

AGENDA

Ordinary Meeting of Council

6.00pm Wednesday 20 February 2019

*** Broadcast live on Phoenix FM 106.7 ***

VENUE:

**Reception Room,
Bendigo Town Hall,
Hargreaves Street, Bendigo**

NEXT MEETING:

**Wednesday 20 March 2019
Bendigo Town Hall**

This Council Meeting is conducted in accordance with Local Law No. 8. It is an offence for any person to engage in improper or disorderly conduct at the meeting.

Council Vision

Greater Bendigo - creating the world's most liveable community.

Council Values

Six values inform everything we as Council do in working together to be the best we can for all of our community.

Seeking to achieve the best value for our use of the community's public funds and resources, by:

- We Lead;
- We Learn;
- We Contribute;
- We Care;
- We Respond;
- We Respect.

Goals

- Presentation and Managing Growth
- Wellbeing and Fairness
- Strengthening the Economy
- Environmental Sustainability
- Embracing our Culture and Heritage
- Lead and Govern for All

ORDINARY MEETING

WEDNESDAY 20 FEBRUARY 2019

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CRAIG NIEMANN
CHIEF EXECUTIVE OFFICER

ACKNOWLEDGEMENT OF COUNTRY

PRAYER

PRESENT

APOLOGIES

SUSPENSION OF STANDING ORDERS

That Standing Orders be suspended to allow the conduct of [Community Acknowledgement section] and Public Question Time.

PUBLIC QUESTION TIME

Public Question Time – Purpose

Council has provided the opportunity for members of the public to ask questions of broad interest to Council and the community. Matters relating to routine Council works should be taken up with Council's Customer Service Officers through its Customer Request System.

By the time planning matters have reached the council agenda, they have been through an extensive process as required by the Planning and Environment Act. In addition, in most instances mediation has been held between the parties involved. Throughout the process there are many opportunities for the people to ask questions. Therefore, no questions relating to planning matters on the Agenda will be accepted.

Public Question Time – Where, When And Who

The public question time is held at every Ordinary Meeting of Greater Bendigo City Council. Meetings of Council commence at 6.00pm in the Reception Room, Bendigo Town Hall, Hargreaves Street, Bendigo.

The public question time is held at the start of the meeting as close as practical to 6:00pm. A maximum of 30 minutes has been provided for registered and unregistered questions.

Residents are encouraged to lodge questions in advance so that a more complete response can be provided.

Questions will be put to the Council by the individual posing the question; the question will be answered by the Mayor or CEO, or where appropriate, Councillors or Council Officers.

Acceptance of Questions

Each person asking a question of Council is required to stand, state their name, and address the Mayor. Public Question Time is not an opportunity for making of statements or other comments. Council's Meeting Procedure Local Law does not allow for other questions or comments during the remainder of the meeting.

1. An individual may only ask one question per meeting, a follow-up question may be permitted at the discretion of the Mayor.
2. In the event that the same or similar question is raised by more than one person, an answer may be given as a combined response.
3. In the event that time does not permit all questions registered to be answered, questions will be answered in writing or referred to the next meeting if appropriate.
4. The Mayor and or CEO have the right to decline registration on basis of:
 - Legal proceedings;
 - More appropriately addressed by other means;
 - Vague or lacking in substance, irrelevant, frivolous, insulting offensive, improper, defamatory or demeaning;
 - Answer likely to compromise his / her position;
 - Confidential, commercial-in-confidence.
5. Each individual whose registration form has been accepted or declined will be advised by the Friday of the week prior to the scheduled meeting.
6. In the event of a registration form being declined the registration form will be circulated to the Mayor or Councillors for information.

RESUMPTION OF STANDING ORDERS

That Standing Orders be resumed.

CR EMOND'S REPORT

DECLARATIONS OF CONFLICT OF INTEREST

Pursuant to Sections 77, 78 and 79 of the Local Government Act 1989 (as amended) direct and indirect conflict of interest must be declared prior to debate on specific items within the agenda; or in writing to the Chief Executive Officer before the meeting. Declaration of indirect interests must also include the classification of the interest (in circumstances where a Councillor has made a Declaration in writing, the classification of the interest must still be declared at the meeting), i.e.

- (a) direct financial interest**
- (b) indirect interest by close association**
- (c) indirect interest that is an indirect financial interest**
- (d) indirect interest because of conflicting duties**
- (e) indirect interest because of receipt of an applicable gift**
- (f) indirect interest as a consequence of becoming an interested party**
- (g) indirect interest as a result of impact on residential amenity**
- (h) conflicting personal interest**

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken.

Councillors are also encouraged to declare circumstances where there may be a perceived conflict of interest.

CONFIRMATION OF MINUTES

Minutes of the Ordinary Meeting of Wednesday 23 January 2019.

The following items were considered at the Ordinary Council meeting held on Wednesday 23 January 2019 at 6:00pm.

- *Petition: Removal Gum Trees from Hasker Drive, Kangaroo Flat*

RECOMMENDATION

That the petition be received and a response be prepared within two (2) meetings. CARRIED

- *Petition: Wolstencroft Reserve*

RECOMMENDATION

That the petition be received and a response be prepared within two (2) meetings. CARRIED

- *City of Greater Bendigo Youth Council*

RECOMMENDATION

That Council formally acknowledge the following 18 young people who have been selected as the inaugural Youth Councillors:

- Annika Ritchie
- Alyssa Lai
- Alex Libchard
- Billie Taylor
- Esmat Kheradyar
- Eva Tuyet Jan
- Khaled (Jack) Tayba
- Jemille McKenzie
- Khayshie Tilak Ramesh
- Lilli-Rose Gemmill
- Natasha Romas
- Olivia Masters
- Pan Mar Lar Pah Thei
- Ella Edwards
- Kathryn Northill
- Victoria Tangey
- Ryan Peterson
- Annalise Varker

CARRIED

- *Record of Assemblies*

RECOMMENDATION

That Council endorse the record of assemblies of Councillors as outlined in this report. CARRIED

- *Contracts Awarded Under Delegation*

RECOMMENDATION

That the contracts awarded under delegation, as outlined in this report, be acknowledged by Council. CARRIED

- *Urgent Business*

RECOMMENDATION

That Council consider, as an item of urgent business, a report recommending the attendance of the Mayor to the Blessing of Bendigo's New Imperial Dragon, Dai Gum Loong in Hong Kong on February 2, 2019. CARRIED

- *Visit to Hong Kong (February 2019)*

RECOMMENDATION

That Council endorse the visit to Hong Kong by Cr O'Rourke.

CARRIED

- *Confidential Section 89 Report (Contractual Matter)*
- *Confidential Section 89 Report (Proposed Development)*

The unconfirmed minutes have also been posted on the City of Greater Bendigo website pending confirmation at this meeting.

RECOMMENDATION

That the Minutes of the Ordinary Meeting of Council held on Wednesday 23 January 2019, as circulated, be taken as read and confirmed.

1. PETITIONS AND JOINT LETTERS

1.1 RESPONSE TO PETITION - TREES IN CASUARINA GARDENS

Document Information

Author Tania MacLeod, Parks and Open Space

Responsible Director Debbie Wood, Director Presentation and Assets

Purpose

This report responds to a petition received by Council on 3 December 2018 requesting the City of Greater Bendigo remove and replace street trees in Casuarina Gardens Estate, Kangaroo Flat.

Summary

The petition was signed by 22 people, representing 14 out the 44 lots in the Casuarina Gardens estate.

The petition calls for the removal of newly planted trees in the estate planted as part of subdivision DS/63/2013 sighting claims that the species is a fire risk and concern over mess and maintenance.

Tree planting in this estate is part of the permit requirements for this subdivision and has been undertaken by the developer, Sherwood Properties VIC Pty Ltd. The trees are on a 24-month maintenance period and are not due to be handed over to the City of Greater Bendigo until July 2020.

The majority of the trees planted in front of the lots are Dwarf Yellow Bloodwood (*Corymbia eximia* 'Nana'), as per the endorsed landscape plans and could be considered highly appropriate for this location.

The reasons for tree removal are unfounded and, in line with Council's Urban Tree Management Policy 2017, we cannot recommend that the newly planted trees be removed.

RECOMMENDATION

That all trees planted in Casuarina Gardens be retained in the streetscape as per the endorsed landscape plans.

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## Policy Context

### Community Plan Reference:

*City of Greater Bendigo Community Plan 2017-2021:*

Goal #                      Goal 4: Presentation and managing growth.

Objective #              4.4. Keep Greater Bendigo attractive with good quality public facilities and places.  
4.4.3. Increase urban shade and provide protection for significant and heritage trees through the development of a *Greater Bendigo Tree Strategy*.

### Strategy Reference (include weblink as applicable):

Greening Greater Bendigo – currently under development. Refer to Councillor Briefing Report September 2018 for details.

### Council Policy Reference (include weblink as applicable):

Urban Tree Management Policy 2017

Section 2.1. Tree Removal Criteria

<http://www.bendigo.vic.gov.au/About/Document-Library/urban-tree-management-policy>

## Background Information

The Causarina Gardens estate is located in Kangaroo Flat and is being developed by Sherwood Properties (Vic) Pty Ltd as part of subdivision DS/63/2013.

The Streetscape Landscaping Works associated with this subdivision are to be delivered in 2 stages. The approved landscape plans which include street trees in Kingfisher Drive, Blue Wren Boulevard and Elvey Drive form part of the permit conditions for this development.

All 48 trees were inspected and satisfactorily passed practical completion on July 16 2018. All trees are still under maintenance and are not due to be handed over to council until 24-months post practical completion.

### Previous Council Decision(s) Date(s):

|                                                                 |            |
|-----------------------------------------------------------------|------------|
| Planning permit granted DS/63/2013                              | 30/7/2015  |
| Endorsement of landscape plans as part of the permit conditions | 13/11/2017 |
| Practical completion of landscape works for stages 1 and 2      | 16/7/2018  |

## Report

A petition from residents of the Casuarina Gardens, Kangaroo Flat, was received by Council on 3 December 2018 requesting the City of Greater Bendigo remove and replace 48 street trees recently planted in the estate.

The petition was signed by 22 people representing 14 of the lots within the estate (ref to fig 1). The thoughts of the residents of the additional 30 lots to the petition are unknown.



*Fig 1. The lots represented by the petition are highlighted in red.*

The residents are petitioning for removal of the gum trees within Casuarina Gardens considering them to be a fire hazard and that the mostly older citizens of this estate will be stressed about the amount of mess generated from these trees.

City of Greater Bendigo's Urban Tree Management Policy (the Policy) endorsed by Council in August 2017 clearly defines the circumstances under which trees will and will not be considered for removal.

Under section 2.1. of this policy, tree removal will not be considered;

- If the tree is considered healthy and structurally sound

- To reduce leaf, fruit and litter debris
- For superficial bushfire risk
- For personal aesthetic preference

The Policy recognises the contribution urban trees make to the liveability of Greater Bendigo and ensures consistency and transparency in tree management decisions made by the City of Greater Bendigo.

The majority of the trees planted in front of the lots are Dwarf Yellow Bloodwood (*Corymbia eximia* 'Nana'), as per the endorsed landscape plans and are entirely appropriate for this location.

This species, native to New South Wales, is commonly selected for planting in space-restricted sub-divisions as it typically only reaches a mature height of 6 to 8 meters in Bendigo. Dwarf Yellow Bloodwoods are very well suited to the harsh Bendigo climate, are frost and drought tolerant and can survive in poor soils. They also attract native birds and bees.

Casuarina Gardens is located within the urban area of Bendigo and is within a low bushfire risk area (LBRA) (refer to Appendix iii). The estate is situated entirely within a General Residential Zone (GRZ) with no bushfire management overlay. Furthermore, the trees are in a highly urbanised streetscape setting surrounded by non-flammable material with no under story or ladder fuels from the ground to the tree canopies which could carry or sustain a fire.



*Fig 3. The newly planted street trees within the Casuarina Gardens estate.*

Council is currently developing the Greening Greater Bendigo strategy which will set the 50-year strategic vision for how urban trees are planned and prioritised across Greater Bendigo. The strategy will prioritise areas for tree planting based on demographics, existing vegetation cover, pedestrian activity and wildlife corridors.

By far the most important driver of a greening strategy for Greater Bendigo is the need to adapt to a changing climate to ensure that Bendigo realises its vision to be the world's most liveable community in a warmer, drier and increasingly urbanised environment.

The strategy recognises that heatwaves kill more Australians than any other natural disaster and that certain demographics are more vulnerable to the impacts of extreme heat than others. They include those over the age of 65, young children, older people living alone and the socio-economically disadvantaged.

A recent collaborative council project coordinated through the Central Victoria Greenhouse Alliance identified the most vulnerable communities within Greater Bendigo to heat. The top two census areas (SA1) within Greater Bendigo that were most at risk were located within Kangaroo Flat given the lack of tree cover, the high percentage of impermeable surfaces and large representation of those most vulnerable to heat.

The removal of trees in an area such as Casuarina Gardens is contrary to the objectives of this strategy.

Priority/Importance:

N/A

Options/Alternatives:

1. Retain the existing trees as per the endorsed plans. Sherwood Properties to continue to maintain these trees until handover to council in 2020. Inform the residents of the tree species and many benefits of street trees and climate-sensitive gardening. This is the officers recommended option.
2. Remove and replace all trees with an alternative species. The costs for the replacement and two years maintenance for 48 new trees is estimated to be \$22,000 based on Council's standard charges. The planning permit implications for this option and who would cover the costs (the residents, the developer or Council) would need to be determined. The wider estate would also need to be part of this decision making process.
3. Remove and replace trees in front of concerned lots only and carried out as part of Council's annual tree planting program. The costs for tree replacement and maintenance to be worn by the resident. This would result in an un-uniform streetscape planting.

Timelines:

N/A

Progress:

N/A

**Risk Analysis:**

Risks associated with following through with the requests of the petition include;

- An inconsistent approach to decision making around Council managed trees contrary to the Urban Tree Management Policy;
- Removing trees that will eventually provide essential shade in an area of Bendigo where it is most needed;
- Not considering the opinions of the residents of the remaining 30 lots;
- Reputational risk by advocating for Greening Greater Bendigo on one hand and doing the opposite on the ground.
- The financial implications of removing and replacing 48 trees diverting money that would otherwise be used to plant trees where they are most needed.

**Consultation/Communication**

N/A

**Resource Implications**

The costs for the replacement and two years maintenance for 48 new trees is estimated to be \$22,000 based on Council's standard fees and charges. Other costs include council officer time in planning and consultation with all stakeholders and any administration associated with an amendment to the endorsed landscape plans under the current planning permit.

Cost of recommended option – Nil.

**Attachments**

- i. Petition
- ii. Endorsed Landscape Plans
- iii. Map of LBRA areas of Bendigo

## 1.2 RESPONSE TO PETITION - TREES IN HASKER DRIVE, KANGAROO FLAT

### Document Information

**Author** Tania MacLeod, Parks and Open Space

**Responsible Director** Debbie Wood, Director Presentation and Assets

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### Purpose

This report responds to a petition received by Council on 4 January 2019 requesting the City of Greater Bendigo remove existing street trees in Hasker Street, Kangaroo Flat.

### Summary

The petition was signed by 11 people, representing all but five of the properties along Hasker Drive, Kangaroo Flat.

The petition calls for the removal of all established street trees in Hasker Drive sighting claims that the species is a fire risk and concern over mess and maintenance.

All street trees in Hasker Drive are *Eucalyptus scoparia* (Wallangarra White Gum) planted in the early 2000's as part of the subdivision. The trees are now over 10 years old, are well established and provide considerable shade and amenity. The reasons for their removal are unfounded and, in line with Council's Urban Tree Management Policy 2017, we cannot recommend that these trees be removed.

### **RECOMMENDATION**

That all existing trees planted in Hasker Drive be retained in the streetscape.

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Policy Context

Community Plan Reference:

City of Greater Bendigo Community Plan 2017-2021:

Goal # Goal 4: Presentation and managing growth.

Objective # 4.4. Keep Greater Bendigo attractive with good quality public facilities and places.
4.4.3. Increase urban shade and provide protection for significant and heritage trees through the development of a *Greater Bendigo Tree Strategy*.

Strategy Reference (include weblink as applicable):

Greening Greater Bendigo – currently under development. Refer to Councillor Briefing Report September 2018 for details.

Council Policy Reference (include weblink as applicable):

Urban Tree Management Policy 2017

Section 2.1. Tree Removal Criteria

<http://www.bendigo.vic.gov.au/About/Document-Library/urban-tree-management-policy>

Background Information

A petition was received by Council on 4 January 2018 requesting the City of Greater Bendigo remove all existing street trees along Hasker Drive in Kangaroo Flat. The petition was signed by 11 people representing 16 of the lots fronting Hasker Drive (ref to fig 2) calling for the trees to be removed due to concerns of mess, maintenance and fire risk.

This follows the submission of a similar petition by the neighbouring streets in the Casuarina Gardens estate received on 3 December 2018 for the same reasons.



Fig 1. Hasker street looking west.



Fig 2. The lots represented by the petition are highlighted.

Report

The residents of Hasker Drive are petitioning for the removal of the existing gum trees along their street as they consider them to be a fire hazard. They are also concerned that the mostly older citizens of this area will be stressed about the amount of mess generated from these trees.

All 15 of the existing street trees in Hasker Drive are *Eucalyptus scoparia* (Wallangarra White Gum) planted in the early 2000's as part of this subdivision. The trees are now over 10 years old, are well established and provide considerable shade and amenity. All trees could be considered to be in good health, with good structure and an average trunk diameter of 25cm.

This species, native to northern New South Wales and Queensland, is a small to medium sized Eucalypt commonly selected for planting in space-restricted sub-divisions. It typically only reaches a mature height of 10-12 meters in Bendigo and could be considered highly appropriate for similar locations in Bendigo as they are frost and drought tolerant and can survive in poor soils.

City of Greater Bendigo's Urban Tree Management Policy (the Policy), endorsed by Council in August 2017, clearly defines the circumstances under which trees will and will not be considered for removal.

Under section 2.1. of this policy, tree removal will not be considered;

- If the tree is considered healthy and structurally sound
- To reduce leaf, fruit and litter debris
- For superficial bushfire risk
- For personal aesthetic preference

The Policy recognises the contribution urban trees make to the liveability of Greater Bendigo and ensures consistency and transparency in tree management decisions made by the City of Greater Bendigo.

Hasker Drive is located within the urban area of Bendigo and is within a low bushfire risk area (LBRA) (refer to Appendix iii). The estate is situated entirely within a General Residential Zone (GRZ) with no bushfire management overlay. Furthermore, the trees are in a highly urbanised streetscape setting surrounded by non-flammable material with no understory or ladder fuels from the ground to the tree canopies that could carry or sustain a fire.



Fig 3. Hasker Street looking east.

Council is currently developing the Greening Greater Bendigo strategy which will set the 50-year strategic vision for how urban trees are planned and prioritised across Greater Bendigo. The strategy will prioritise areas for tree planting based on demographics, existing vegetation cover, pedestrian activity and wildlife corridors.

By far the most important driver of a greening strategy for Greater Bendigo is the need to adapt to a changing climate to ensure that Bendigo realises its vision to be the world's most liveable community in a warmer, drier and increasingly urbanised environment.

The strategy recognises that heatwaves kill more Australians than any other natural disaster and that certain demographics are more vulnerable to the impacts of extreme heat than others. They include those over the age of 65, young children, older people living alone and the socio-economically disadvantaged.

A recent collaborative council project coordinated through the Central Victoria Greenhouse Alliance identified the most vulnerable communities within Greater Bendigo to heat. The top two census areas (SA1) within Greater Bendigo that were most at risk were located within Kangaroo Flat given the lack of tree cover, the high percentage of impermeable surfaces and large representation of those most vulnerable to heat.

The removal of existing trees in an area such as Hasker Drive in Kangaroo Flat is contrary to the objectives of this strategy and Urban Tree Management Policy.

Priority/Importance:

N/A

Options/Alternatives:

1. Do nothing. Retain all existing street trees and inform the residents of the many benefits of street trees and climate-sensitive gardening. This is the officer's recommendation.
2. Remove and replace all trees with an alternative species. Costs would include the physical removal of trees and stumps (estimated to be \$12,000); tree replacement and maintenance for new trees (approximate \$10,000); as well as loss of amenity. The 15 trees have an estimated amenity value of \$3,000 each.
3. Remove and replace trees in front of concerned lots only. The costs for tree removal, replacement and loss of amenity to be worn by the resident. This would result in an un-uniform streetscape planting.

Timelines:

N/A

Progress:

N/A

Risk Analysis:

Risks associated with following through with the requests of the petition include;

- An inconsistent approach to decision making around Council managed trees contrary to the Urban Tree Management Policy;
- Removing trees that provide essential shade in an area of Bendigo that is most vulnerable to the impacts of urban heat;
- Not considering the opinions of the residents of the remaining lots;
- Reputational risk by advocating for Greening Greater Bendigo on one hand and doing the opposite on the ground.
- The financial implications of removing and replacing these street trees and diverting money that would otherwise be used for tree works of a high priority.

Consultation/Communication

N/A

Resource Implications

Provided that the resolution is to retain the existing trees in Hasker Drive there will not be any resource implications.

Attachments

- i. Petition
- ii. Map of LBRA areas of Bendigo

2. PRESENTATION AND MANAGING GROWTH

2.1 16 AND 17 ELDRIDGE COURT, KANGAROO FLAT (LOTS 8 AND 9 OF PS711964U) - SUBDIVIDE LAND INTO 13 LOTS AND CONSTRUCTION OF 5 DWELLINGS

Document Information

Author Peter O'Brien, Planning Coordinator

Responsible Director Bernie O'Sullivan, Director Strategy and Growth

Summary/Purpose

Application details: Subdivide land into 13 lots and construction of 5 dwellings

Application No: DSD/496/2018

Applicant: Lockwood Rd Kangaroo Flat Development Pty Ltd

Land: 16 and 17 Eldridge Court, Kangaroo Flat (Lots 8 and 9 of PS711964U)

Zoning: General Residential Zone (GRZ)

Overlays: Bushfire Management Overlay (BMO)

No. of objections: 19

Consultation meeting: 16 November 2018 attended by the applicant, 6 of the objectors and Cr Alden

Key considerations:

- Planning Scheme policy regarding bushfire, housing and infill development
- Residential character
- Servicing of the lots (Powercor, Coliban, Downer, Drainage)
- Traffic/parking and access impacts
- Compliance with ResCode (clause 55 and 56 – includes amenity considerations)
- Objector concerns

Conclusion: The proposal is an acceptable outcome as it complies with Planning Scheme requirements.

RECOMMENDATION

Pursuant to section 61 of the Planning and Environment Act (1987), Council resolve to issue a Notice of Decision to Grant a Permit to subdivide land into 13 lots and construction of 5 dwellings at 16 and 17 Eldridge Court, Kangaroo Flat (Lots 8 and 9 of PS711964U) subject to the conditions at the end of this report.

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## Policy Context

City of Greater Bendigo Community Plan 2017 – 2021

Goal 4: Presentation and managing growth

- Planning, developments and infrastructure that increase our liveability and pride in where we live.

Goal 6: Embracing our culture and heritage

- Recognise and celebrate our unique history and diverse cultures.

## Background Information

In 2016 permit application DR/775/2016 was received. This application proposed to subdivide land into 18 lots and construct a dwelling on each lot. The application site at that time was just 16 Eldridge Court (the current application includes 17 Eldridge Court).



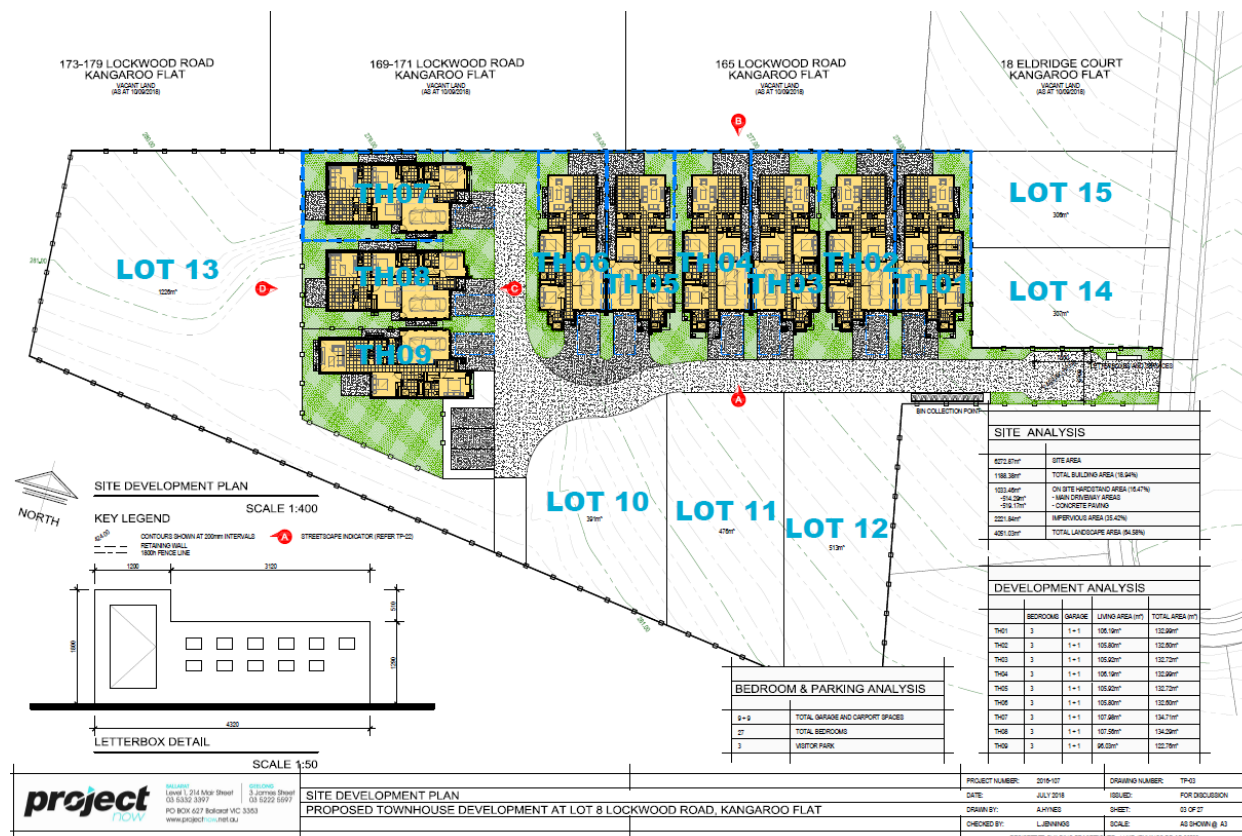
**Figure 1:** Site layout (18 lots/dwellings) as proposed under DR/775/2016 (since withdrawn).

Whilst the 2016 application was in progress, vegetation on the site was removed. The vegetation removal had been approved under permit DS/845/2012 which allowed the subdivision that created the application site.



The 2016 application attracted 18 objections and a consultation meeting was conducted in December 2017. The 2016 application was subsequently withdrawn and a new application was lodged in July 2018, in part to address bushfire planning requirements introduced into the Planning Scheme after the original application was received by Council.

The current application initially proposed to subdivide land into 15 lots and construct 9 dwellings (at the same time increasing the application site land area to include 17 Eldridge Court) as shown in Figure 2.



**Figure 2:** Site layout (15 lots/ dwellings) initially as proposed under the current application.

A consultation meeting for the current application was conducted in November 2018. The permit applicant has since amended their application to further reduce the proposal to subdivide the land into 13 lots and construct 5 dwellings. It is the scaled back version of the application that Council is being asked to determine.

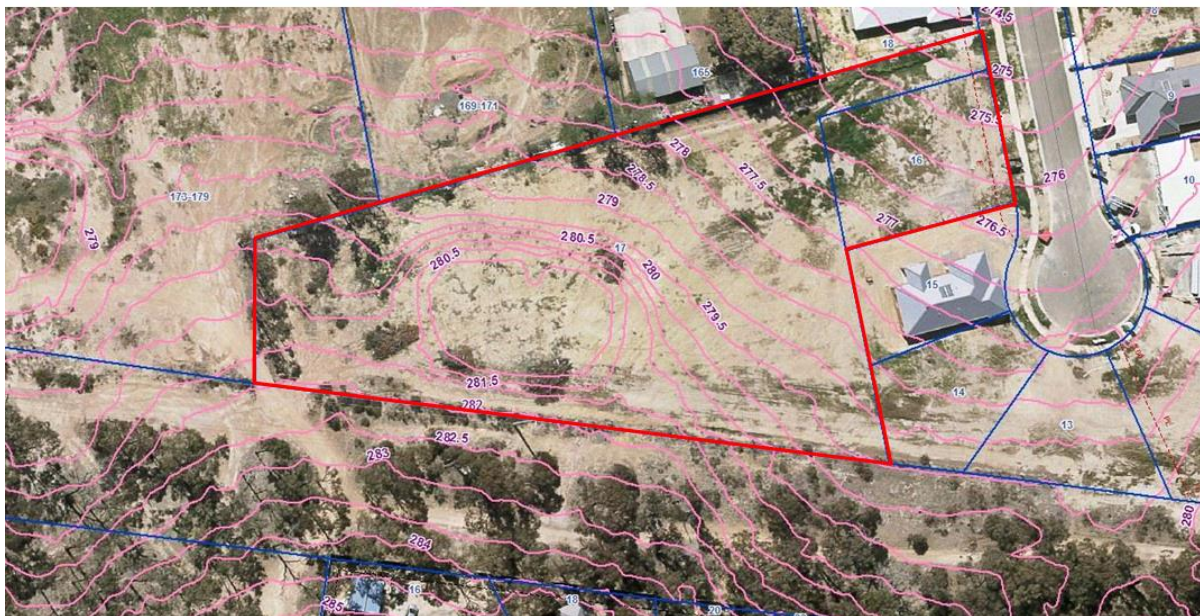
## Report

### Subject Site and Surrounds

The application site consists of two allotments:

- Lot 8, being 5,479 square metres in size; and
- Lot 9 being 794 square metres in size.

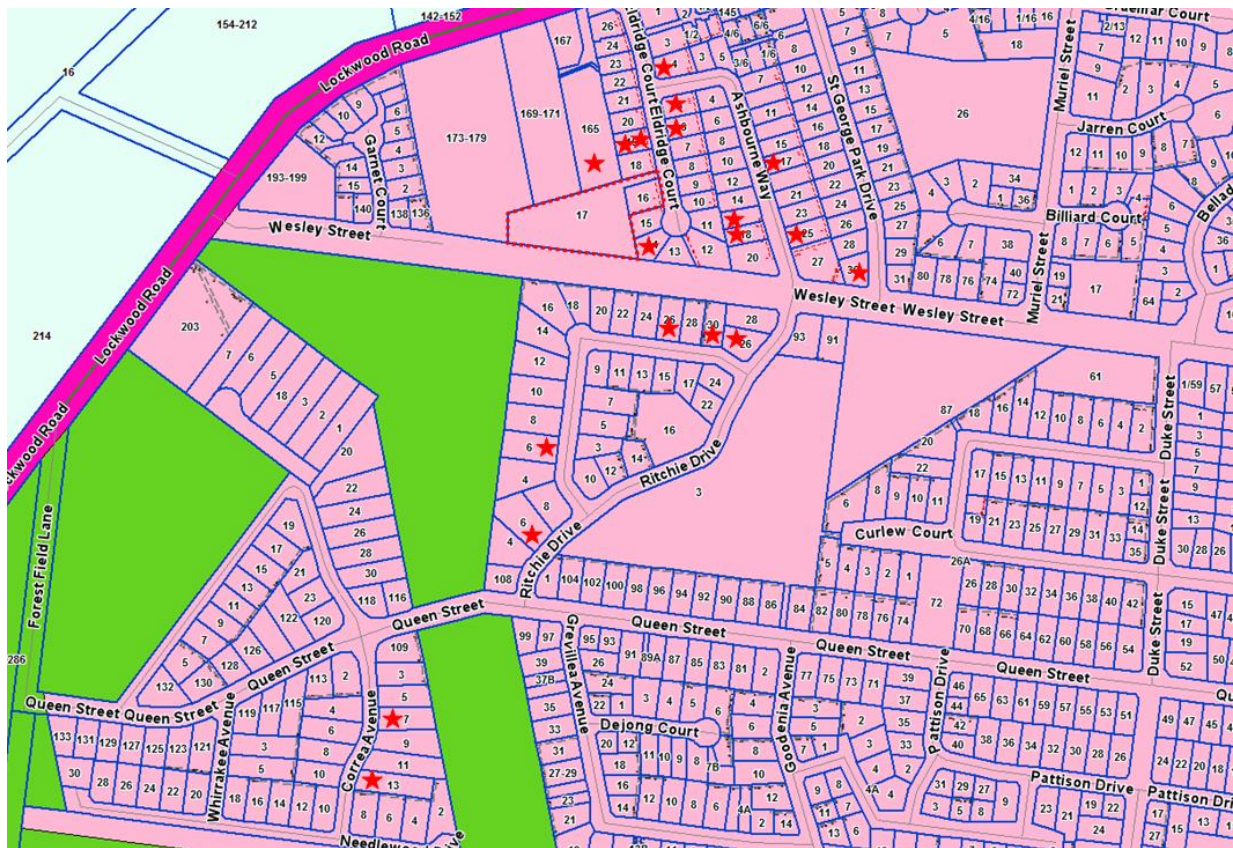
As was noted in the background section of this report, Eldridge Court was created by a 2012 subdivision which allowed 45 lots, including the subject site. Since titles were issued, 11 of the 22 lots in Eldridge Court have been developed with dwellings. Eldridge Court has an emerging character of well-designed, contemporary detached dwellings with hipped roofs and attached garages.



The broader context of the site is that despite being towards the western edge of the Planning Scheme's designated Bendigo Urban Growth Boundary, it is still within 1.75 kilometres of the Kangaroo Flat and Kangaroo Flat South Activity Centres to the east. Several local level playgrounds exist between the subject site and High Street.

St Monica's Primary School, Kangaroo Flat Primary and Crusoe College are all within 2 kilometres of the application site.

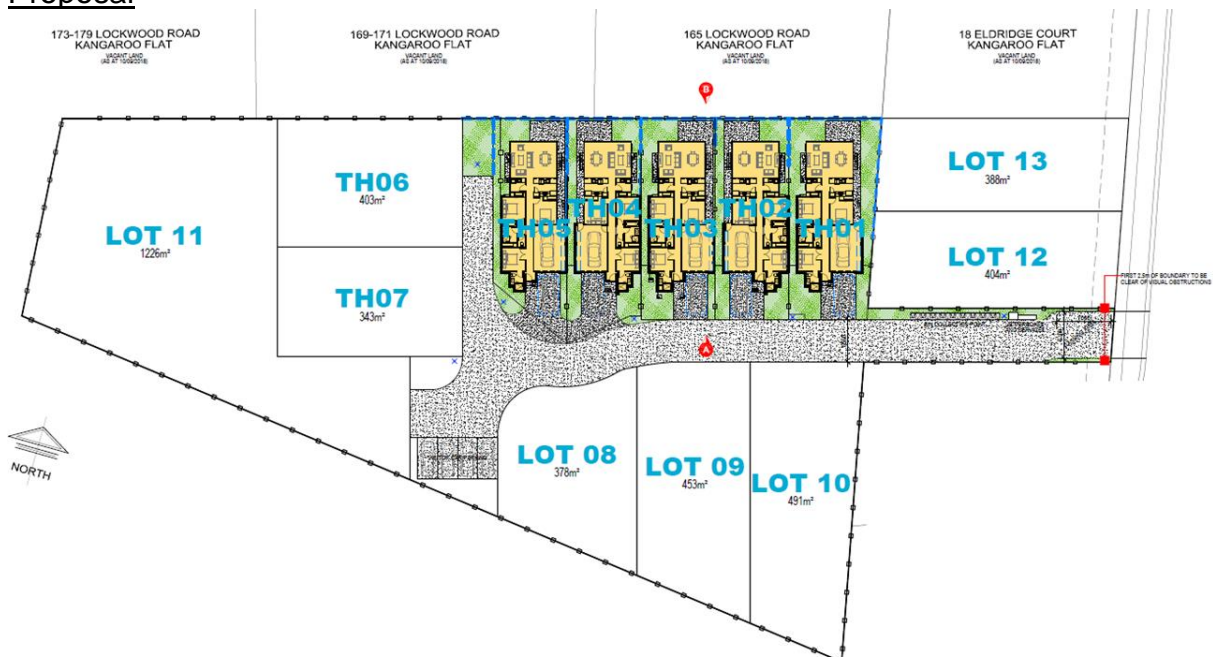




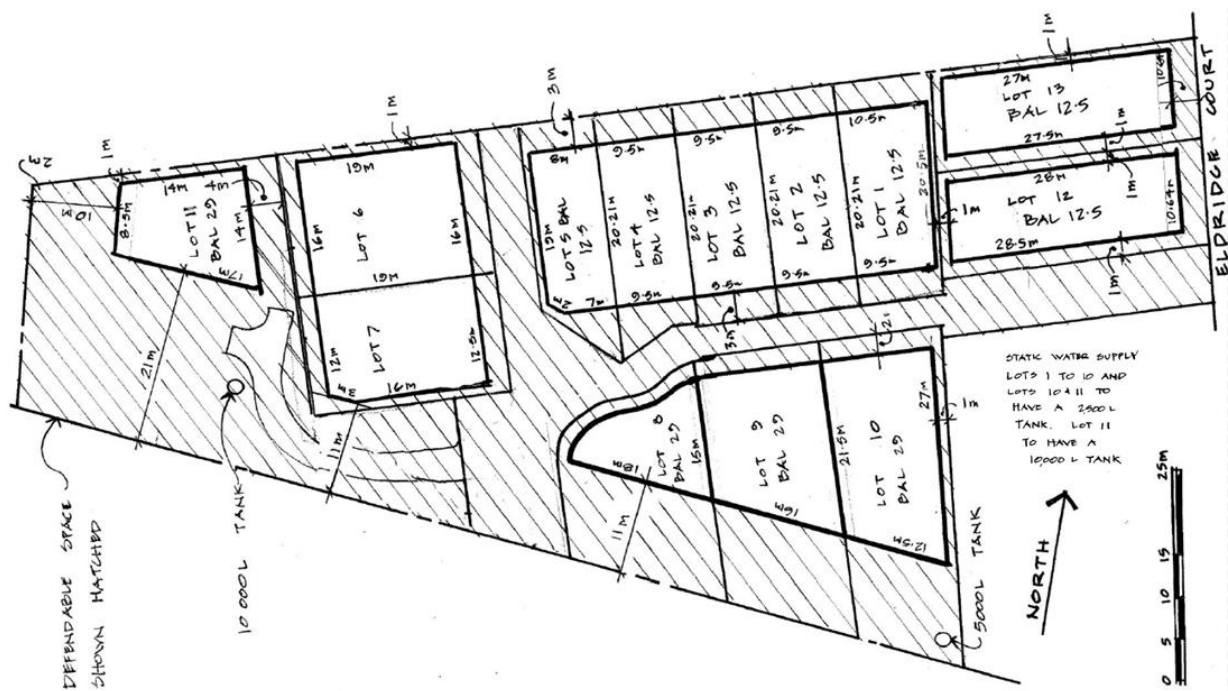
**Figure 4:** Location map showing subject site. Objectors' properties are marked with a star.

The closest public transport stop is east of the site (approximately 500 metres from the application site) which has a pair of stops for bus route 55. This service has half hour trip frequency for the majority of the day between Monday and Friday and hourly services run on weekends.

## Proposal



**Figure 4:** Site plan showing subdivision layout, and lots for which planning approval is sought for dwellings (Lots 1-5).



**Figure 6:** Extract from the accompanying Bushfire Management Statement/Plan showing where dwellings will be constructed on each lot.

The application proposes the subdivision of land into a total of 13 lots. 5 of 13 lots (lots 1- 5) are less than 300 square metres in size, thus requiring a permit to construct a dwelling under the General Residential Zone. Each of the dwellings are proposed to be single storey and 3 bedrooms with attached single garage and tandem car space.

The balance of the proposal (8 lots) seeks approval of vacant lots with no development nominated. Each of the vacant lots would contain a single dwelling only.

There is a Planning Scheme requirement to provide 1 visitor space for the 5 proposed dwellings. This requirement is exceeded by the provision of 4 spaces.

Lots 12 and 13 will be accessed from Eldridge Court with all other dwellings and lots accessed via common property. The common property is generally 5.5 metres wide and includes a passing area 6.1 metres wide and 7 metres long adjoining the boundary with Eldridge Court.

A bin collection area is proposed within the common property. Bin collection would be subject to private collection given City waste collection vehicles do not enter common property.

## Planning Controls - Greater Bendigo Planning Scheme

The reasons why a planning permit is required are as follows:

- The General Residential Zone states a permit is required to subdivide land and construct multiple dwellings on the land (note the multiple dwelling component only applies to proposed lots 1-5 (inclusive) and the balance of the lots being over 300m<sup>2</sup> do not require planning approval for a single dwelling).
- The Bushfire Management Overlay States a permit is required to subdivide land and construct dwellings.

The following clauses are relevant in the consideration of this proposal:

#### State Planning Policy Framework

- 11.01-1S – Victoria - Settlement
- 11.01-1R – Settlement Loddon Mallee South
- 11.03-2S – Growth areas
- 11.03-6S – Regional and local places
- 13.02-1S - Bushfire planning
- 14.02-3S - Water conservation
- 15.01-3S – Subdivision design
- 15.01-4S – Healthy neighbourhoods
- 15.02-1S – Energy and resource efficiency
- 16.01-3S – Housing diversity
- 16.01-4S – Housing affordability
- 18.01-1S – Land use and transport planning
- 18.02-1S – Sustainable personal transport
- 18.02-3S – Road system
- 19.02 – Community infrastructure
- 19.03 – Development infrastructure

#### Municipal Strategic Statement

- 21.05 – Compact Greater Bendigo
- 21.05-6 – Greenfield development
- 21.08 – Environment
- 21.09 – Integrated Transport and Infrastructure

#### Local Planning Policies

- 22.04 – Salinity and Erosion Risk Policy

#### Other Provisions

- 32.08 – General Residential Zone
- 44.06 – Bushfire Management Overlay
- 53.02 – Bushfire Planning
- 56 – Residential Subdivision
- 65 – Decision Guidelines

#### **Consultation/Communication**

#### Referrals

The following authorities and internal departments have been consulted on the proposal:

| Referral | Comment                            |
|----------|------------------------------------|
| Powercor | No objection subject to conditions |

| Referral               | Comment                            |
|------------------------|------------------------------------|
| Coliban Water          | No objection subject to conditions |
| Downer                 | No objection subject to conditions |
| Country Fire Authority | No objection subject to conditions |
| Traffic & Design       | No objection subject to conditions |
| Drainage               | No objection subject to conditions |

### Public Notification

The original application (subdivide land into 15 lots and construct 9 dwelling) was advertised by way of notice on the site and letters to adjoining and nearby owners and occupiers.

The advertising process attracted 19 objections, with the grounds of objection being:

- Density not in keeping with character;
- Traffic impacts/ access for emergency vehicles;
- Garbage bins on streets;
- Drainage concerns;
- Appropriateness of proposal in BMO;
- More noise;
- Property devaluation;
- Development not reflective of the former owner's vision for the land;
- Property owners feel they have been misled as to what was proposed for the site when purchasing land;
- Perceived 'ghetto' nature of development; and
- Location not well served by public transport/open space.

Following the consultation meeting in November 2018, the amended plan has been circulated to all the objectors for comment. No objections have been withdrawn following circulation of the amended plan.

### **Planning Assessment**

#### Planning scheme policy regarding bushfire, housing and infill development

Clause 11 Settlement states that planning is to anticipate and respond to the needs of existing and future communities through provision of zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure. It also states that planning is to facilitate sustainable development that takes full advantage of existing settlement patterns and investment in transport and communication, water, sewerage and social facilities. The proposal supports these objectives.



Clause 11.01-1R Settlement - Loddon Mallee South has the strategies to support Bendigo as the major population and growth hub for the region and facilitating increased commercial and residential densities, mixed use development and revitalisation projects for underutilised sites and land in Bendigo. The proposed subdivision and dwellings will support the demand for housing as a result of population growth in the municipality.

Clause 13.02-1S - Bushfire planning - The objective is to strengthen the resilience of settlements and communities to bushfire through risk-based planning that prioritises the protection of human life. Relevant strategies to achieve this objective include:

*Protection of human life*

Give priority to the protection of human life by:

- Prioritising the protection of human life over all other policy considerations.
- Directing population growth and development to low risk locations and ensuring the availability of, and safe access to, areas where human life can be better protected from the effects of bushfire.
- Reducing the vulnerability of communities to bushfire through the consideration of bushfire risk in decision making at all stages of the planning process.

As is required by the scheme, the applicant had a Bushfire Management Statement and Plan prepared which has been assessed and accepted by the City and Country Fire Authority. In addition to requirements with respect to a static water supply, access and vegetation management, each dwelling/lot will be constructed to a minimum Bushfire Attack Level of (BAL):

- 12.5 for Lots 1 to 5, 12 and 13;
- BAL 19 for Lot 6; and
- BAL 29 for Lots 7 to 11.

Note: the BAL is based on factors including vegetation type, the slope of the land and the location of the dwelling in relation to the vegetation (i.e. the closer to vegetation, which is outside of the applicant's control, the higher the BAL will be).

One of the lots (lot 11) is 1,226 square metres in size and on face value, it could be argued that this lot could be subject of a further application. This will not be the case, as the effect of approving this planning permit would mean that a binding agreement (a section 173 agreement as proposed by conditions 18 and 19) must be registered on title which would mean that only a single dwelling could be constructed on that lot.

Clause 16.01 Residential development promotes a diverse range of housing that meets community needs in locations that offer good access to services and transport and that is energy efficient. Clause 16.01-3S Housing diversity seeks to provide for a range of housing types to meet increasingly diverse needs, with one of the strategies to achieve this being to encourage the development of well-designed, medium density housing which respects the neighbourhood character, improves housing choice, makes better use of existing infrastructure and improves the energy efficiency of housing.

The *Greater Bendigo Residential Strategy (2014)* encourages urban consolidation in areas which have good access to local services and facilities. A key component of the Strategy is implementing the concept of '10 minute neighbourhoods' around activity centres.

Clause 21.05 Compact Bendigo encourages '10 minute neighbourhoods' which are attractive and feature well designed residential and mixed use developments, offer a range of housing choices, convenient access to public transport and activity centres, and have community and commercial facilities that are highly accessible by a variety of transport modes, in particular walking and cycling. Clause 21.05 states that:

*"A 10 minute neighbourhood is an identifiable community where people can access many (but not necessarily all) of their daily needs within a 10 minute walk or cycle trip from where they live. Daily needs can include shops, schools, employment, a range of community facilities and public transport."*

The location of this proposal is approximately 1.75 kilometres from the intersection of Lockwood Road and High Street, which is between both the Kangaroo Flat and Kangaroo Flat South activity centres as noted at clause 21.07-2 (Economic Development – Activity Centres) in the Planning Scheme. Whilst this is not within 10 minutes walking distance, it would be cyclable within that timeframe. Schools and other amenities are also within a 10 minute bicycle ride of the review site.

#### Residential character / requirements of the General Residential Zone

It has been noted earlier in this report that Eldridge Court, being a recently subdivided area, has an emerging character of well-designed, contemporary detached dwellings. There is no adopted Residential Character Policy that applies to this land and whilst the lots proposed are smaller than the majority of lots in Eldridge Court, the supporting plans and documents demonstrate that an appropriate character outcome can be achieved as follows:

- The Bushfire Management Statement and Plan show that the dwellings on lots 12 and 13 (fronting Eldridge Court) will be set off both side boundaries (which is consistent with established pattern in the streetscape). The depth of those lots will also match the adjoining lot depths meaning a single dwelling on both lots will produce a similar outcome (detached dwelling set off all boundaries) which is consistent with character);
- Lots 1 to 5 (the lots which will be under 300 square metres) adopt a similar approach in that they are detached;
- The balance of the lots (6-11) are large enough to be able to readily accommodate a conventional dwelling without unreasonably impacting the streetscape.

An assessment of character is a broad consideration and there is an element of subjectivity to such assessments. Objectors noted concerns about the lot sizes not being in accordance with character, although lot size is but one element of character. The smaller lot sizes must be balanced with the overall built form/streetscape outcome which will result and in this case being a new housing area, a new character is emerging of which the proposed subdivision and development has been assessed as being in accord with.

A requirement of the General Residential Zone relates to the need to provide a complying Minimum Garden Area.

As the application is proposing to construct 5 dwellings and the land area is over 650 square metres in size, 35% of the overall site (not apportioned) must be provided as garden area. Garden area is a mandatory requirement under the General Residential Zone and cannot be varied.



The requirement is achieved by the proposal; with the vacant lots under 400 square metres in size (lots 7, 8 and 13) requiring a 173 agreement to ensure the requirement is met by future dwellings on those lots.

#### Servicing of the lots (Powercor, Coliban, Downer, Drainage)

Advice received from all servicing authorities is that the lots can be serviced. The servicing is subject to further detailed design and agreement between the proponent and the authority and the requirements are enforced by the City by not allowing titles to be issued until such time as evidence that the lots have been serviced is received.

#### Traffic/parking and access impacts

Under Clause 52.06 of the Planning Scheme, accessways must be a minimum of 3m wide; what is proposed exceeds this as it is 5.5 metres wide. A passing area that is 6.1 metres wide and 7 metres long is provided where the common property joins Eldridge Court.

The initial application did not propose an accessway of the above dimensions; the applicant has made this change in response to the comments of the City's Transport Engineer and objector concerns.

With respect to parking, the 5 dwellings on the lot trigger the need for a single car parking space to be set aside for visitors. The applicant has elected to provide well in excess of this, showing how a total of 4 spaces can be accommodated. Having additional visitor parking, which is beyond what the City could lawfully compel the applicant to provide, should go some way to addressing the concerns about parking in the locality and in particular this site given its location toward the top of the court.

Clause 52.06 of the Planning Scheme also requires that 2 spaces, with at least one covered, be provided for a dwelling with 3 or more bedrooms. The 5 proposed dwellings meet this requirement. The vacant lots to be created will need to demonstrate how they meet the same requirement (depending on number of bedrooms) at Building Permit stage.

#### Compliance with ResCode (clauses 55 and 56 – includes amenity considerations)

Clause 55 of the Planning Scheme applies to applications proposing more than two dwellings on a lot and Clause 56 relates to subdivision. The clauses contain a number of requirements, with the most relevant responded to below:

With regard to standard B-1 (Neighbourhood Character) of ResCode, there is no character policy applicable and the character merits have been outlined earlier in this report.

The ResCode standard B-5 (Integration with the street objective) has several aspects which are:

- Developments should provide adequate vehicle and pedestrian links that maintain or enhance local accessibility;
- Development should be oriented to front existing and proposed streets; and

- High fencing in front of dwellings should be avoided if practicable.

This objective and standard is met by having Lots 14 and 15 fronting Eldridge Court. Each lot will be developed for a single dwelling in accordance with the siting outlined in the Bushfire Management Statement.

ResCode standard B-10 (Energy efficiency objective) is relevant to lots 1 – 5 which is the dwelling component of the application. This standard and objective state that buildings should be:

- Oriented to make appropriate use of solar energy;
- Sited and designed to ensure that the energy efficiency of existing dwellings on adjoining lots is not unreasonably reduced;
- Living areas and private open space should be located on the north side of the development, if practicable; and
- Developments should be designed so that solar access to north-facing windows is maximised.

All five dwellings show dwelling footprints with north facing living/dining areas and north facing private open space which accords with the objective and standard.

ResCode standard B-13 (Landscaping objectives) has several aspects which are:

- To encourage development that respects the landscape character of the neighbourhood;
- To encourage development that maintains and enhances habitat for plants and animals in locations of habitat importance;
- To provide appropriate landscaping; and
- To encourage the retention of mature vegetation on the site.

The Notice of Decision recommends that a landscape plan be prepared and submitted for the site. The landscaping must be carefully considered so as to not conflict with the vegetation management requirements of the Bushfire Management Plan and Statement.

ResCode standard B-22 (Overlooking objective) has an objective:

- To limit views into existing secluded private open space and habitable room windows.

In this case the 5 dwellings proposed are all single storey and a 1.8 metre high fence is proposed for external and internal boundaries. This fence will ensure that overlooking does not occur. For the balance of the proposal (proposed vacant lots being lots 6-13 inclusive), these lots will be subject to a separate Building Permit process where the relevant Building Surveyor is required to ensure the future dwellings meet the standard.

*Standard C7: Lot diversity and distribution*

- The proposed lots range from approximately 230 square metres to 1,226 square metres. All lots will be developed with a single dwelling and whilst the lots are mostly smaller than other lots in Eldridge Court, this is not a reason to refuse the application.

Standard C8: *Lot area and building envelopes*

- As has been noted, 5 of the 13 lots propose dwellings, demonstrating their suitability for development. This clause requires that vacant lots be able to show that a rectangle of 10 x 15 metres can be accommodated on the lots. All lots can comfortably accommodate such an envelope.

Standard C9: *Solar orientation*

- 9 of the 13 lots run on a north south axis which meets the objective.

Standard C11: *Common area*

- The subdivision proposes common property which will provide access to 11 of the 13 lots and contain mail boxes, services and a bin collection area. Bin collection for the common property lots will be by private collection. Condition 18 requires that a Waste Management Plan be prepared and submitted to the City to be assessed and endorsed under the permit.

Standard C13: *Public open space provision*

- The public open space requirement was satisfied under the permit which created the lot (permit DS/845/2012) which required a payment in lieu of providing open space. There is no ability for the City to levy this requirement again under this permit.

Standard C21: *Lot access*

- Each lot owner (lots 12 and 13) will be responsible for constructing a crossover to their lot. The crossover and common property construction must be provided by the developer. The common property will meet an 'Access Lane' standard as set out in the Planning Scheme/Infrastructure Design Manual.

Standard C22: *Drinking water supply*

- Reticulated drinking water will be supplied to the lots in the subdivision in accordance with the conditions contained in Coliban Water's referral response.

Standard C23: *Reused and recycled water.*

- A reused or recycled water supply system is not available in the area.

Standard C24: *Waste water management.*

- The lots in the subdivision will be connected to a reticulated waste water system in accordance with the conditions contained in Coliban Water's referral response.

Standard C25: *Urban run-off management*

- The City's development engineer reviewed the application and was satisfied that stormwater run-off associated with the subdivision will be properly managed.

Standard C26: *Site management*

- It is not expected that the works will have a significant impact on the environment or the amenity of the area; however, it is appropriate in this case to require the submission of a Construction Management Plan. The preparation and submission/approval of such a plan is especially relevant in this case given that half of the lots in Eldridge Court now contain dwellings.

*Standard C27: Shared trenching*

- Shared underground trenching will be used to provide reticulated services to the lots in the subdivision.

*Standard C28: Electricity, telecommunications and gas*

- Electricity, telecommunications and gas services will be provided for the lots in the subdivision. The supply systems for these services will be designed in accordance with the requirements of the relevant public utility. The mandatory telecommunications conditions in clause 66.01-1 will be included on the permit.

Objector concerns:

A number of the objector concerns have been discussed in this report or addressed by the submission of amended plans following the consultation meeting. Concerns which have not otherwise been addressed are listed and responded to in turn:

*Drainage concerns:*

- A drainage plan requirement is in the recommended conditions. At the current time, given the slope and undeveloped nature of the land, the owner and occupier of 18 Eldridge Court is experiencing stormwater running off the application site into their backyard. The development of the site (including installation of drainage infrastructure) will improve this situation.

*More noise:*

- A normal level of residential noise is assumed for developments of this type. Should noise become an issue this would be either a Police or the City's Safe and Healthy Environments Unit's responsibility to investigate and take action if deemed appropriate.

*Property devaluation:*

- Property devaluation is a common concern with applications of this type; however this is not a planning ground on which an application can be refused.

*Development not reflective of the former owner's vision for the land:*

- If a former owner has a particular vision for their land, there are tools such as restrictive covenants (a civil form of legal restriction) that can be registered on title at the time the land is transferred. There are no such covenants or restrictions registered on this land so this is not a planning ground that can be given any weight.

*Property owners feel they have been misled as to what was proposed for the site when purchasing land:*

- This is not a planning ground which can be considered. The application must be assessed on its planning merits having regard to the Planning Scheme.

*Perceived 'ghetto' nature of development:*

- This terminology is quite subjective and emotive, but from a planning perspective the application is simply for subdivision and dwellings and must be assessed accordingly.

## Conclusion

The proposal is an acceptable outcome as it complies with Planning Scheme requirements.

## Options

Council, acting as the responsible authority for administering the Planning Scheme, may resolve to: grant a permit, grant a permit with conditions, or refuse to grant a permit.

## Attachments

- Objections.

## Proposed Notice of Decision Conditions

### 1. MODIFIED PLAN REQUIRED

Before the subdivision and development start, amended plans to the satisfaction of the responsible authority must be submitted to and approved by the responsible authority. When approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions and 2 copies must be provided. The plans must be generally in accordance with the plan (Plan TP-03 dated November 2018 prepared by Project Now), submitted with the application but modified to show:

- (a) Floor and elevation plans of the dwellings on lots 1 -5 (inclusive).

### 2. NO LAYOUT ALTERATION

The subdivision and development permitted by this permit as shown on the endorsed plans and/or described in the endorsed documents must not be altered or modified (for any reason) except with the prior written consent of the responsible authority.

### 3. LANDSCAPE PLAN REQUIRED

Before the development starts, a landscape plan (consistent with the Bushfire Management Plan referred to in condition 19) to the satisfaction of the responsible authority must be submitted to and approved by the responsible authority. When approved, the plan will be endorsed and will then form part of the permit. The plan must be drawn to scale with dimensions and two copies must be provided. The plan must show:

- (a) Details of surface finishes of pathways and driveways;
- (b) Planting schedule of all proposed trees, shrubs and ground covers, including botanical names, common names, pot sizes, sizes at maturity, and quantities of each plant;
- (c) The location of proposed canopy trees.

### 4. LANDSCAPING MAINTENANCE

The landscaping shown on the endorsed plans must be maintained to the satisfaction of the responsible authority, including that any dead, diseased or damaged plants are to be replaced.

5. COMPLETION OF LANDSCAPING

Before the occupation of the development starts or by such later date as is approved by the responsible authority in writing, the landscaping works shown on the endorsed plans must be carried out and completed to the satisfaction of the responsible authority.

6. GENERAL EXTERIOR TREATMENT

The exterior treatment of the buildings permitted by this permit including all exterior decoration, materials, finishes and colours must be to the satisfaction of the responsible authority. The exterior treatment of the building(s) must be maintained to the satisfaction of the responsible authority.

7. CONSTRUCTION PHASE

All activities associated with the construction of the development permitted by this permit must be carried out to the satisfaction of the responsible authority and all care must be taken to minimise the effect of such activities on the amenity of the locality.

8. DETAILED DRAINAGE PLANS

Prior to the certification of the plan of subdivision under the Subdivision Act 1988, plans to the satisfaction of the responsible authority must be submitted to and approved by the responsible authority. When approved, the plans will be endorsed and then will form part of the permit. The plans must be drawn to scale with dimensions. The plans must include:

- (a) The direction of stormwater run-off; and
- (b) A point of discharge for each lot.

9. CONSTRUCTION OF WORKS

Road works, drainage and other civil works must be constructed in accordance with the City of Greater Bendigo Infrastructure Design Manual and plans and specifications approved by the Responsible Authority and must include:

- (a) Underground drainage.

10. DRAINAGE WORKS

Prior to the issue of the Statement of Compliance for the subdivision, drainage works must be constructed in accordance with plans approved by the responsible authority in condition 9 above.

11. CITY OF GREATER BENDIGO ASSETS

Before the development starts, the owner or developer must submit to the responsible authority a written report and photos of any prior damage to public infrastructure. Listed in the report must be the condition of kerb & channel, footpath, seal, street lights, signs and other public infrastructure fronting the property and abutting at least two properties either side of the development. Unless identified with the written report, any damage to infrastructure post construction will be attributed to the development. The owner or developer of the subject land must pay for any damage caused to any public infrastructure caused as a result of the development or use permitted by this permit.

12. CONSTRUCTION MANAGEMENT PLAN

Prior to commencement of works the owner or applicant must submit a

- “Construction Management Plan” (CMP) for approval by the responsible authority. This plan shall include, but not be limited to:
- i. A site specific plan showing proposed erosion and sedimentation control works.
  - ii. Techniques and intervention levels to prevent a dust nuisance.
  - iii. Litter control.
  - iv. Techniques to prevent mud and dirt being transported from the site to adjacent streets.

During construction of works associated with the subdivision, the must employ and provide the protection methods contained in the CMP to the satisfaction of the responsible authority.

13. VEHICLE CROSSINGS

Vehicular access to the subject land from Eldridge Court must be by way of vehicle crossings constructed at right angles to the road, to suit the proposed driveway(s) and vehicles that will use the crossing. A Works within Road Reserves permit must be obtained from the City of Greater Bendigo Engineering Department prior to any work commencing in the road reserve.

14. SEALED CAR PARK

Areas set aside for the parking of vehicles together with the aisles and drives must be properly formed to such levels that they can be utilised in accordance with the endorsed plan and must be drained and provided with an impervious all weather seal coat. The areas must be constructed, drained and maintained in a continuously useable condition to the satisfaction of the responsible authority.

15. USE OF CAR PARKING AREAS

Areas set aside for the parking and movement of vehicles as shown on the endorsed plan must be made available for such use and must not be used for any other purpose.

16. PEDESTRIAN SIGHTLINES

The minimum sight line for pedestrian safety must be provided at the exit lane frontage so as to accord with Clause 52.06-8 of the City of Greater Bendigo Planning Scheme.

17. FENCING OF SITE

The fences as shown on the endorsed plans must be erected and maintained to the satisfaction of the responsible authority.

18. WASTE COLLECTION

- (a) All waste from lots 1 – 11 (inclusive) must be collected via a private collection service to the satisfaction of the Responsible Authority.
- (b) Prior to the occupation of the development, the permit holder must submit a Waste Management Plan to the satisfaction of the Responsible Authority. Once approved, the Waste Management Plan will then form part of this permit. The Waste Management Plan must address the following:
  - The size and height of any proposed waste collection vehicle(s);
  - Details of the hours of waste, recycling and organics collection;
  - Collection frequency;

- Waste containers to accommodate the waste generated, including how general, recycling and organic waste will be collected;
  - Appropriately sized bin storage area;
  - The actual collection process and procedures; and
  - A mechanism to ensure future owners and occupiers of the development are made aware of all collection agreements.
- (c) The collection of all waste must be in accordance with the approved Waste Management Plan. Rubbish, including bottles and packaging material, must at all times be stored within the building and screened from external view and be managed to the satisfaction of the responsible authority in accordance with the approved Waste Management Plan.

**19. COUNTRY FIRE AUTHORITY – BUSHFIRE MANAGEMENT PLAN**

The Bushfire Management Plan (Figure 11 in BMS (Ver C) prepared by Regional Planning & Design Pty Ltd, dated 7/12/2018) must be endorsed to form part of the permit, be included as an annexure to the Section 173 Agreement and must not be altered unless otherwise agreed in writing by the CFA and the Responsible Authority.

**20. SECTION 173 AGREEMENT**

Before the statement of compliance is issued under the Subdivision Act 1988 the owner must enter into an agreement with the responsible authority under Section 173 of the Planning and Environment Act 1987. The agreement must:

- (a) State that it has been prepared for the purpose of an exemption from a planning permit under Clause 44.06-2 of the Greater Bendigo Planning Scheme.
- (b) Incorporate the plan prepared in accordance with Clause 53.02-4.4 of this planning scheme and approved under this permit.
- (c) State that if a dwelling is constructed on the land without a planning permit that the bushfire protection measures set out in the plan incorporated into the agreement must be implemented and maintained to the satisfaction of the responsible authority on a continuing basis.

The land owner must pay the reasonable costs of the preparation, execution and registration of the Section 173 Agreement.

**21. SECTION 173 AGREEMENT MINIMUM GARDEN AREA REQUIREMENT – LOTS 7, 8 and 13**

Prior to the certification of the plan of subdivision, the owner must enter into an agreement under Section 173 of the Planning and Environment Act 1987, which provides that lots 7, 8 and 13 must provide the minimum percentage of garden area required at ground level (25 percent) as set out in clause 32.08-3 of the Greater Bendigo Planning Scheme to the satisfaction of the responsible authority. The agreement must include a mechanism which would allow the responsible authority to vary or delete the garden area requirement by written consent, in the event of legislative changes.

**22. TELECOMMUNICATIONS**

- (a) The owner of the land must enter into an agreement with:
  - A telecommunications network or service provider for the provision of telecommunication services to each lot shown on the endorsed plan



in accordance with the provider's requirements and relevant legislation at the time.

- 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 where the National Broadband Network will not be provided by optical fibre.
- (b) Before the issue of a Statement of Compliance for any stage of the subdivision under the Subdivision Act 1988, the owner of the land must provide written confirmation from:
- A telecommunications network or service provider that all lots are connected to or are ready for connection to telecommunications services in accordance with the provider's requirements and relevant legislation at the time.
  - A suitably qualified person that fibre ready telecommunication facilities have been provided 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 where the National Broadband Network will not be provided by optical fibre.

#### 23. AUSNET SERVICES (GAS)

The plan of subdivision submitted for certification must be referred to AusNet Services (Gas) in accordance with section 8 of the Subdivision Act 1988.

#### 24. POWERCOR

- (a) The plan of subdivision submitted for certification under the Subdivision Act 1988 shall be referred to Powercor Australia Ltd in accordance with section 8 of that Act.
- (b) The applicant shall:
- i. Provide an electricity supply to all lots in the subdivision in accordance with Powercor's requirements and standards, including the extension, augmentation or re-arrangement of any existing electricity supply system, as required by Powercor. (A payment to cover the cost of such work will be required).
  - ii. In the event that a supply is not provided the applicant shall provide a written undertaking to Powercor Australia Ltd that prospective purchasers will be so informed.
  - iii. Where buildings or other installations exist on the land to be subdivided and are connected to the electricity supply, they shall be brought into compliance with the Service and Installation Rules issued by the Victorian Electricity Supply Industry. You shall arrange compliance through a Registered Electrical Contractor.
  - iv. Any buildings must comply with the clearances required by the Electricity Safety (Network Assets) Regulations.
  - v. Any construction work must comply with Energy Safe Victoria's "No Go Zone" rules.
  - vi. Set aside on the plan of subdivision for the use of Powercor Australia Ltd reserves and/or easements satisfactory to Powercor Australia Ltd where any electric substation (other than a pole mounted type) is

required to service the subdivision.

- vii. Provide easements satisfactory to Powercor Australia Ltd, where easements have not been otherwise provided, for all existing Powercor Australia Ltd electric lines on the land and for any new powerlines required to service the lots and adjoining land, save for lines located, or to be located, on public roads set out on the plan. These easements shall show on the plan an easement(s) in favour of "Powercor Australia Ltd" for "Powerline Purposes" pursuant to Section 88 of the Electricity Industry Act 2000.
- viii. Obtain for the use of Powercor Australia Ltd any other easement external to the subdivision required to service the lots.
- ix. Adjust the position of any existing easement(s) for powerlines to accord with the position of the line(s) as determined by survey.
- x. Obtain Powercor Australia Ltd's approval for lot boundaries within any area affected by an easement for a powerline and for the construction of any works in such an area.
- xi. Provide to Powercor Australia Ltd, a copy of the version of the plan of subdivision submitted for certification, which shows any amendments which have been required.

## 25. COLIBAN WATER

- (a) The owner is required to provide reticulated water and sewerage services to each of the lots within the subdivision and comply with any requirements arising from any effect of the proposed development on Coliban Water assets. Services are to be provided in accordance with our specifications.
- (b) All Coliban Water assets within the subdivision, both existing and proposed, are to be protected by Registered Easement in favour of Coliban Region Water Corporation.
- (c) Coliban Water requires full lot control to be achieved for all gravity sewer servicing lots.

## 26. COMPLETION OF DEVELOPMENT

Before a statement of compliance is issued for the subdivision:

- i. The dwelling(s) approved under this permit must be constructed to a state of practical completion to the satisfaction of the responsible authority; or
- ii. The owner must enter into an agreement under section 173 of the Planning & Environment Act 1987 that covenants that the lots created by the subdivision will only be developed in accordance with the plans endorsed under this permit. The agreement will end upon completion of the development shown on the endorsed plans.

## 27. EXPIRY OF THE PERMIT - SUBDIVISION AND DWELLINGS

This permit will expire if:

- (a) The plan of subdivision is not certified within two years from the date of this permit; or
- (b) The subdivision is not completed within five years from the date of certification of the plan of subdivision; or
- (c) Construction of the approved dwellings is not completed within 7 years from the date of this permit.

The responsible authority may extend the time for certification of the plan, or for the completion of the dwellings, if a request is made in writing before the permit expires or thereafter, within the period allowed by section 69 of the Planning and Environment Act 1987.

**City of Greater Bendigo Engineering Note**

A Works within Road Reserves permit must be obtained from the City of Greater Bendigo Engineering Department prior to any work commencing in the road reserve.

**CONSENT FOR WORK ON ROAD RESERVES**

The applicant must comply with:

- (a) The Road Management Act 2004,
- (b) Road Management (Works and Infrastructure) Regulations 2005, and
- (c) Road Management (General) Regulations 2005

with respect to any requirements to notify the coordinating authority and/or seek consent from the coordinating authority to undertake “works” (as defined in the Act) in, over or under the road reserve. The responsible authority in the inclusion of this note on this planning permit is not deemed to have been notified of, or to have given consent, to undertake any works within the road reserve as proposed in this permit.

### **3. WELLBEING AND FAIRNESS**

Nil.

## **4. STRENGTHENING THE ECONOMY**

### **4.1 GOVHUB FEBRUARY 2019**

#### **Document Information**

**Author**                **Andrew Cooney, Director Corporate Performance;  
Jenn Spelling, Project Manager GovHub**

**Responsible  
Officer**                **Craig Niemann, Chief Executive Officer**

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#### **Purpose**

The purpose of this report is to provide a recommendation on the most feasible option for the Greater Bendigo City Council's future involvement in the Victorian Government's GovHub project in Bendigo.

#### **Summary**

The City of Greater Bendigo operates across seven offices located in the northern end of central Bendigo. Four of these offices are owned by Council, including the site of the main office on Lyttleton Terrace, and the remaining three are leased.

The 2013 Independent Review of the City of Greater Bendigo made a recommendation on office consolidation. Recommendation 11 – Advocate and plan for consolidation of City of Greater Bendigo offices was included as one of Council's top 10 priorities from the Independent Review.

In May 2015 Council responded to Recommendation 8 and approved to expand the brief of the then City Futures Directorate to investigate accommodating greater decentralisation of government services in Bendigo and progress Recommendation 11 relating to the consolidation of City offices.

In June 2016 Council considered the final progress report on the implementation of the Independent Review and acknowledged completion of the last five of the 69 recommendations, including Recommendation 11. In accepting this report, Council agreed to advocate and plan for the consolidation of City offices to bring together all administrative staff located in central Bendigo into the same building.

In May 2017, the Victorian Government allocated \$1M to investigate the feasibility of developing a GovHub in Bendigo and in May 2018 a further \$16M was committed to the project, including a promise to create 100 new local public sector jobs.

The proposed model includes bringing together 600 Victorian Government public servants from departments including the Department of Jobs, Precincts and Regions (DJPR), the Department of Environment, Land, Water and Planning (DELWP), and Parks Victoria. The proposed development also includes space for up to 400 City of Greater Bendigo staff.

The GovHub project requires a long term investment by Council and the Victorian Government, and will deliver on a range of economic and efficiency objectives:

- 100 new local public sector jobs, which would contribute an additional 25 new jobs (due to supply chain and consumption effects) bringing the total to 125 new jobs and injecting \$28.8M per annum into the Greater Bendigo economy
- 90 construction jobs, contributing \$131M to the Greater Bendigo economy
- Savings for Council over the long term from productivity increases, forecast at \$16.1M
- An additional 600 workers in the city centre, enhancing the economy and vibrancy of central Bendigo
- Opportunity to develop the current DELWP (Epsom) site
- Single point of customer service for Victorian Government and Local Government enquiries
- Improved accessibility for customers
- Free up buildings currently leased by Council, making them available for other businesses or services to use
- Improved, quality workplace to increase the attraction and retention of staff

Council has not yet formally committed to being involved in the project. Analysis of the project's proposed costs have been undertaken to inform Council's decision. Seven development options, including upgrades to the current offices, have been investigated by consultants appointed by the City. The issues and benefits of each option are outlined in this report.

The analysis provides a high level overview of options. A set of guiding principles, which include financial impact, have been developed and used to assess the options.

The analysis has confirmed there are significant benefits to co-locating government services that will generate economic uplift for Bendigo's city centre, as well as enhanced services for customers and productivity improvements for City staff.

## **RECOMMENDATION**

That the Greater Bendigo City Council:

- a. Note that following a detailed analysis of the various options available, the most feasible option is for the City of Greater Bendigo to be a tenant in the proposed GovHub development (Option1)
- b. Commit to becoming a tenant in the Bendigo GovHub with the exact terms and conditions of the agreement to be governed by a head lease agreement with the Department of Treasury and Finance
- c. Note the proposed upper limit for costs of this option are outlined in the Council report titled *GovHub Commercial detail* located in the confidential items section of the agenda of Council's February 2019 ordinary meeting.
- d. Agree in-principle to the sale of Council-owned land located at 159-229 Lyttleton Terrace Bendigo to enable the development of the site, subject to the appropriate sale process and consultation with the Valuer General of Victoria
- e. Request the Minister for Planning to authorise and approve any required planning scheme amendments or planning permits and any consequential changes to those approvals for the Bendigo GovHub development.

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Policy Context

Community Plan reference:

Goal #1 Lead and Govern for all

1.3 Be innovative and financially responsible

Goal #3 Strengthening the economy

3.1 Support our local businesses and industry to be strong, vibrant and to grow and develop

3.3 Ensure Greater Bendigo is a welcoming place for new businesses and industries and supports creativity and innovation and visitor attraction.

Goal #5 Environmental sustainability

5.1 Drawing on the One Planet Living framework work to connect the health of the natural environment to the health and prosperity of the community

Council Policy Reference

2018/2019 City of Greater Bendigo Budget

2005 Bendigo CBD plan

2018 Transforming the City Centre

Background Information

The City of Greater Bendigo operates across seven offices located in the northern end of central Bendigo. Four of these offices are owned by Council, including the main office on Lyttleton Terrace, and the remaining three are leased.

The 2013 Independent Review of the City of Greater Bendigo recommended advocating and planning for the consolidation of City offices to enable the more efficient delivery of services. Recommendation 11 – Advocate and plan for consolidation of City of Greater Bendigo offices was included as one of Council's top 10 priorities from the Independent Review. The Independent Review noted that sharing a new facility with other government agencies would reduce costs.

On May 27, 2015, Council responded to Recommendation 8 and adopted a resolution to expand the brief of the then City Futures Directorate to investigate accommodating greater decentralisation of government services in Bendigo and progress Recommendation 11 relating to the consolidation of City offices.

In 2015 the Victorian Government proposed co-locating Local, Victorian and Federal government services together and placing 'one-stop-shops' in Bendigo, Ballarat, Geelong and the La Trobe Valley.

On June 15, 2016 the Council accepted the final progress report on the implementation of the Independent Review, including advocate and plan for the consolidation of City offices. The final report regarding the implementation of the Independent Review noted "... the City's executive team have been investigating alternative models of office layout and design as part of the broader office accommodation project."

The Victorian Government has since committed to building GovHubs in Ballarat and Morwell in the La Trobe Valley, however neither of these projects include co-location with Local Government.

In May 2017, the Victorian Government allocated \$1M to investigate the feasibility of developing the GovHub and in May 2018 a further \$16M was committed to the project, including a promise to create 100 new public sector jobs.

The proposed model includes bringing together 600 Victorian Government public servants from departments including the Department of Jobs, Precincts and Regions (DJPR), the Department of Environment, Land, Water and Planning (DELWP), and Parks Victoria. The proposed development also includes space for up to 400 City of Greater Bendigo staff.

The Victorian Government's preferred site for the development of the GovHub is the current site of the City's main office on Lyttleton Terrace and would involve the removal of four buildings.

Following the confirmation of Victorian Government funds towards the project, City staff have been investigating how Council could best commit to the project. An assessment of the project's proposed costs, benefits and issues has been completed.

Previous Council Decision(s) Date(s):

August 21, 2013 – Council resolved in-principle to adopt all 69 recommendations and that a committee of all Councillors, supported by the Chief Executive Officer and Manager Executive Services, be established as the Independent Review Implementation Committee.

May 27, 2015 – Council resolved to expand the brief of the then City Futures Directorate to accommodate greater decentralisation of government services and progress Recommendation 11 relating to the consolidation of City offices.

June 15, 2016 - Council accepted the final progress report on the implementation of the Independent Review, including advocate and plan for the consolidation of City offices.

June 20, 2018 – Council endorsed the 2018/2019 Budget and Annual Plan, which included developing a concept plan and advocacy for a GovHub in Bendigo, for the co-location of government services.

Report

The City has engaged consultants to provide expert advice on Council's future involvement in the GovHub project.

Council also requested an assessment be undertaken to analyse the costs and feasibility of undertaking a similar project, where it would either construct a new building on the site of the current main office of Lyttleton Terrace or considerably renovate the current main Lyttleton Terrace building by itself to accommodate 440 City staff only.

Consultants PricewaterhouseCoopers were engaged to investigate the following options:

- Option 1 – Council sell the current site of its main office on Lyttleton Terrace and become a tenant in the GovHub, with an allocation of up to 440 desks in the 1,000-desk building
- Option 2 – Council retains ownership of the land and funds the entire cost of the purchase price of the building when completed
- Option 3 – Council retains ownership of the land and enters into an agreement with the private sector, with the asset reverting to Council in 40 years (similar to a BOOT model – Build, Own, Operate and Transfer)
- Option 4 – Council has a majority stake in the shared ownership structure (e.g. 51 per cent, with a take-out partner sought for the remaining 49 per cent)
- Option 5 – Base case, retain existing buildings with minimal refurbishment

Consultants Urbis were engaged to investigate the following additional options:

- Option 6 – Council demolishes the existing Lyttleton Terrace site and builds its own 440-desk building
- Option 7 – Council retains the existing main building on Lyttleton Terrace and renovates and extends it to accommodate 440 desks

Aside from investigating the financial costs, the following Council guiding principles have also been considered in determining the best option:

- **Consolidation of City offices (Recommendation 11 of the Independent Review of the City)**

The Independent Review of the City recommended advocating and planning for the consolidation of City offices as a high priority to enable a high performance culture, increased organisational efficiencies and improve the customer experience.

- **Securing additional economic and efficiency benefits for Bendigo**

Additional jobs in central Bendigo would bring more people into the city centre on a daily basis. This would enhance the economy and vibrancy of central Bendigo and surrounding businesses.

- **Affordability and financial sustainability**

Committing to the GovHub project should not result in Council's future financial sustainability indicators moving to 'high risk'.

- **Desire to retain ownership**

Explore opportunities to retain ownership of the site without compromising the viability of the project.

- **Heritage and environmental sustainability**

The building would be a significant part of Bendigo's landscape for many years. It must be designed to align with the streetscape and heritage of its surrounds. It must also be designed to be environmentally sustainable with a Green Star rating of no less than 5.

Options analysis

Using Option 5 as the base case for comparison, PricewaterhouseCoopers ranked the other four options and determined the following:

- The highest ranked option was Option 3. A key element in the analysis assumed that all tenants paid consistent quantum of rent per square metre, with Council being the sole owner at the end of the term. Subsequent consultation with the Victorian Government and PricewaterhouseCoopers has outlined that the Council would need to pay a significantly inflated economic rent over and above that initially modelled by PricewaterhouseCoopers or make a payment at the expiration of the agreement in excess of \$50M.

The Victorian Government has confirmed Council would be responsible for any increased rent that was associated with its ownership of the building. Considering this information, City staff do not support Option 3 as feasible, as the combination of inflated economic rent and a high termination payment would impact on Council's financial sustainability.

- The second highest-ranked option is Option 2. This is the only option that has a positive Net Present Value (NPV, essentially value in today's dollars) for Council, due to the revenue that would be earned from the other tenants of the building paying rent. This option would also enable the site and building to be owned and controlled by Council.

However, this option involves embarking on significant additional borrowing and would result in a level of debt far exceeding other comparable Councils. This would reduce Council's ability to commit to future capital investment.

Modelling undertaken on this option indicates that the borrowings required to fund and own the development would result in the indebtedness financial sustainability indicator for the City being assessed as 'high risk'.

- The third-ranked option was Option 1. This is assessed as having significantly smaller up-front costs for Council, minimal constraints on future borrowings and this option would not result in an immediate 'high' debt financial sustainability risk indicator. The estimated NPV cost for this option is \$36.9M over 40 years. However, this option also results in Council no longer owning the site, one of the guiding principles established to assess the available options.
- The fourth-ranked option was Option 4. Whilst overall control and ownership would be retained from this approach, there would still be a requirement to significantly increase borrowings. The modelling demonstrates this option would still result in a high risk to financial sustainability. Initial advice has also indicated that there is likely to be limited market appetite for this arrangement.

Council also requested an analysis of the costs and feasibility of either constructing its own new building on the Lyttleton Terrace site to accommodate up to 440 desks (City staff only) or refurbishing the current main Lyttleton Terrace building to accommodate up to 440 desks (City staff only).

The total NPV development cost for a new building was estimated at \$36.78M and the NPV for a refurbishment cost was \$41.09M.

For this reason, consultant advice provided suggests that constructing a new building on the Lyttleton Terrace site is the preferred of these two options. Borrowings required to fund this construction are also likely to increase Council's financial sustainability risk. However, under this option Council would be exposed to construction risks and potential budget overruns associated with the project and may not receive contributions and project management support from the Victorian Government.

Preferred option

All options have been assessed by independent consultants, and then assessed against Council's guiding principles. Consideration has also been given to consultation with the Victorian Government and Development Victoria, which would manage the project on behalf of the government.

Based on the analysis and consultation, it is recommended Council pursue Option 1 – become a tenant of GovHub with an allocation of up to 400 desks in the 1,000-desk building. This option involves Council selling the site of the current main office on Lyttleton Terrace, which takes in four buildings, in accordance with the requirements of the Local Government Act and in consultation with the Valuer General of Victoria. It is expected additional cost savings could be made if the City adjusted its required number of desks from 440 to 400.

In addition to the independent consultant analysis, the following was also considered in determining the preferred model:

- a. Delivering on Council's guiding principles (detailed above)
- b. Benefits for Bendigo
- c. Benefits for the City of Greater Bendigo
- d. Getting a good deal for Bendigo
- e. Risk mitigation for the City of Greater Bendigo

Option 1 delivers on these considerations in the following ways:

- a. Delivering on Council's guiding principles
 - Advocate and plan for consolidation of City offices (Recommendation 11)
 - Securing additional economic and efficiency benefits for Greater Bendigo
 - Affordability and financial sustainability

Additionally, Council would continue to have input into the Heritage and Sustainability decisions of the building.

- b. Benefits for Bendigo
 - 100 new local public sector jobs, which would contribute an additional 25 new jobs (due to supply chain and consumption effects) bringing the total to 125 new jobs and injecting \$28.8M per annum into the Greater Bendigo economy
 - 90 construction jobs, contributing \$131M to the Greater Bendigo economy
 - An additional 600 workers in the city centre, enhancing the economy and vibrancy of central Bendigo
 - Increase property rental value in the city centre
 - Opportunity to develop the current DELWP (Epsom) site
 - Single point of customer service for Victorian Government and Local Government enquiries
 - Improved accessibility for customers

- Free up buildings currently leased by Council, making them available for other businesses or services to use
- c. Benefits for the City of Greater Bendigo
- Savings for Council over the long term from productivity increases, forecast at \$16.1M
 - Improved, quality workplace to increase the attraction and retention of staff
 - Enable broader digital transformation
 - Delivers consolidated Council offices
 - Minimal borrowing up front
 - Construction risks are borne by Development Victoria
 - Victorian Government financial assistance for decant, demolition and fit out
 - Council receives up-front payment for sale of land
 - Ongoing maintenance risks are minimised for Council as they are borne by the building's owner
- d. Getting a good deal for Bendigo
- To ensure a good deal for Council, the organisation and the community, discussions regarding additional funding and opportunities for additional jobs continue with the Victorian Government.

Whilst all modelling during the analysis phase has been based on a 440-desk allocation for the City, it is recommended that the number of allocated desks in the building are reduced from 440 to 400, which would result in cost reductions in both fitout and rental. A review of work practices and technology would support this reduced number of desks and still cater for a growth component.

Further work is also underway, in conjunction with Development Victoria, to assess whether the entire site is required for the development or if some may be retained and re-purposed at a later time. This could be used for public space or further development.

e. Risk mitigation

Option 1 shares the development risks with the Victorian Government and the developer. The risk of costs escalating beyond the approved budget is the responsibility of the developer. Fitout costs will be the responsibility of each tenant of GovHub. The Victorian Government has committed a level of assistance for these costs. A reduction in desk numbers (as per above) would also contribute to managing these costs.

The preferred option in the Victorian Government's approved business case is consistent with the recommended option in this report.

Financial summary

A move into a modern GovHub building with multiple government tenants will provide benefit for the community and generate efficiencies for Council's business operations. The new building will, for example, be more energy efficient.

Council will incur additional costs through paying an economic rent, which funds the construction of the new building managed by the Victorian Government. Council would limit its exposure, initially through a Memorandum of Understanding with the Victorian Government. This would seek to protect Council from costs above the approved budget throughout the construction period and lock-in an economic rent for a nominated period following completion of the project. The total estimated NPV cost to Council of this option is estimated at \$36.9M over 40 years.

The construction phase of the GovHub project includes a level of Victorian Government support in project management, consultants and some direct costs (see below). Council's commitment would also still require a one-off investment. The following table summarises the expected one-off costs – around the time of decant and building – as a result of pursuing Option 1.

Fitout costs	\$9,840,000
Temporary Office accommodation and decant	\$6,145,000
Income from sale of land and Victorian Government contribution	(\$8,700,000)
Option 1: Net cost to Council (approximately three-year construction phase)	\$7,285,000

Options/Alternatives:

Council has considered seven options as part of its deliberations as to whether it commits to the GovHub project. The options have been assessed and considered against a set of guiding principles.

Risk Analysis:

If Council pursues Option 1, the construction and financial risks associated with the development of a \$90M project are transferred to the developer.

The Victorian Government has advised Council that if it decides not to be involved in the development then all options will need to be reviewed, including not continuing with the project.

Becoming a tenant in the building also provides Council with flexibility to respond to changing work and office conditions in the decades to come.

Future lease costs

The final lease costs for the tenants of the GovHub will be subject to the assessment and verification of the Valuer General of Victoria. This will include an assessment of the rent on a comparable sales basis and determine a per square metre rate. Any lease costs must be at or below this approved valuation.

Consultation/Communication

The decision for Council to advocate and plan for office co-location was recommended as part of the Independent Review process. The community was heavily consulted during this time when the independent consultants interviewed 120 people and reviewed 129 submissions. Council decisions have endorsed staff to progress investigating office co-location.

The GovHub project is a Victorian Government initiative.

Should Council commit to the project, the community will have an opportunity to contribute to the heritage and sustainability components of the building. However, the Victorian Government would be responsible for this consultation and Council, like the community, would become a stakeholder in these discussions.

The sale of land process associated with pursuing Option 1 would be governed in accordance with the Local Government Act and in consultation with the Valuer General of Victoria.

Resource Implications

The City appointed two independent consultants to assess the seven development options at a cost of \$109,000.

Should Council commit to this project, it is expected to incur a one-off cost of approximately \$7.285M. However, Council would continue to seek additional Victorian Government funding to cover some or all of this one-off cost.

It is acknowledged that in committing to this project and pursuing Option 1, Council would commit to long term rental costs greater than it is currently paying in today's dollars. However, it is expected this increase would be offset by working in a more sustainable building, productivity gains through changes to work practises and technology improvements. Option 1 is considered the most financially responsible option that does not commit Council to high financial risk and ensures future capital works programs are not put at risk.

Budget Allocation in the Current Financial Year:

External Funding Sources:

The Victorian Government has committed \$16M to this project to date, which relates to all departments and Council participants

Any known or anticipated variance to budget:

Should Council commit to Option 1, variances in project and construction costs will be the responsibility of the developer.

Council would seek to secure an agreement with the Victorian Government on maximum rental and fitout costs that it would incur to decrease exposure from major unplanned future increases. Further detail on this is included in the report in the confidential section of this agenda.

Responsible Planning Authority

The proposed Bendigo GovHub site is located within several different Zones and Overlays and these include:

- Commercial 1 Zone,
- Public Use Zone (PUZ6) – Local Government.
- Design and Development Overlay (DDO) – Schedule 5
- Parking Overlay (PO) – Schedule 1

Given the proposed development model and the proposed shared use arrangements (with State authorities or a private developer), the existing Public Use Zone 6 – Local Government is inhibitive. The dual zoning and overlay controls mean additional approval process complexities may preclude the project timelines being met.

Given these existing Planning Scheme constraints it is deemed necessary that the Planning Scheme be amended in order to allow for the development and use of the Bendigo GovHub.

The usual processes for a privately-initiated amendment or one initiated by the City are very lengthy. Consequently Council should request that the Minister for Planning be the responsible planning authority for this project to expedite an amendment process and approval.

In making this request the Minister for Planning may exempt the amendment from any public exhibition process and the City has no decision making powers in respect of that planning scheme amendment.

5. ENVIRONMENTAL SUSTAINABILITY

Nil.

6. EMBRACING OUR CULTURE AND HERITAGE

Nil.

7. LEAD AND GOVERN FOR ALL

7.1 FINANCE REPORT QUARTER 2

Document Information

Author Nathan Morsillo, Manager Financial Strategy

Responsible Director Andrew Cooney, Director Corporate Performance

Summary/Purpose

To provide Council with:

1. An analysis of the financial position of the City of Greater Bendigo (CoGB) to 31 December of the 2018/19 financial year.

Policy Context

City of Greater Bendigo Community Plan 2017-2021:

<u>Goal 1</u>	<u>Lead and govern for all</u>
Objective 1.3	Be innovative and financially responsible
Objective 1.4	Be accountable and efficient in its use of the community's money

Background Information

In accordance with Section 138 of the *Local Government Act* 1989:

“At least every 3 months, the Chief Executive Officer must ensure that a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date is presented to the Council at a Council meeting which is open to the public.”

A review of the financials for the period 1 July 2018 to 30 September 2018 was undertaken by the City's Finance Committee on 12 November 2018.

Report

This report provides an update on the financial performance in comparison to the adopted budget for the 2018/2019 financial year for the period 1 July 2018 to 31 December 2018.

1. Actual Financial Performance

Operating Result - YTD Actual vs YTD Budget

The City's operating result as at 31st December 2018 is \$8.9M favourable to budget.

Operating Result is a measure for accounting for an organisation's profit or loss for a given period. An Operating Result recognises all revenue and operating expenditure; it includes non-cash expenditure such as depreciation and non-cash revenue of donated assets.

YTD Budget 31/12/2018 Surplus/(Deficit)	YTD Actual 31/12/2018 Surplus/(Deficit)	Variance
\$55M	\$63.9M	\$8.9M Favourable

The Income Statement for the period 01 July 2018 – 31 December 2018 is presented below:

INCOME STATEMENT - CITY OF GREATER BENDIGO

	YTD VARIANCE				FORECAST VARIANCE			
	YTD Budget 2018 \$'000	YTD Actual 2018 \$'000	YTD Variance		Annual Budget 2018/2019 \$'000	Forecast 30 June 2019 \$'000	Forecast Variance	
			\$'000	%			\$'000	%
REVENUE								
Rates and Charges	116,609	116,607	(2)	0%	116,843	116,724	(119)	0%
Statutory Fees and Fines	2,786	2,863	77	3%	5,002	5,002	0	0%
User Fees	12,123	13,581	1,458	12%	26,506	28,382	1,876	7%
Government Grants - Operating	8,209	9,864	1,655	20%	23,586	28,488	4,902	21%
Government Grants - Capital	1,786	1,936	150	8%	3,572	8,834	5,262	147%
Contributions - monetary	3,095	5,800	2,705	87%	5,077	10,028	4,951	98%
Contributions - non monetary	-	-	-	0%	12,066	12,066	0	0%
Interest on Investments	632	844	212	34%	1,264	1,395	131	10%
Other Revenue (Internal)	12,067	12,076	9	0%	24,138	24,340	202	1%
Share of Other Comprehensive Income Associates Accounted for by the Equity Method	45	(24)	(69)	-153%	90	90	0	0%
Total Revenue	157,352	163,547	6,195	4%	218,144	235,349	17,205	8%
EXPENSES								
Employee Benefits	31,909	31,473	435	1%	64,460	63,979	481	1%
Contract Payments, Materials and Services	34,173	32,513	1,660	5%	67,160	69,144	(1,984)	-3%
Plant and Equipment Operating Expenses	3,509	3,445	64	2%	7,037	7,144	(107)	-2%
Depreciation and amortisation	19,469	18,938	531	3%	38,938	38,364	574	1%
Borrowing Costs	1,116	1,101	15	1%	2,232	2,232	-	0%
Net (Profit) / Loss on Disposal of Property, Plant, infrastructure and assets held for sale	-	395	(395)	0%	3,000	3,000	-	0%
Bad Debts	112	65	46	42%	225	239	(14)	-6%
Other Expenses (Internal)	12,017	11,665	352	3%	24,138	24,527	(389)	-2%
Total Expenses	102,304	99,595	2,709	3%	207,189	208,629	(1,440)	-10%
Operating Result	55,048	63,952	8,904	16%	10,954	26,720	15,766	144%
Other Comprehensive Income								
Net asset revaluation increments	48,223	-	0	0%	48,223	48,223	0	0%
Comprehensive Result	103,271	63,952	8,904	9%	59,177	74,943	15,766	27%

Major variances that contribute to the result include:

Area	Fav / Unfav	Main Contributing Factors	Variance
User Fees	Favourable	Higher than budgeted Landfill Commercial User Fees, Subdivision supervision charges, Livestock Exchange volumes and timing of events for Capital Venue and Events.	\$1.5M
Government Grants - Operating	Favourable	Additional unbudgeted grants including Healthy Hearts, Strategic Partnerships CBP Program and various RSD grants, which will be offset with expenditure.	\$1.7M
Contributions – Monetary	Favourable	Year to date contributions for Black Spot funding, Zebra Crossings, Gurri Wanyarra and Bendigo Stadium.	\$2.7M

Area	Fav / Unfav	Main Contributing Factors	Variance
Interest on Investments	Favourable	Due to higher than anticipated cash holdings.	\$0.2M
Contract Payments, Materials & Services	Favourable	Primarily due to timing of expenditure for consulting and contract waste cartage.	\$1.7M

Cash Result - YTD Actual vs YTD Budget

The City's cash result for the first half of the financial year is \$15.1M favourable to budget as at 31 December 2018.

The Cash Result takes the Operating Result and removes non cash transactions. It also includes Capital Works expenditure, loan repayments, new loan drawdowns and Reserve transfer movements. In the first half of 2018/19 the timing of grants has been higher and capital works expenditure has been lower than budget.

YTD Budget 31/12/2018	YTD Actual 31/12/2018	Variance
\$54.4M	\$69.4M	\$15.1M

2. Forecast Performance

The City regularly updates its forecasts, which estimate the financial year position (as at 30 June 2019). The operating forecast result is significantly favourable to budget, representing additional grants to fund capital works being received in this financial year. These will be offset by related capital and operational grant expenditure in future periods.

Operating Result - Forecast v Annual Budget

Annual Budget 30/06/2019	Forecast 30/06/2019	Variance
Surplus	Surplus	Variance
\$10.9M	\$26.7M	\$15.8M Favourable

Major variances that contribute to the forecast favourable operating result include the following:

Area	Fav / Unfav	Main Contributing Factors	Variance
User Fees	Favourable	Higher than budgeted Landfill Commercial User Fees.	\$1.9M
Government Grants - Operating	Favourable	Additional unbudgeted grants including Federal Assistance Grant, Healthy Hearts, Strategic Partnerships CBP Program and various grants.	\$4.9M
Government Grants - Capex	Favourable	The favourable result is primarily due to timing of grants for various projects including eWaste Sheds, Gurri Wanyarra, Bendigo RSL, Northern Rivers Cricket Club, Dower Park Change rooms, Bendigo Tennis Pavilion, Sun Loong Replacement, Murphy Street Roundabout and Elm St Works.	\$5.3M
Contributions – Monetary	Favourable	Year to date contributions for Black Spot funding, Zebra Crossings, Gurri Wanyarra and Bendigo Stadium.	\$4.9M
Contract Payments, Materials & Services	Unfavourable	Primarily due to timing of expenditure for consulting and contract waste cartage.	(\$1.9M)

Forecast 2018/19 cash result

The cash result is managed on an ongoing basis rather than annually, as the impact of previous year's results will affect the following year's budget.

	Annual Budget Surplus/(Deficit)
Accumulated Surplus Carried Forward 30/06/18	\$20,273,707
Carried Forward Capital Work Projects from 2017/2018	(\$14,782,260)
Grants received in 2017/2018 not spent at 30 June 2018, that relate directly to projects in 2017/18	(\$761,871)
2017/2018 carry-forward cash result	\$4,729,576

	Forecast Result Surplus/(Deficit)
2018/19 financial year cash result (forecast)	\$6,422,125
Capital Projects identified at 31/12/18 as requiring Carry Forward into 2017/2018	(\$2,729,213)
Grants Received in 2018/2019 relating to 2019/2020	(\$1,300,000)
2018/2019 Forecast Surplus/(Deficit) at 30/06/19	\$2,392,912

3. Mid-Year Budget Items

Items identified for Council consideration for the 2018/2019 midyear process are provided at **Attachment 1**. The below summarises the impact against the current year 2018/2019 cash result, including mid-year adjustments.

	Forecast Result <i>Surplus/(Deficit)</i>
Forecast surplus within 2018/2019; pre Mid-Year Review	\$2,392,912
Total Mid-Year adjustments (see attachment 1)	(\$2,728,000)
Add back items already accounted for in forecast surplus	\$1,294,000
Forecast surplus 30/06/19	\$958,912

Conclusion

The Finance Committee has reviewed the Statement comparing Budgeted and Actual Revenues and Expenses to 31 December 2018, and the financial forecast for 2018/2019. Having undertaken the review, the Finance Committee recommends that Council approve changes to the budget and mid-year budget requests as listed.

RECOMMENDATION

That the Greater Bendigo City Council receive the Finance Report comparing Budgeted and Actual Revenues and Expenses to 31 December 2018, in accordance with the requirements of the *Local Government Act*.

Attachment 1: Mid-Year Budget Items

Project	Details	Amount
Gardens of the Future (seating)	Next stage of works for Gardens of the Future, progressing seating in 2018/2019.	\$140,000
Street lighting	An annual program of installation of new street lighting in existing urban areas in response to customer requests	\$50,000
Dust suppressant program	An initial \$50,000 was approved as a trial in 2018/2019. Additional dust suppressant projects have been identified and will be undertaken this financial year.	\$50,000
Agri-Business & Economic Dev. / Sustainability project support	As part of the Economic Development Strategy, will investigate progressing work in evidence-based land capability and sustainable water management systems, including impacts of climate change.	\$50,000
Professional services and advice for Bendigo Airport	Additional consulting and contract work to support opening and beginning of flights for Bendigo Airport.	\$140,000
Airport Terminal works	Additional work required to ensure Bendigo Airport Terminal building and area has necessary works undertaken for flights beginning in 2018/19	\$500,000
Aquatic Centres – Peter Krenz	2018/19 operating expenses related to Peter Krenz Leisure Centre. Lease of Peter Krenz Leisure Centre has concluded a new management contract will commence in this financial year.	\$475,000
St. Andrews Avenue	Balance of funds for purchase of St. Andrew's avenue property.	\$200,000
GovHub – project costs	Expenditure for project progression in 2018/19, including additional details to support decision making,	\$240,000
Catherine McAuley College (Design)	Complete schematic design of open space, and pavilion at Catherine McAuley College. Finalise a Joint Use and Development Agreement to detail capital cost operating cost and usage arrangements. As per Councillor briefing.	\$200,000
Pound Services – salaries	Additional support to assist with service planning in advance of 2019/2020 change to RSPCA contract arrangements.	\$45,000
Huntly Kindergarten extension	Estimated capital expenditure (portion related to 2018/19) for Huntly Kindergarten extension. Increasing the kindergarten's capacity to be able to run additional sessions, playgroup, allied services and MCH facilities.	\$75,000

Project	Details	Amount
Christmas Decorations	Budget adjustment (multi-year) – previously budget loaded did not have this as a three year commitment.	\$50,000
Library	Provision for Kangaroo Flat library lease / re-location works.	\$75,000
TechOne – licensing (Ci / Cloud)	Migration of Technology One systems to a SaaS solution. License costs for core accounts payable; document management; contract management and payroll systems to migrate to the cloud.	\$148,000
Additional Property Maintenance	Additional maintenance expenses related to: requests and break downs at both the Capital and Art Gallery; unfunded maintenance for the Ulumbarra Theatre; major make good works at Helen Jenson centre (water damage); and ongoing increase in graffiti and vandalism damage across the City's property portfolio.	\$290,000
Total		\$2,728,000

7.2 RECORD OF ASSEMBLIES

Document Information

Author Miki Wilson, Manager Governance

Responsible Director Andrew Cooney, Director Corporate Performance

Purpose

The purpose of this report is to provide the record of any assembly of Councillors, which has been held since the last Council Meeting, so that it can be recorded in the Minutes of the formal Council Meeting.

RECOMMENDATION

That Council endorse the record of assemblies of Councillors as outlined in this report.

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### Policy Context

*City of Greater Bendigo Community Plan 2017-2021:*

Goal 1 Effective community engagement will guide well informed, responsive decision-making and financially responsible resource allocations, which are transparent and accountable.

### Background Information

A meeting will be an assembly of Councillors if it considers matters that are likely to be the subject of a Council decision, or, the exercise of a Council delegation and the meeting is:

1. A planned or scheduled meeting that includes at least half the Councillors (5) and a member of Council staff; or
2. an advisory committee of the Council where one or more Councillors are present.

The requirement for reporting provides increased transparency and the opportunity for Councillors to check the record, particularly the declarations of conflict of interest.

**Report**

| Meeting Information                    |                                                                                                                                                                                                                                                                                                                                                                                     |                                 |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Meeting Name/Type                      | Sustainability and Environment Advisory Committee                                                                                                                                                                                                                                                                                                                                   |                                 |
| Meeting Date                           | 4 December 2018                                                                                                                                                                                                                                                                                                                                                                     |                                 |
| Matters discussed                      | 1. Data Fest (impact of heatwaves on communities)<br>2. Waste Presentation<br>3. Central Victorian Greenhouse Alliance<br>4. 2019/2020 Budget<br>5. Greater Bendigo Planning Scheme Review<br>6. Spring Gully Mountain Bike Master Plan update<br>7. Central Victorian Biolinks Alliance<br>8. Indian Myna Action Group<br>9. Queensland Fruit Fly<br>10. Cultural Day at Junortoun |                                 |
|                                        |                                                                                                                                                                                                                                                                                                                                                                                     |                                 |
| Attendees/Apologies                    |                                                                                                                                                                                                                                                                                                                                                                                     |                                 |
| Councillors                            | Cr Jennifer Alden<br>Cr Andrea Metcalf<br><b>Apology:</b><br>Cr Margaret O'Rourke                                                                                                                                                                                                                                                                                                   |                                 |
| Staff/<br>Community<br>Representatives | Mr Anthony Sheean<br>Ms Morgan James/<br>Mr Rohan Hogan<br>Mr Chris Weir<br>Ms Kelly Button<br>Ms Jess Milroy<br>Ms Pamela Beattie<br>Ms Terri Williams<br>Mr Colin Smith<br>Ms Meg Caffin<br><b>Apologies:</b><br>Mr Bernie O'Sullivan<br>Mr Trevor Budge<br>Mr Glenn Pomeroy/<br>Mr Geoff Caine<br>Mr James Shaddick                                                              |                                 |
|                                        |                                                                                                                                                                                                                                                                                                                                                                                     |                                 |
| Conflict of Interest disclosures       |                                                                                                                                                                                                                                                                                                                                                                                     |                                 |
| Matter No.                             | Councillor/officer making disclosure                                                                                                                                                                                                                                                                                                                                                | Councillor/officer left meeting |
|                                        | Nil                                                                                                                                                                                                                                                                                                                                                                                 |                                 |

| Meeting Information                    |                                                                                                                                                                                                                                 |                                 |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Meeting Name/Type                      | Councillors' Briefing                                                                                                                                                                                                           |                                 |
| Meeting Date                           | 14 January 2019                                                                                                                                                                                                                 |                                 |
| Matters discussed                      | 1. Mid-Year Budget update<br>2. Planning matters and draft Ordinary Agenda review<br>3. Parking technology<br>4. Peter Krenz Leisure Centre<br>5. Reducing Harm from Gambling Policy<br>6. Bendigo Stadium Limited<br>7. GovHub |                                 |
|                                        |                                                                                                                                                                                                                                 |                                 |
| Attendees/Apologies                    |                                                                                                                                                                                                                                 |                                 |
| Councillors                            | Cr Margaret O'Rourke<br>Cr Jennifer Alden<br>Cr Matt Emond<br>Cr George Flack<br>Cr Rod Fyffe<br>Cr Andrea Metcalf<br>Cr Mal Pethybridge<br>Cr James Williams<br>Cr Yvonne Wrigglesworth                                        |                                 |
| Staff/<br>Community<br>Representatives | Mr Craig Niemann<br>Ms Debbie Wood<br>Ms Vicky Mason<br>Mr Trevor Budge<br>Mr Michael Smyth<br>Ms Miki Wilson<br><b>Apologies:</b><br>Mr Andrew Cooney<br>Mr Bernie O'Sullivan                                                  |                                 |
|                                        |                                                                                                                                                                                                                                 |                                 |
| Conflict of Interest disclosures       |                                                                                                                                                                                                                                 |                                 |
| Matter No.                             | Councillor/officer making disclosure                                                                                                                                                                                            | Councillor/officer left meeting |
|                                        | Nil                                                                                                                                                                                                                             |                                 |

| Meeting Information                    |                                                                                                                                                                                                             |                                 |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Meeting Name/Type                      | Councillors' Briefing                                                                                                                                                                                       |                                 |
| Meeting Date                           | 21 January 2019                                                                                                                                                                                             |                                 |
| Matters discussed                      | 1. Pound contract<br>2. Budget discussions<br>3. Healthy Food and Catering<br>4. GovHub                                                                                                                     |                                 |
|                                        |                                                                                                                                                                                                             |                                 |
| Attendees/Apologies                    |                                                                                                                                                                                                             |                                 |
| Councillors                            | Cr Margaret O'Rourke<br>Cr Jennifer Alden<br>Cr Matt Emond<br>Cr George Flack<br>Cr Rod Fyffe<br>Cr Andrea Metcalf<br>Cr Mal Pethybridge<br>Cr Yvonne Wrigglesworth<br><b>Apology:</b><br>Cr James Williams |                                 |
| Staff/<br>Community<br>Representatives | Mr Craig Niemann<br>Ms Debbie Wood<br>Ms Vicky Mason<br>Mr Bernie O'Sullivan<br>Mr Andrew Cooney<br>Ms Miki Wilson                                                                                          |                                 |
|                                        |                                                                                                                                                                                                             |                                 |
| Conflict of Interest disclosures       |                                                                                                                                                                                                             |                                 |
| Matter No.                             | Councillor/officer making disclosure                                                                                                                                                                        | Councillor/officer left meeting |
|                                        | Nil                                                                                                                                                                                                         |                                 |

**8. URGENT BUSINESS**

Nil.

**9. NOTICES OF MOTION**

Nil.

**10. COUNCILLORS' REPORTS**

**11. MAYOR'S REPORT**

**12. CHIEF EXECUTIVE OFFICER'S REPORT**

**13. CONFIDENTIAL (SECTION 89) REPORTS**

**13.1 Confidential Report in accordance with Section 89(2)(d) of the Local Government Act relating to a contractual matter**

**13.2 Confidential Report in accordance with Section 89(2)(e) of the Local Government Act relating to a proposed development**

**RECOMMENDATION**

That Council close the meeting to members of the public pursuant to Sections 89(2)(d) and (e) of the **Local Government Act 1989** to consider reports relating to contractual matter and a proposed development.