content.
- 63.4 A petition must not relate to matters beyond the powers of Council or be related to a statutory planning application.
- 63.5 Unless Council determines by resolution to consider it as an item of urgent business, no motion (other than a motion to receive the same and advise the head petitioner of council's decision) may be made on any petition, joint letter, memorial or other like application until the next Ordinary Meeting after that at which it has been presented.
- 63.6 It is incumbent on every Councillor presenting a petition or joint letter to acquaint him or herself with the contents of that petition or joint letter, and to ascertain that it does not contain language disrespectful to Council and that the contents do not violate any Local Law.
- 63.7 Every Councillor presenting a petition or joint letter to Council must write his or her name at the beginning of the petition or joint letter.
- 63.8 Every petition or joint letter presented to Council must be in writing (other than pencil), typing or printing, contain the request of the petitioners or signatories and be signed by at least 10 people.
- 63.9 Each page of a Petition shall bear the whole of the wording of the Petition. Every petition or joint letter must be signed by the persons whose names are appended to it by their names or marks, and, except in cases of incapacity or sickness, by no one else and the address of every petitioner or signatory must be clearly stated.

## **DIVISION 10 – MEMBERS OF PUBLIC SPEAKING BEFORE COUNCIL**

### **64. *Request to speak before Council to be referred to Mayor***

- 64.1 At every Ordinary Meeting, time may be allocated to enable any member of the public who has made a request under clause 64.2 to address Council and answer questions put to them.
- 64.2 A member of the public wishing to be heard by Council at a meeting must make a written request no later than 12 noon on the day of the meeting to the Chief Executive Officer who must refer the request to the Mayor.

64.3 Approval to address Council at an Ordinary Meeting will be at the discretion of the Mayor and shall have regard to:

64.3.1 the nature of the matter to be discussed;

64.3.2 the number of speakers;

64.3.3 time limits that may be imposed upon speakers;

64.3.4 priorities in relation to other Council business;

64.3.5 other members of the community present who also wish to address the Council; and

64.3.6 whether such an opportunity has already been provided to the person at this meeting or another meeting.

## **65. Consideration of Request**

If the Mayor permits a member of the public to be heard he or she may direct the Chief Executive Officer as to the meeting at which the member of the public will be heard. Alternatively, the Mayor can ask the Chief Executive Officer to refer the request to Council.

## **66. Notification of Hearing**

If the Mayor permits a member of the public to be heard, the Chief Executive Officer must notify all Councillors of that permission, and also notify the member of the public of the date, time, and place at which they will be heard.

## **67. Summary of Submissions**

67.1 A member of the public may lodge with the Chief Executive Officer a written submission detailing the subject matter of their address prior to the member of the public addressing Council. The submission must be provided to the Chief Executive Officer at least 30 minutes prior to the commencement of the Council Meeting to enable the submission to be distributed to Councillors. A failure to adhere to this requirement may result in the submission not being distributed to Councillors and is at the discretion of the Mayor.

67.2 All material distributed to the Councillors by the member of the public is at the discretion of the Chair, to allow for the orderly conduct of the meeting.

## **68. Limitations upon Speakers**

The Mayor may set time limits on the length and address of each speaker and if appropriate may request the member of public to shorten, summarise or finalise their address to Council or their answers to questions posed by Councillors to allow ordinary business to continue.

## **69. Questions but no discussion permitted**

Councillors and the Chief Executive Officer may question the member of the public on matters raised by it for purposes of clarification but no discussion will be allowed.



**70. Matter to be Determined at a subsequent meeting**

No motion must be allowed on any address made to Council until the next Ordinary Meeting after the address has been heard, unless Council, by resolution, decides otherwise.

**71. When public participation inappropriate**

A request to address a meeting of Council may be rejected if Council has resolved to close the meeting in respect of a matter under section 89(2) of the Act.

**DIVISION 11 – VOTING**

**72. How Motion Determined**

Subject to clause 31, to determine a motion before a meeting the Chair must first call for those in favour of the motion and then those opposed to the motion, and must then declare the result to the meeting.

**73. Casting Vote**

In the event of a tied vote, the Chair must exercise the casting vote in accordance with the Act.

**74. By Show of Hands**

A vote will be taken by a show of hands and recorded in the minutes of the meeting.

**75. Procedure for a Division**

75.1 Immediately after any question is put to a meeting and before the next item of business has commenced, a Councillor may call for a division.

75.2 When a division is called for, the vote already taken must be treated as set aside and the division shall decide the question, motion or amendment, and therefore no Councillor is prevented from changing his or her original vote at the voting on the division and the voting on the division will determine the Council's resolution on the issue.

75.3 When a division is called for, the Chair must:

75.3.1 first ask each Councillor wishing to vote in the affirmative to raise their hand and, upon such request being made, each Councillor wishing to vote in the affirmative must raise their hand. The Chair must then state, and the Chief Executive Officer or any member of Council staff taking the minutes must record in the minutes, the names of those Councillors voting in the affirmative; and

75.3.2 then ask each Councillor wishing to vote in the negative to raise their hand and, upon such request being made, each Councillor wishing to vote in the negative must raise their hand. The Chair must then state, and the Chief Executive Officer or any member of Council staff taking the minutes must record in the minutes, the names of those Councillors voting in the negative; and

75.3.3 the Chair must declare the result to the meeting.

**76. No Discussion Once Declared**

Once a vote on a question has been taken, no further discussion relating to the question is allowed unless the discussion involves:

- 76.1 a Councillor requesting, before the next item of business is considered, that his or her opposition to a resolution be recorded in the minutes or a register maintained for that purpose; or
- 76.2 foreshadowing a notice of rescission where a resolution has just been made, or a positive motion where a resolution has just been rescinded.

**Explanatory Note**

For example, clause 76.2 would allow some discussion if, immediately after a resolution was made, a Councillor foreshadowed lodging a notice of rescission to rescind that resolution.

Equally, clause 76.2 would permit discussion about a matter which would otherwise be left in limbo because a notice of rescission had been successful. For instance, assume that Council resolved to refuse a planning permit application. Assume further that this resolution was rescinded.

Without a positive resolution – to the effect that a planning permit now be granted – the planning permit application will be left in limbo; hence the reference in clause 76.2 to discussion about a positive motion where a resolution has just been rescinded.

**DIVISION 12 – MINUTES**

**77. Confirmation of Minutes**

At every meeting of Council the minutes of the preceding meeting(s) must be dealt with as follows:

- 77.1 A copy of the minutes must be delivered to each Councillor no later than 48 hours before the next meeting;
- 77.2 If no Councillor indicates opposition, the minutes must be declared to be confirmed;
- 77.3 If a Councillor indicates opposition to the minutes:
  - 77.3.1 He or she must specify the item(s) to which he or she objects;
  - 77.3.2 The objected item(s) must be considered separately and in the order in which they appear in the minutes;
  - 77.3.3 The Councillor objecting must move accordingly without speaking to the motion;
  - 77.3.4 The motion must be seconded;

77.3.5 The Chair must ask;

“Is the motion opposed?”

If no Councillor indicates opposition, then the Chair must declare the motion carried without discussion and then ask the second of the questions described in clause 77.3.9;

If a Councillor indicates opposition, then the Chair must call on the mover to address the meeting;

77.3.6 After the mover has addressed the meeting, the seconder may address the meeting;

77.3.7 After the seconder has addressed the meeting (or after the mover has addressed the meeting if the seconder does not address the meeting), the Chair must invite debate by calling on any Councillor who wishes to speak to the motion, providing an opportunity to alternate between those wishing to speak against the motion and those wishing to speak for the motion;

77.3.8 If, after the mover has addressed the meeting, the Chair invites debate and no Councillor speaks to the motion, the Chair must put the motion; and

77.3.9 The Chair must, after all objections have been dealt with, ultimately ask:

"The question is that the minutes be confirmed" or

"The question is that the minutes, as amended, be confirmed",

and he or she must put the question to the vote accordingly;

77.4 A resolution of Council must confirm the minutes and the minutes must, if practicable, be signed by the Chair of the meeting at which they have been confirmed as soon as practicable after the minutes have been confirmed;

77.5 The minutes must be entered in the minute book and each item in the minute book must be entered consecutively;

77.6 Unless otherwise resolved or required by law, minutes of a Special Committee requiring confirmation by Council must not be available to the public until confirmed by Council; and

77.7 The Chief Executive Officer (or other member of Council staff taking the minutes of such meeting) must keep minutes of each Council meeting, and those minutes must record:

77.7.1 The date, place, time and nature of the meeting;

77.7.2 The names of the Councillors present and the names of any Councillors who apologised in advance for their non-attendance;

77.7.3 The names of the members of Council staff present;

- 77.7.4 Any disclosure of the existence and type (and, where appropriate, nature) of a conflict of interest made by a Councillor, and when such disclosure occurred;
- 77.7.5 Arrivals and departures (including temporary departures) of Councillors during the course of the meeting;
- 77.7.6 Each motion and amendment moved (including motions and amendments that lapse for the want of a seconder);
- 77.7.7 The vote cast by each Councillor in accordance as described in clause 74;
- 77.7.8 The vote cast by each Councillor upon a division;
- 77.7.9 The vote cast by any Councillor who has requested that his or her vote be recorded in the minutes;
- 77.7.10 Questions upon notice;
- 77.7.11 The failure of a quorum;
- 77.7.12 The date and time the meeting was commenced, adjourned, resumed and concluded;
- 77.7.13 Any adjournment of the meeting and the reasons for that adjournment; and
- 77.7.14 The time at which standing orders were suspended and resumed; and
- 77.7.15 Any other matter that the Chief Executive Officer thinks should be recorded to clarify the intention of the meeting or the reading of the minutes.

**78. No Debate on Confirmation of Minutes**

No discussion or debate on the confirmation of minutes is permitted except where their accuracy as a record of the proceedings of the meeting to which they relate is questioned.

**79. Deferral of Confirmation of Minutes**

Council may defer the confirmation of minutes until later in the meeting or until the next meeting if considered appropriate.

**80. Recording of Meetings**

A person must not operate audiotape or other recording equipment at any Council meeting without first obtaining the consent of Council or the Chair (as the case may be). Such consent may at any time during the course of such meeting be revoked by Council or the Chair (as the case may be).

**Penalty:** 5 penalty units.



## **DIVISION 13 – BEHAVIOUR**

### **81. Public Addressing the Meeting**

Any member of the public addressing Council must extend due courtesy and respect to Council and the processes under which it operates and must take direction from the Chair whenever called on to do so.

### **82. Chair May Remove**

The Chair may order and cause the removal of any person, including a Councillor, who disrupts any meeting or fails to comply with a direction.

### **83. Suspensions**

Council may by resolution suspend from a portion of the meeting, or for the balance of the meeting, any Councillor whose actions have disrupted the business of Council at that meeting, and have impeded its orderly conduct.

### **84. Offences**

It is an offence for:

84.1 a Councillor to not withdraw an expression considered by the Chair to be offensive or disorderly, and apologise when called on twice by the Chair to do so;

**Penalty:** 2 penalty units

84.2 any person, not being a Councillor, who is guilty of any improper or disorderly conduct, to not leave the Chamber when requested by the Chair to do so;

**Penalty:** 5 penalty units

84.3 any person to fail to comply with a lawful direction of the Chair in relation to the conduct of the meeting and the maintenance of order;

**Penalty:** 2 penalty units

84.4 a Councillor to not leave the Chamber on suspension;

**Penalty:** 5 penalty units

84.5 any person to fraudulently sign a petition or joint letter which is presented to Council or has the intention of being presented to Council.

**Penalty:** 10 penalty units

#### **Explanatory Note**

Some (but not all) breaches of this Local Law result in an offence being committed. Those breaches which result in an offence being committed are to be found in clause 84 and those clauses where a penalty and 'penalty units' appear below the text.

The penalty units shown are the maximum penalty units which a Court can impose. It is always open to a Court to impose no penalty unit or a lesser number of penalty units than are shown.

If an offence has been committed, the person who committed the offence can be prosecuted in a Court.

**85. Chair may adjourn disorderly meeting**

If the Chair is of the opinion that disorder at the Council table or in the gallery makes it desirable to adjourn the meeting, he or she may adjourn the meeting to a later time on the same day or to some later day as he or she thinks proper. In that event, the provisions of clause 22.2 and 22.3 apply.

**86. Removal from Chamber**

The Chair, or Council in the case of a suspension, may ask the Chief Executive Officer or a member of the Victoria Police to remove from the Chamber any person who acts in breach of this Local Law and whom the Chair has ordered to be removed from the gallery under clause 83 of this Local Law or whom Council has suspended under clause 83.

**87. Infringement Notices**

- 87.1 An authorised officer may issue an infringement notice in the form of the notice in Schedule 1 of this Local law.
- 87.2 A person issued with an infringement notice may pay the penalty indicated to the Chief Executive Officer, Latrobe City Council, PO Box 264, Morwell 3840.
- 87.3 To avoid prosecution, the penalty indicated must be paid within 28 days after the day on which the infringement notice is issued.
- 87.4 A person issued with an infringement notice is entitled to defend the prosecution in Court.

**DIVISION 14 – MISCELLANEOUS**

**88. The Chair’s Duties and Discretions**

In addition to the duties and discretions provided in this Local Law, the Chair must:

- 88.1 not accept any motion, question or statement which is derogatory, or defamatory of any Councillor, member of Council staff, or member of the community; and
- 88.2 call to order any person who is disruptive or unruly during any meeting.

**89. Acting Chair**

If the Mayor is unable to attend a Council meeting for any reason;

- 89.1 the Deputy Mayor will be Acting Chair; and
- 89.2 if a Deputy Mayor has not been elected, the Acting Chair is to be elected at the commencement of the meeting in accordance with clause 9.

**90. Matters Not Provided For**

Where a situation has not been provided for under this Local Law, the Council may determine the matter by resolution.

**DIVISION 15 – SUSPENSION OF STANDING ORDERS**

**91. Suspension of Standing Orders**

- 91.1 To expedite the business of a meeting, Council may suspend standing orders.

**Explanatory Note**

The suspension of standing orders should be used to enable full discussion of any issue without the constraints of formal meeting procedure.

Its purpose is to enable the formalities of meeting procedures to be temporarily disposed of while an issue is discussed.

- 91.2 The suspension of standing orders should not be used purely to dispense with the processes and protocol of the governance of Council. An appropriate motion would be:

"That standing orders be suspended to enable discussion on....."

- 91.3 Once the discussion has taken place and before any motions can be put, the resumption of standing orders will be necessary. An appropriate motion would be:

"That standing orders be resumed."

**DIVISION 16 – SPECIAL COMMITTEES**

**92. Application Generally**

- 92.1 If Council establishes a Special Committee, all of the provisions of Divisions 1-15 of this Local Law apply to the conduct of the Special Committee.
- 92.2 For the purposes of clause 93.1, a reference in Division 1-15 of this Local Law to:
  - 92.2.1 A Council meeting is to be read as a reference to a meeting of the Special Committee;

92.2.2 A Councillor is to be read as a reference to a member of the Special Committee; and

92.2.3 The Mayor is to be read as a reference to the Chair of the Special Committee.

**93. Application Specifically**

Notwithstanding clause 93, if Council establishes a Special Committee:

93.1 Council may; or

93.2 the Special Committee may, with the approval of Council,

resolve that any provision(s) of Divisions 1-15 is or are (as appropriate) not to apply, whereupon that provision or those provisions shall not apply until Council resolves, or the Special Committee with the approval of Council resolves, otherwise.

**94. Meeting Procedures Protocol**

The following document is incorporated by reference into this Local Law –

- a) Latrobe City Council Meetings Procedure Protocol;



**SCHEDULE 1 – INFRINGEMENT NOTICE**

**LATROBE CITY COUNCIL  
INFRINGEMENT NOTICE**

Date of Notice: \_\_\_\_\_ No. of Notice: \_\_\_\_\_

To: Surname of: \_\_\_\_\_ Reg. No. of any vehicle: \_\_\_\_\_

Organisation Name: \_\_\_\_\_ State: \_\_\_\_\_

Other Names: \_\_\_\_\_ Type: \_\_\_\_\_

Address: \_\_\_\_\_ Postcode: \_\_\_\_\_

I, \_\_\_\_\_ (full name of authorised officer) being a duly authorised officer of the above Council have reason to believe that you have committed an offence against the Local Laws of Council. The nature of the alleged offence and the amount of penalty is indicated by the ticked box below:

Your offence:

Local Law Number  
Nature of Infringement  
Code

Clause Number  
Applicable Penalty Units

Other \_\_\_\_\_ offences:

Other particulars of alleged offence: \_\_\_\_\_

How to pay:

If you pay the penalty indicated within 28 days from the date of this notice to the Latrobe City Council, by CHEQUE or MONEY ORDER for the FULL AMOUNT POSTED to PO Box 264 Morwell, 3840, Victoria, by CHEQUE or MONEY ORDER or CASH to Municipal Offices at \_\_\_\_\_, Victoria \_\_\_\_\_. (CHEQUES SHOULD BE CROSSED "NOT NEGOTIABLE" AND MADE OUT TO THE LATROBE CITY COUNCIL), this matter will not be brought to Court and no conviction will be recorded.

IF YOU DON'T PAY WITHIN 28 DAYS, COSTS WILL BE ADDED AND THE MATTER WILL BE TAKEN TO COURT.

You are entitled to disregard this infringement notice and defend the prosecution for the offence in Court. Should you wish to make any submission concerning this infringement notice, contact should be made with the Chief Executive Officer.

\_\_\_\_\_  
(Signed by authorised officer)

**CERTIFICATION OF LOCAL LAW NO. 1**

This is to certify that the writing above contained on 36 pages of paper is a true copy of the Local Law of the Latrobe City Council and that I have informed Council of the legislative requirements necessary to giving validity to such Local Law and as to Council's observance and belief that such requirements have been fulfilled. And I further certify that such Local Law came into force on 17 February 2014.

The Common Seal of the **Latrobe City Council** )  
was hereunto affixed this 18th day of February 2014)  
in the presence of: )

---

JOHN MITCHELL  
**Acting Chief Executive Officer**

# MEETING CLOSED TO THE PUBLIC

## 18. MEETING CLOSED TO THE PUBLIC

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

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

### RECOMMENDATION

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

#### 18.1 ADOPTION OF MINUTES

**Agenda item 18.1 *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)**

#### 18.2 CONFIDENTIAL ITEMS

**Agenda item 18.2 *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)**

#### 18.3 ASSEMBLY OF COUNCILLORS

**Agenda item 18.3 *Assembly of Councillors* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)**

#### 18.4 BAD DEBTS REPORT - NOVEMBER 2013

**Agenda item 18.4 *BAD DEBTS REPORT - NOVEMBER 2013* is designated as confidential as it relates to personal hardship of any resident or ratepayer (s89 2b)**

#### 18.5 MORWELL MAIN DRAIN UPDATE

**Agenda item 18.5 *Morwell Main Drain Update* is designated as confidential as it relates to legal advice (s89 2f)**



**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

- 18.6 COUNCILLORS QUARTERLY EXPENSES REPORT - OCTOBER - DECEMBER 2013**  
Agenda item 18.6 *Councillors Quarterly Expenses Report - October - December 2013* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)
- 18.7 AUDIT COMMITTEE MINUTES REPORT**  
Agenda item 18.7 *Audit Committee Minutes Report* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)
- 18.8 MAYORAL SPONSORSHIP COMMITTEE - HALF YEARLY REPORT**  
Agenda item 18.8 *Mayoral Sponsorship Committee - Half Yearly Report* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)
- 18.9 SPORTING SPONSORSHIP APPLICATION**  
Agenda item 18.9 *Sporting Sponsorship Application* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)
- 18.10 PROPOSED MEDIATION MEETING REQUEST FOR 2-10 KEITH MORGAN DRIVE TRARALGON SOUTH**  
Agenda item 18.10 *Proposed mediation meeting request for 2-10 Keith Morgan Drive Traralgon South* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)
- 18.11 LCC-152 RECONSTRUCTION OF WRIGHT STREET FOOTBRIDGE OVER TRARALGON CREEK IN TRARALGON**  
Agenda item 18.11 *LCC-152 RECONSTRUCTION OF WRIGHT STREET FOOTBRIDGE OVER TRARALGON CREEK IN TRARALGON* is designated as confidential as it relates to contractual matters (s89 2d)
- 18.12 LCC-155 RECONSTRUCTION OF THE NORTH INDUSTRIAL PRECINCT APRON AT LATROBE REGIONAL AIRPORT, MORWELL**  
Agenda item 18.12 *LCC-155 RECONSTRUCTION OF THE NORTH INDUSTRIAL PRECINCT APRON AT LATROBE REGIONAL AIRPORT, MORWELL* is designated as confidential as it relates to contractual matters (s89 2d)

**ORDINARY COUNCIL MEETING MINUTES  
17 FEBRUARY 2014 (CM430)**

**Moved:** Cr Rossiter  
**Seconded:** Cr Gibbons

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

**The Meeting closed to the public at 7:25 PM.**