



Council Meeting Agenda

TUESDAY 25 AUGUST 2020

**Meeting will be held on
Tuesday 25 August 2020
Council Chamber and via video conferencing
273 Main Street
commencing at 6.00 pm**

Council Information

East Gippsland Shire Council live streams, records and publishes its meetings via webcasting to enhance the accessibility of its meetings to the broader East Gippsland community. These recordings are also archived and available for viewing by the public or used for publicity or information purposes. At the appropriate times during the meeting, any members of the gallery who are addressing the council will have their image, comments or submissions recorded.

No other person has the right to record Council meetings unless approval has been granted by the Chair.

Please ensure that mobile phones and other electronic devices are turned off or in silent mode for the duration of the meeting.

Our Vision

East Gippsland is the most liveable region in Australia. A place of natural beauty, enviable lifestyles, and opportunities.

Our Mission

A leading local government that works together with our communities to make East Gippsland the most liveable region in Australia.

Our Values

Accountability

We will take responsibility for our actions and decisions in an open and transparent way.

Inclusion

We will be accessible and active in engaging with our community. We will invite, listen to and seek to understand the views of others, and proactively share information about Council's plans, projects, services and activities.

Integrity

We will honour our commitments and conduct ourselves in an honest, ethical way.

Respect

We will value, support and help to develop our diverse community. We will respect the views and contributions of others and act with courtesy and consideration in all our interactions.

Resourcefulness

We will turn the challenges faced by our community into opportunities by being flexible and innovative in our response. We will actively seek better and more cost-effective ways to achieve the best outcomes for East Gippsland

Index

1.	Procedural	1
1.1	Opening and Recognition of Traditional Custodians.....	1
1.2	Apologies.....	1
1.3	Declaration of Conflict of Interest	1
1.4	Confirmation of minutes	1
1.5	Next meeting.....	1
1.6	Requests for leave of absence.....	1
1.7	Requests to speak about your Community Project.....	1
1.8	Public question time.....	2
1.9	Petitions	3
2	Notices of Motion and/or Rescission.....	3
3	Deferred Business	3
4	Councillor and Delegate Reports	3
5	Officer Reports	4
5.1	Strong Communities.....	4
5.1.1	Release of the Draft Revised Community Engagement Policy for Community Feedback.....	4
5.2	A Liveable Region	12
5.2.1	Draft Bairnsdale Airport Masterplan	12
5.2.2	Planning Permit Application – 125/2019/P – Development of four dwellings at 35 Pinnock Street, Bairnsdale	18
5.3	A Growing Region of Opportunities	28
5.3.1	Joint Regional Leaders Statement - NSW - VIC Border Closure Impact and Recommendations - Regional Development Australia Murray Inc.....	28
5.4	Good Governance.....	31
5.4.1	Adoption of Draft Budget 2020/21	31
5.4.2	Report on Audit and Risk Committee Meeting held on 28 July 2020.....	40
5.4.3	Local Government Act 2020 governance arrangements for 1 September 2020	44
5.4.4	Adoption of updated Strategic Resource Plan 2020-24 as part of the Draft Revised Council Plan 2017-2021	51
6	Urgent and Other Business	55
7	Confidential Business.....	55
8	Close of meeting	55

Anthony Basford
Chief Executive Officer

1. Procedural

1.1 Opening and Recognition of Traditional Custodians

The Victorian Government announced on 23 April 2020 amendments to the *COVID-19 Omnibus (Emergency Measures) Bill 2020*, which relates to the *Local Government Act 2020*, allowing Council meetings to be conducted by electronic means (video conferencing from 1 May 2020 until 1 November 2020). The amendments have provisioned that Councillors will be able to electronically attend Council meetings and the requirement that Council meetings be open to the public will be satisfied where the meeting is live streamed. The amendments do not inhibit Councillors from attending a meeting in person in the Council chamber.

Members of the public are invited to view the Council Meeting livestreamed by following the link on Council's website or Facebook page.

On behalf of Council, I would like to acknowledge the Gunaikurnai People, the traditional owners of the land on which we are gathered and pay our respects to their elders both past and present.

1.2 Apologies

1.3 Declaration of Conflict of Interest

1.4 Confirmation of minutes

That the minutes of the Ordinary Council Meeting 4 August 2020 be confirmed.

1.5 Next meeting

Ordinary Council Meeting, 1 September 2020 be held at the Corporate Centre, 273 Main Street, Bairnsdale commencing at 6.00 pm.

1.6 Requests for leave of absence

1.7 Requests to speak about your Community Project

Note At Ordinary Meetings of Council, community groups and registered businesses may be allowed to speak on community projects they are seeking to carry out that will promote Council's vision for East Gippsland, as set out in its four-year Council Plan.

If you would like to take up this opportunity, please access the form on Council's website and lodge it with the Chief Executive Officer at least 10 days prior to the Council meeting at which your organisation wishes to speak.

1.8 Public question time

Note Questions must be received at Council's Corporate Centre via hand delivery, postal delivery or email by no less than four hours before the meeting's published commencement time on the day of the Ordinary Meeting of Council, or handed to the Council Officer on duty fifteen minutes before the meeting's published commencement time on the day of the Ordinary Meeting.

While every effort will be made to respond to questions on the night, if this is not possible, then questions will be taken on notice. A response will be provided to the member of the community who posed the question in accord with Council's Customer Response Policy standard for written correspondence, that is within 10 business days, or within 30 days in relation to a complex or sensitive matter. The response will also be attached to the Minutes of the meeting at which the question was put.

1.9 Petitions

Nil

2 Notices of Motion and/or Rescission

3 Deferred Business

Nil

4 Councillor and Delegate Reports

5 Officer Reports

5.1 Strong Communities

5.1.1 Release of the Draft Revised Community Engagement Policy for Community Feedback

Authored by Sascha Johns, Manager Community Engagement

Endorsed by Jodie Pitkin, General Manager Place and Community

Document No 8600599

In Attendance Sascha Johns, Manager Community Engagement

EXECUTIVE SUMMARY

The Local Government Act 2020 (the new Act) requires Councils to update their Community Engagement Policy (the revised Policy) so it is reflective of the community engagement principles defined in the new Act. It is a principles-based Act, removing unnecessary regulatory and legislative prescription, enabling Councils to apply processes that are sensitive to the community-context in which it is applied.

The revised policy must be in place by 1 March 2021.

The new Act describes community engagement as seeking to better achieve long-term and sustainable community outcomes, processes, relationships and decision-making. Reflected by the community engagement principles, the intent of the new Act is to encourage positive and productive community engagement, by assisting councils to build capacity in deliberative engagement practices so that this way of working with the community becomes standard practice, rather than an exceptional exercise.

The community engagement principles highlight the value of collaboration for Councils in working with groups of people who may be connected through place, special interests, or situations as an effective way of responding to the issues impacting the well-being of those people. Council has already embraced this approach, demonstrated through the community planning processes in the development of place-based community plans, as we understand and respect the unique characteristics, strengths and values of each place in East Gippsland.

To align with the requirements of the new Local Government Act 2020, including the addition of deliberative engagement practices, the existing Community Engagement Policy that was endorsed at the Ordinary Council Meeting on 12 December 2017 (Item 5.4.5), has been amended and a draft revised policy presented in **Appendix 1**. Critical to the review process of the revised Policy is community feedback, which officers are seeking Council's support to undertake by releasing the draft revised Policy for public comment.

RECOMMENDATION

That Council release the Draft Revised Community Engagement Policy provided in Appendix 1 for public consultation for 28 days, from 29 August 2020 – 26 September 2020.

OFFICER COMMENT / CONTEXT

Discussion

The intent of the amendments made to the new Act aim to improve local government democracy, accountability and service delivery for the community.

According to the new Act, the role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community. One mechanism to do this is to influence the way Councils work with communities and this is reflected through the changes the new Act requires through Council community engagement practices, embedded through policy amendments.

To understand the context, function and requirements of the revised Policy there are components of the new Act that need to be considered. These have been applied and incorporated into the draft Policy and the resulting product is one that is more reflective of Council's current practice and direction in which community engagement is operationalised by Council officers.

The most relevant components of the new Act that influence the revised Policy are outlined below and are important to note when reviewing the draft Policy:

Overarching governance principles of the new Act

The new Act states that a Council must in the performance of its role give effect to the overarching governance principles as follows:

	Overarching Governance Principles
a	Council decisions are to be made and actions taken in accordance with the relevant law.
b	Priority is to be given to achieving the best outcomes for the municipal community, including future generations.
c	The economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

In giving effect to the overarching governance principles, a Council needs to take into account the following supporting principles of the new Act:

Supporting Principles	Purpose
a) Community engagement	<p>This principle aims to ensure all Victorians have the opportunity to engage with their council on the future of their community. At a minimum, all councils must adopt and maintain a community engagement policy which must be used in the development of:</p> <ul style="list-style-type: none">• planning and financial management• community vision• council plan• financial plan

b) Strategic planning	<p>The Local Government Act 2020 requires councils to develop an integrated, longer-term, and transparent approach to planning that supports councillors in leading strategically, rather than focusing on operational issues.</p> <p>The strategic planning principle works together with the community engagement principle to ensure that communities are involved in strategic planning and decision making.</p>
c) Public transparency	<p>Openness, accountability, and honesty are essential to build high levels of accountability and trust amongst citizens and enable fully informed engagement in the democratic process.</p> <p>Councils will be required to adopt and maintain a public transparency policy, which must be in line with underpinning principles in the new Act.</p>
d) Financial management	<p>A significant percentage of a council's revenue comes from rates, and the community has expectations that these rates will be used to deliver an array of services and infrastructure. It is vital that councils undertake responsible spending and investment that ensures financial, social and environmental sustainability.</p> <p>The new Local Government Act 2020 is also intended to create a legislative environment that embraces innovation, modern business practices and microeconomic reform.</p>
e) Service performance	<p>This principle ensure that councils deliver services to the community that are equitable, accessible, good value and meet the needs of their diverse communities.</p>

Community Engagement Policy

To be successful, community engagement must encompass strategies and processes that are sensitive to the community-context in which it occurs. The new Act requires that Council adopt and maintain a community engagement policy which must include the requirements:

	Community Engagement Policy Requirements
a	Be developed in consultation with the municipal community; and
b	Give effect to the community engagement principles; and
c	Be capable of being applied to the making of the Council's local laws; and
d	Be capable of being applied in relation to the Council's budget and policy development; and
e	Describe the type and form of community engagement proposed, having regard to the significance and complexity of the matter and the level of resourcing required; and
f	Specify a process for informing the municipal community of the outcome of the community engagement; and
g	Include deliberative engagement practices which must include and address any matters prescribed by the regulations for the purposes of this paragraph and be capable of being applied to the development of the Community Vision, Council Plan, Financial Plan and Asset Plan.
h	Include any other matters prescribed by the regulations.

The following are the community engagement principles defined in the new Act:

	Community Engagement Principles
a	A community engagement process must have a clearly defined objective and scope.
b	Participants in community engagement must have access to objective, relevant and timely information to inform their participation.
c	Participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement.
d	Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement.
e	Participants in community engagement are informed of the ways in which the community engagement process will influence Council decision making.

Deliberative engagement practices are referred to in the new Act as a principle but are not prescribed. Instead the principle recommends that Council utilise a broad interpretation of deliberative engagement that reflects the following key characteristics:

	Key characteristics of deliberative engagement
a	Authentic engagement with the community.
b	Good representation of the community in engagement activities.
c	Accessible and relevant information available to the community to ensure the decision-making process and the community's level of influence is clear in each instance.
d	Participants are fully informed.
e	Transparency is key to an effective process.

The new Act does not define any type of community engagement that councils must utilise; but it does require that at a minimum, a council use deliberative engagement practices in developing certain documents and processes:

Policy application	Community engagement method to be determined by Council / deliberative engagement
Community Engagement Policy	<p>Adopt the first community engagement policy on or before 1 March 2021.</p> <p>A community engagement policy must be developed in consultation with the municipal community.</p> <p>Council may determine the method of community engagement undertaken in accordance with their existing community engagement policy.</p>
Governance Rules	<p>The first Governance rules must be in place prior to the 1 September 2020 deadline for the revised community engagement policy.</p> <p>Council may determine the most appropriate method of consultation in accordance with their existing community engagement policy. A Section 223 of the Local Government Act 1989 may be deemed the appropriate mechanism.</p>
Proposing a local law	The Council may determine the appropriate community engagement method in respect of the making of a local law, in accordance with their community engagement policy, and communicate the process in the public notice for the local law.
Altering a proposed local law	If the Council proposes to alter a proposed local law, they must conduct further community engagement in respect of the proposed alteration.
Community Vision	<p>Develop or review the Community Vision in accordance with Council's deliberative engagement practices and adopt the Community Vision by 31 October in the year following a general election.</p> <p>The Community Vision has effect from 1 July in the year following a general election.</p>

Council Plan	Develop or review the Council Plan in accordance with its' deliberative engagement practices and adopt the Council Plan by 31 October in the year following a general election.
Financial Plan	Develop or review the Financial Plan in accordance with its' deliberative engagement practices and adopt the Financial Plan by 31 October in the year following a general election.
Asset Plan	Develop, adopt, and keep in force an Asset Plan in accordance with their community engagement policy and deliberative engagement practices by 30 June 2022.
Preparation of budget or revised budget	Develop the budget and any revised budget in accordance with Council's community engagement policy. Council may determine the most appropriate method of consultation in accordance with their community engagement policy. The first budget may be developed under section 94 in accordance with section 223 of the Local Government Act 1989 if the Council has not adopted its first community engagement policy at the time that the budget is being developed.
Acquisition and compensation	Council may determine the most appropriate method of consultation in accordance with their community engagement policy.
Restriction on power to sell or exchange land	Council may determine the most appropriate method of consultation in accordance with their community engagement policy.
Restructuring advisory panels	Council may determine the most appropriate method of consultation in accordance with their community engagement policy.

In addition to these areas, the community engagement principles also suggest that many other council requirements, under the new Act and other legislation, would benefit from councils considering the use of deliberative engagement activities. However, councils will have the flexibility to apply the level of engagement deemed most appropriate given the context and outcome sought.

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

Strong Communities Goal 1 - East Gippsland has connected, inclusive and vibrant communities
 Good Governance Goal 1 - East Gippsland Shire Council is inclusive, engaged and open
 Strong Communities Goal 2 - East Gippsland communities plan for their future

Council Policy

Community Engagement Policy.

Council currently has a Community Engagement Policy that uses the IAP2 framework to guide practice. The key amendments made to the draft Policy include the modification of the IAP2 framework to better reflect the intent and requirements of the new Act with consideration to the context in which is applied. There is also the inclusion of deliberative engagement as one of the mechanisms Council can utilise and must do so in certain circumstances in the development of specified documents. It incorporates the components outlined above in the Discussion Section of this report.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

This report has been prepared in accordance with *Local Government Act 2020* sections 55, 60, 73, 88, 90, 91, 92, 96, 112, 114, 239.

Community

The draft Policy is a tool that will guide the way Council and the community can work together. It will assist both Council and community to understand required and appropriate engagement mechanisms and if effective, facilitate best outcomes for all involved.

The addition of deliberative engagement to the revised Policy can facilitate a far deeper understanding of local priorities and values, it can enable more responsive service provision and develop greater community ownership and investment and strengthened relationships.

Organisational

- **Financial**

There is no cost associated with the release of the draft Policy for public exhibition.

- **Human Resources**

The review of review of the revised Policy has been led by the Manager Community Engagement. All feedback provided by stakeholders will be considered and incorporated as appropriate into a final draft for Council's consideration and endorsement in late 2020, once the new Council has been elected and inducted.

Climate Change

This report has been prepared and aligned with the following Climate Change function/category:

Community Risk: Climate change is considered as a community risk and includes responses to direct and indirect impacts.

Consultation

The revised Policy has been amended to align with the changes to the Local Government Act 2020 (sections 55, 60, 73, 88, 90, 91, 92, 96, 112, 114, 239) and formalises the existing approach of Council to engage in a deeper, more meaningful manner with the community where deliberative engagement is appropriate. Council has already demonstrated a commitment to this approach through the community planning undertaken to develop community place plans. The revised Policy amendments build on the effective practices already in place and intends to support Council officers to make deliberate and informed choices when planning engagement.

It is recommended that the draft revised Policy is released in line with section 223 of the Local Government Act 1989 for 28 days for public consultation through the Your Say website. It is proposed that opportunity to provide feedback will be promoted through various online and local print avenues of communication across East Gippsland and through existing District Representative Groups.

It's acknowledged that a sizable portion of the communities of East Gippsland are currently prioritising bushfire recovery rebuilding and adaptation processes, and this may impact on community's ability to provide feedback at this point in time. Please note that the first iteration of the revised Policy, as presented in draft form, is a starting point that will be reviewed periodically. Therefore, the opportunity to learn as we test and evaluate engagement processes, and build Council's capacity to improve practices is ongoing.

Under the Local Government Act 2020 the revised Policy is to be endorsed by 1 March 2021 and therefore guides the timing of the community feedback process.

APPENDICES AND ATTACHMENTS

Appendices

1. Draft Revised Community Engagement Policy

Attachments

Nil

5.2 A Liveable Region

5.2.1 Draft Bairnsdale Airport Masterplan

Authored by	Jason Connelly, Aerodromes Coordinator
Endorsed by	Fiona Weigall, General Manager Assets and Environment
Document No	8575482
In Attendance	Mark Burnett, Manager Works Jason Connelly, Aerodromes Coordinator

EXECUTIVE SUMMARY

The purpose of this report is to present the Draft Bairnsdale Airport Masterplan (the Masterplan) provided as **Appendix 1** to Council for adoption.

Bairnsdale Airport and associated land is an important Council owned and operated asset. There is currently no active Masterplan guiding the development and use of the site. In July 2019 Council engaged consultants to work with officers and stakeholders to develop a contemporary Masterplan to guide future use and development of the Bairnsdale Airport site.

The Masterplan replaces all previous plans for the site and is developed to facilitate maximised use of the site for local economy and community benefit. The Masterplan provides clear guidance on the physical and management requirements for the site, to ensure it can continue to operate as an airport, whilst also maximising current and future opportunities. Importantly the Masterplan has been drafted to ensure the airport complies with legislative change and new industry standards for the airfield itself and the associated support infrastructure – terminal building, hangars and air ambulance patient transfer.

The Masterplan was also developed with consideration for the existing airport tenants (both aviation and non-aviation related) and how these relate to both the future operations of the airport and the need to comply with changing regulatory requirements. Finally, the Masterplan considered future opportunities to grow and develop the site as a significant Council and community asset.

The Masterplan has been developed in consultation with Council officers, current tenants, lease holders and external interested stakeholders to ensure all relevant audiences were catered for (including both aviation and non-aviation interests). This consultation included meetings with all tenants at the inception of the project, detailed consultation with key users of the site and stakeholders and engagement of regulatory bodies to understand the implications of changing industry standards and requirements. The tenants have also been provided with the opportunity to participate in a presentation and discussion on the draft Masterplan and all tenants and key stakeholders were provided with the opportunity to provide feedback on the draft.

Given the specific focus of the Masterplan and the engagement of tenants and stakeholders directly, it was not considered necessary to present the draft Masterplan for broader consultation prior to adoption.

The development of this Masterplan has been well timed as it will reflect and highlight the new regulatory changes which are due to come into effect in August 2020. Over the past 36 months, the Civil Aviation Safety Authority (CASA) have been in the process of rewriting the Manual of Standards Part 139 (MoS139). This is the publication of standards, rules and legislative instruments set out for how Aerodromes must operate. These changing standards have a direct impact on two current tenants who will now be too close to one of the runways. Both tenants are aware of these impacts and officers are working to find alternate sites and / or reduce the tenancy footprint.

RECOMMENDATION

That Council:

- 1. adopts the draft Bairnsdale Airport Masterplan provided as Appendix 1;***
- 2. notes that due to the Civil Aviation Safety Authority's recently changed guiding principles for Aerodromes, the draft Bairnsdale Airport Masterplan identifies a direct impact on two existing non-aviation tenants at the Bairnsdale Airport; and***
- 3. intends to work with tenants impacted by the draft Bairnsdale Airport Masterplan and the recent changes to the Civil Aviation Safety Authority's guiding principles for Aerodromes, to seek alternative locations for their operations.***

OFFICER COMMENT / CONTEXT

Discussion

East Gippsland Shire Council are the owner/operators of three Regional Registered Airports in East Gippsland including the Bairnsdale Airport which is the largest and most developed of the three sites. The Bairnsdale Airport provides a critical air patient transfer service and is also an important part of the infrastructure utilised during emergencies including fire responses. The site also houses a range of aviation and non-aviation tenants and is used annually as the site for the East Gippsland Field Days.

The airport currently operates without any form of overall Masterplan to guide development and ensure works are aligned to the aspirations of this important asset. Consultants were therefore engaged to work with officers and stakeholders to develop a contemporary Masterplan to guide future use and development of Bairnsdale Airport site.

The development and adoption of the Masterplan is an important step in the future development of the Airport and the attraction of additional aviation business to the site. Once adopted the Masterplan will therefore be used as the basis for developing a business plan to guide the continued development and operation of the Airport.

The creation of a new Regional Airports funding program by the Australian Government also creates a potential funding stream for future airport works. Having an adopted Masterplan for the airport will strengthen Council's funding applications and the potential for external funding.

The final Masterplan presented via this report is a consolidation of the information provided in the consultation process with Council, tenants, lease holders, external stakeholders and legislative requirements. The Masterplan also incorporates suggested actions by the Civil Aviation Safety Authority (CASA) in the need for “Protecting / Safeguarding” the Airport for future Development. Significantly, CASA has introduced a new Manual of Standards Part 139 which informs operators on standards and how the Airport must be run. In August 2020, the new Manual of Standards Part 139 will become live and our three Registered Airports will transition into a Certified Aerodrome. This gives the three Airports 18 months to adopt the new standards and/or grandfather facilities until such time of upgrades if they wish to remain Certified Aerodromes.

Failure to enact the core Masterplan recommendations will mean that the Airport will not meet Civil Aviation Safety Authority (CASA) Manual of Standards Part 139 (MoS139) which set out how Aerodromes must operate.

The report provides a series of recommendations that have been prioritised in priority and time frame which provide a clear direction for developing the airport and ensuring it meets the changing needs of users and the changing regulatory guidelines. These recommendations are outlined in detail in Section 6. of the Final Masterplan provided at Appendix 1.

In summary the Masterplan layout incorporates the following key aspects:

- Airside Infrastructure upgrade - the runways and taxiways necessary for the take-off, landing and ground movement of aircraft to access the terminal and hangar areas.
- Development of the Terminal Precinct to accommodate short and long-term passenger movements.
- Development of a separate Patient Transfer Facility for Air Ambulance Victoria in recognition of the important role the airport plays in air patient transfer.
- Retention of the DELWP Fire Base in recognition of the importance of air fire responses for our region.
- Creation of additional Hangar Lots for code A and code B aeroplanes.
- Rationalisation of airside and landside areas; and
- Retention of existing non-aviation uses only where this is possible safely and without constraining aviation-related opportunities.

It is noted that some of the recommendations will impact current non-aviation tenants. However, it should be stressed that these recommendations are made to ensure that the Airport can continue to meet CASA regulations. These implications are addressed further in this report.

These recommendations if adopted will also fast-track the need to find suitable alternate accommodation for some of the current tenants and activities.

Implications for current non-aviation Tenants

The report indicates that whilst there is no immediate need to relocate some non-aviation tenants, there is a need to relocate these tenants before any further significant work (beyond maintenance) is undertaken.

Of note in the Masterplan findings is the fact that the Bairnsdale Airport will not meet the new MoS139 standards to be brought in August 2020, with the current layout of tenants. There are two tenancies that require a modification of their footprint and/or relocation to ensure that one of the runways continues to be functional.

In the longer term there are also several other tenants whose presence whilst not physical, hindrance the physical development required of the aviation infrastructure there may be perceived risks which could potentially deter prospective aviation businesses, particularly the attraction of charter or passenger service activities to the airport. Other tenants are located on prime airside-accessible land. Depending on the pace of development, there may be a requirement in the longer term to develop this land for aviation activities that require airside access.

It was not the purpose of the Bairnsdale Airport Masterplan to solve these tenancy issues, but rather to identify them. Officers have therefore commenced discussions with all impacted tenants and have recently engaged external resources to work with these tenants and Council to identify their future needs, so that a more suitable location may be found for them. This may include the development of a motorsports and / or shooting precinct which is developed for their specific purposes and needs.

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

Strong Communities Goal 4 - East Gippsland has safe, resilient communities

A Liveable Region Goal 1 - East Gippsland has safe, accessible and well utilised open spaces and built environments that reflect the priorities of our community

Council Policy

The development of an Airport Masterplan for the Bairnsdale Airport was identified as a major initiative in the Council Plan (2019/20 action)

Legislation

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's *Charter of Human Rights and Responsibilities Act 2006*.

As identified earlier in this report, the development of the Masterplan has taken compliance with relevant legislation and industry standards into consideration. In particular the Civil Aviation Safety Authority Manual of Standards Part 139 (MoS139) which set out how Aerodromes must operate.

Community

Being distant from the Melbourne metropolitan region, makes East Gippsland dependent on air services for some aspects of community life – especially emergency services. The continued ability of the Bairnsdale Airport to service the needs of air-based patient transfers and fire defence, was therefore integral to the development of the Masterplan. A range of residents and visitors also choose to travel by air, and this need too was considered when drafting the Masterplan.

The Bairnsdale Airport also provides a home for many community groups, functions and events. Often it would not be easy for these groups and events to find alternate locations, therefore the Masterplan has also been developed with this ongoing tenancy in mind and retained wherever possible.

Organisational

- **Financial**

The adoption of this Masterplan in itself, does not generate a financial obligation for the organisation. However, the Masterplan does identify a range of infrastructure improvements and other initiatives requiring investment. These recommendations will be considered in the preparation of the annual budget and will be subject to normal budget consideration processes.

Wherever possible implementation of the Masterplan will also seek to attract external funding from available sources.

- **Human Resources**

Adopting this report has no impact on the human resources allocated to the management of this service.

Amenity/Environment

The Bairnsdale Airport was first developed during WW11 and is over 80 years old with aging infrastructure – some of which like stormwater systems frequently fail with impacts on the amenity and functionality of the site. The Masterplan will address this aging infrastructure and ensure that the important historical elements are preserved.

The airport site itself was selected on the outskirts of Bairnsdale with farm zoned land surrounding it. This ensures that airport movements have minimal noise and amenity impacts on built-up areas.

Climate Change

This report has been prepared and aligned with the following Climate Change function/category:

Corporate/Strategic/Council Plan: Consideration is given to climate change in corporate, strategic or council plan(s) and includes responses to direct and indirect impacts.

The Masterplan will aid with the reduction in use of potable water and has also been confirmed to not be impacted by sea level rise.

Consultation

The Masterplan has been developed in consultation with Council officers, current tenants, lease holders and external interested stakeholders to ensure all relevant audiences were catered for (including both aviation and non-aviation interests). This consultation included meetings with all tenants at the inception of the project, detailed consultation with key users of the site and stakeholders and engagement of regulatory bodies to understand the implications of changing industry standards and requirements. The tenants have also been provided with the opportunity to participate in a presentation and discussion of the draft Masterplan, and all tenants and key stakeholders were provided with the opportunity to provide feedback on the draft. Given the specific focus of the Masterplan and the engagement of tenants and stakeholders directly, it was not considered necessary to present the draft Masterplan for broader consultation prior to adoption.

In addition, officers have held separate discussions with the two tenants directly impacted by the Masterplan and the change on CASA regulations. Both stakeholders were appreciative of the notice and understood this was driven by CASA regulations, not Council.

More detailed consultation around the future plans and space requirements of the motorsport and shooting tenants has also commenced as part of the process of working with tenants to potentially find them more suitable sites.

APPENDICES AND ATTACHMENTS

Appendices

1. Bairnsdale Airport Masterplan (Final Draft)

5.2.2	Planning Permit Application – 125/2019/P – Development of four dwellings at 35 Pinnock Street, Bairnsdale
Authored by	Brad Foletta, Land Use Planner
Endorsed by	Jodie Pitkin, General Manager Place and Community
Document No	8564192
In Attendance	Nicole Reynolds, Acting Manager Planning

EXECUTIVE SUMMARY

This permit application was originally lodged on 14 May 2019 for the construction of six (6) dwellings and reduction in the required car parking by one (1) space. Officers raised concerns with the initial design in their letter dated 4 June 2019, requesting additional information to support the proposal in relation to the following matters:

- The front and side setbacks are inconsistent with the prevailing character of the area;
- The development could be enhanced through articulating the building and by introducing a greater variety of colours and materials;
- Building design lacks articulation and is out of character with the predominate character of dwelling forms in the street; and
- Vehicle turning movements do not comply with the 4m internal radius required.

Following receipt of additional strategic justification, the officer directed commencement of notification on 27 August 2019, and subsequently Council received eighteen (18) objections (provided at **Attachment 2**). In accordance with Council's Delegations Policy, a planning consultation meeting was held on 30 September 2019 (Minutes of the meeting at **Attachment 3**).

The application was amended on 24 February 2020, in response to the concerns raised, to reduce the number of dwellings down to four (4) single storey dwellings, with reduction in the required car parking rate. Plans and submission for the amended application are presented at **Attachment 1**.

The amended application proceeded to public notice on 2 April 2020, and no further objections were registered, however, no objections were withdrawn. Accordingly, as the application has more than ten registered objections, it cannot be determined under delegation and is required to proceed to Council for a decision. It is considered that the primary concerns raised in the objections have been suitably addressed by the revised design, and more modest single storey built forms now proposed.

The amended application is assessed in detail at **Attachment 4**; and is generally in accordance with the Planning Policy requirements of the East Gippsland Planning Scheme, the General Residential Zone 1, Clause 55 (Two or more dwellings on a lot), and Clause 52.06 (Car Parking).

After consideration against the relevant local and state planning policy it is recommended that Council resolve to issue a Notice of Decision to Grant a Permit subject to the conditions outlined in **Appendix 1**. The reasons for the approval are summarised as follows:

- The proposed built form after conditions is consistent with the form, style, bulk and character of the dwellings within the surrounding neighbourhood;

- The proposed dwellings will not unreasonably impact on the amenity of the abutting properties via visual bulk, overshadowing, nor overlooking;
- The built form as proposed meets the requirements of Clause 52.06 (Car Parking) and provides all required car parking within the subject site: and
- The proposed development meets, or can easily be conditioned to comply, with the Standards and objective of Clause 55 (Rescode).

RECOMMENDATION

That Council being the Responsible Authority and having considered all the relevant planning matters, determines that planning application 125/2019/P is consistent with the requirements and objectives of the East Gippsland Planning Scheme and therefore resolves to issue a Notice of Decision to Grant a Permit for development of four dwellings at 35 Pinnock Street, Bairnsdale subject to the conditions outlined at Appendix 1.

OFFICER COMMENT / CONTEXT

Discussion

Subject site land location

The subject land for the development is 35 Pinnock Street Bairnsdale, the site is currently vacant and has a 20.24 metre frontage, and depth of 50.29 metres resulting in 1017 square metres in area. The land is relatively flat, with only a 0.5-0.75 metre fall from the front of the site down to the rear boundary and has access to all reticulated services such as town water, sewer, drainage gas and electricity.



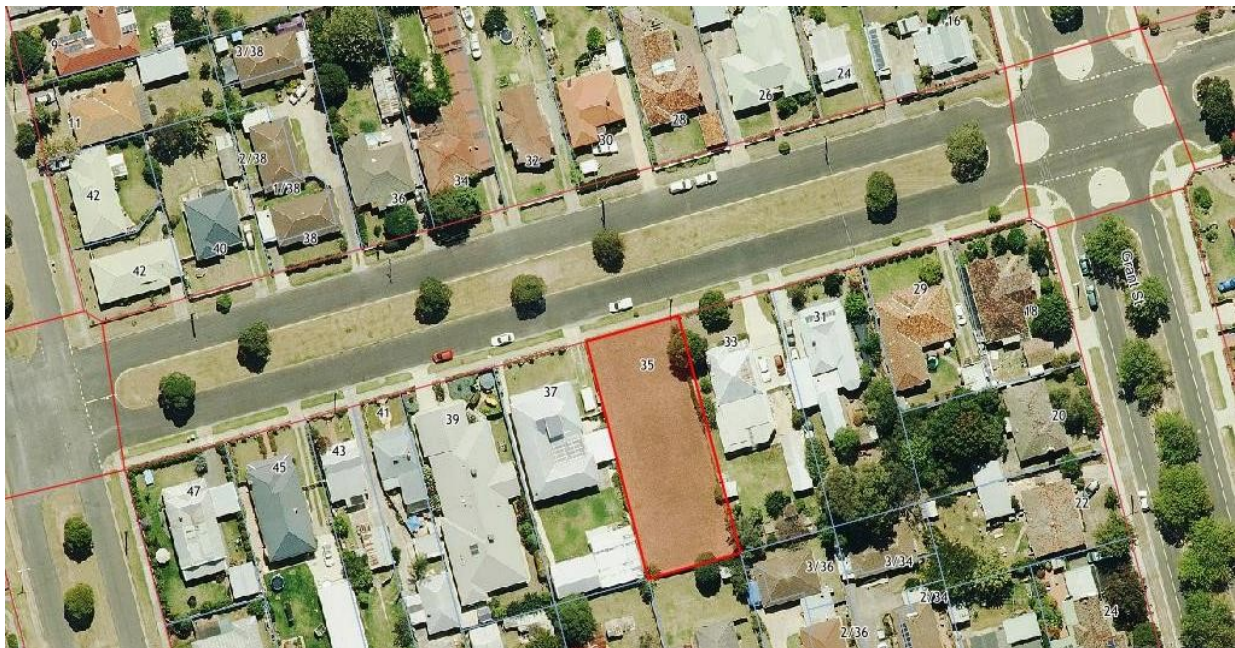
Figure 1 - The subject land

No significant vegetation exists on the subject site, although a number of low to mid canopy trees exist along the western boundary of no 33 Pinnock Street close to the subject site. A council street tree is located in centre of the nature strip in front of the subject site.

A General Residential Zone – Schedule 1 (GRZ1) exists over the subject site and surrounding area with no additional overlays.

The prevailing streetscape of Pinnock Street consists entirely of single storey dwellings ranging in style from pre and interwar dwellings, to more modern residential dwellings, with a few examples of multi dwelling developments.

Pinnock Street itself is divided into two separate lanes one in either direction by a wide nature strip through the centre of the entire street which contains a number of low to mid canopy council street trees.



Title Information

The applicant has completed a restrictive covenant declaration form declaring that there is no restrictive covenant on the title for the subject site known as Lot 1 on Plan of Subdivision 073806, Parent Title [Volume 04125 Folio 897].

Description of proposal

It is proposed to develop the land to construct four (4) dwellings, and associated works, more particularly, the proposal comprises:

Site plan and floor plans (Plan TP2, 1 of 2):

- The construction of four dwellings, including 2 three bedroom dwellings fronting Pinnock Street, with 2 two bedroom dwellings in tandem behind.
- A single common driveway runs through the centre of the site, allowing access to four carports and two open air car spaces located behind the two front dwellings.
- The verandas of the front dwellings are setback 4.65m from Pinnock street, with their main facades setback 6.15m.
- The side setbacks of dwellings 1 and 2 range from being directly on the boundary to 3m.
- The side setbacks of dwellings 3 and 4 range from 3m to 3.4m and form their primary secluded private open spaces.

Elevations (Plan TP2, 2 of 2):

- The dwellings will have a maximum overall height of 5.8m (single storey) and have finished floor levels (FFL) ranging from 16.05m to 16.30m.
- Dwellings 1 and 2 each propose wall on their side boundaries with a maximum overall height ranging from 3.77m down to 3.6m.

Cladding and roofing Materials:

- Building materials include weatherboard exteriors with aluminium framed windows, zinc sheeting for the roof and zinc flashings along with decorative panels.
- Colour palate includes PC#1 – Domino (dark grey), PC#2 – Timeless grey (mid grey), and PC#3 – Vivid white.

The plans which are the subject of this report are those referred to as Project No. 18027, Plan Nos. TP2 1 of 2 (Rev A), TP2 2 of 2 (Rev A) and Planning Assessment Ref 1801173 (Rev 2) dated 18 February 2020. The plans are contained within **Attachment 1**.

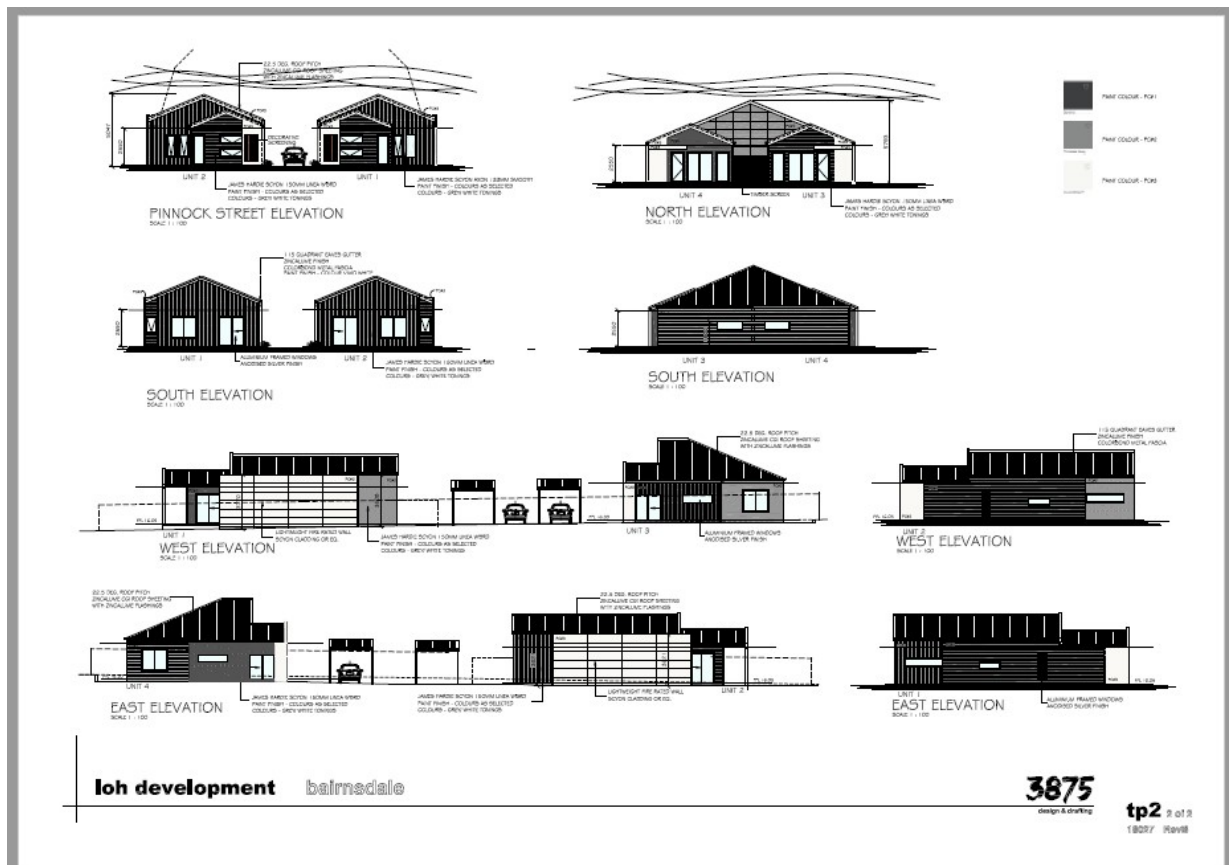


Figure 5 – Elevations plans (TP2 2 of 2)

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

A Liveable Region Goal 2 - Sustainable planning and growth supports thriving townships, while maintaining our commitment to sustainability and protecting our natural environment

Legislation

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's *Charter of Human Rights and Responsibilities Act 2006*.

The planning permit application has been processed and assessed in accordance with the *Planning and Environment Act 1987*.

The applicable controls under the East Gippsland Planning Scheme are summarised below:

Application No.	125/2019/P
Address	35 Pinnock Street, Bairnsdale
Zone	General Residential Zone 1
Overlays	Nil
Particular Provisions	55 – two or more dwellings on a lot

Planning policy at all levels generally seeks to:

- Direct development to appropriately zoned and serviced land.
- Protect residential amenity.
- Respect neighbourhood character.
- Minimise impact on the natural environment.

Clause 21.08-1 (Settlement) and the Bairnsdale Growth Strategy

At Clause 21.08-1 of the Municipal Strategic Statement is states the following core strategies for Bairnsdale's housing future.

Strategy 1.7 - *Facilitate urban development for Bairnsdale within the existing town boundary identified in the Bairnsdale Growth Strategy, November (2009) and on Plan 3 Revitalisation and Growth Strategy.*

Strategy 1.8 - *Support infill medium density housing and a mix of housing types close to Bairnsdale CBD and key locations to provide greater housing choices identified in the Bairnsdale Growth Strategy, November (2009) and on Plan 1 Housing Diversity.*

The subject site is located within area '1 Established Bairnsdale' where the policy seeks 'Consolidated residential growth with supporting community recreation facilities. Provide for greater housing diversity for all household types.' Incremental Infill development is envisaged.

Bairnsdale acts as the main service centre and "civic heart" of East Gippsland while settlement and growth have evolved over time in a more informal manner in Bairnsdale, it is considered that an appropriate and sustainable land use future must be established based on clear directions that provide parameters for growth, these concerns have formed the Bairnsdale Growth Strategy objectives.

Section 7.1 of the Bairnsdale Growth Strategy objectives:

- *Encourage a mix of housing types and lot sizes near the CBD to meet the needs of the changing population.*
- *Encourage housing for older people and families with special needs close to services and core infrastructure.*
- *Encourage evolution of housing stock to meet the needs of a changing population.*

The proposal to construct four single storey dwellings is entirely consistent with the purpose of zone and the intent of local policy to encourage and constrain development within existing residential areas. The municipality provides a substantial percentage of larger properties, and is managing an aging population. There is a shortage of supply of smaller, lower-maintenance dwellings and this proposal is considered consistent with the need to respond to these characteristics. Residential areas within close proximity of the Bairnsdale CBD, are also singled out for an increase in density including more intensive higher rise residential developments up to 3 storeys.

A full assessment against the East Gippsland Planning Scheme is included at **Attachment 4**. It is noted that the assessment concludes that, subject to conditions, the amended proposal for development of four dwellings on the land is generally consistent with the Scheme requirements and is suitable for endorsement

Clause 55 – Two or more dwellings on a lot

The primary assessment of the application for development of four dwellings is Clause 55. As indicated, the detailed assessment provides assessment of each Standard set out in the Clause, and there are only four issues raised which warrant conditions to be imposed on the permit, but that can generally be considered appropriate overall.

Organisational

- **Financial**

Nil

- **Amenity/Environment**

Amenity and environment considerations are fundamental to the planning assessment of the application.

- **Climate Change**

This report has been prepared and aligned with the following Climate Change function/category:

Land Use Planning: Consideration is given to climate change in the local land use planning and includes responses to direct and indirect impacts.

The proposal provides for dwelling diversity on an urban infill site with good pedestrian access to essential services, retailing, and institutions. Building requirements will regulate energy efficiency suitable to reduce climate impacts of the development.

Consultation

Public notification was undertaken in accordance with Section 52 of the *Planning and Environment Act* 1987. Council gave instructions to the permit application to carry out notification, and in both notification periods, the 'Form 2' public notice documentation was served to all adjoining land owners and occupiers, and for the amended application notice was also provided to the previous objectors that weren't also immediate neighbours.

A total of 18 objections were received with the initial application. A copy of objections can be found at **Attachment 2**. No further objections lodged during the advertising of the amended application. In both notification periods, the applicant completed a statutory declaration to indicate that notice was carried out in accordance with Council's instruction.

In accordance with Council's Delegations Policy, the initial application was presented to Council at a Planning Consultation Meeting on Monday 30 September 2019, the minutes of which are presented at **Attachment 3**.

The applicant and officers have discussed during the assessment of the application as to whether there were suitable alternative processes to resolve the matter without reporting back to Council. Officers note that the application could have been withdrawn following receipt of objections, and lodged fresh to potentially reduce the number of objections and potentially be subject to a delegated determination. This option was not taken up.

Issues raised in the objections highlighted concerns relating to the following:

1. Lack of onsite car parking;
2. Generation of on-street car parking;
3. Overshadowing and overlooking;
4. Neighbourhood character grounds;
5. Not suited to the neighbourhood or the area;
6. The short-term nature of the occupiers;
7. Decrease in property value;
8. Visual bulk and lack of articulation;
9. Overdevelopment of the site;
10. Personal safety;
11. Storm water and drainage impacts;
12. Children's safety.

Discussion on grounds for objection

It is important to understand that the objections were generated in response to the initial six (6) dwellings and reduction in car parking application and not the current application which did not attract any objections. However, all original parties received notice of the amended application and no objections were withdrawn. Therefore, all grounds raised must be considered, with the exception of grounds relating to decrease in property value and tenancy arrangements, which are not appropriate planning scheme considerations.

A primary concern raised is that of impacts to the prevailing neighbourhood character and streetscape appearance of the immediate neighbourhood, these concerns have been discussed in relation to the Scheme assessment.

Failure to provide all required car parking on the site was also a concern raised widely throughout the objections, expressing concerns with impacts to on-street parking.

The revised design reduces the number of dwellings to four removing the need for the visitor parking space originally left off the development design. Clause 52.06-5 requires two parking spaces for each three bedroom dwelling with at least one under cover and one car space for each two bedroom dwelling. The amended application now meets this standard. The layout of the development is generally compliant with the provisions of Clause 52.06-8 (design standards for car parking); driveway widths and passing bays are acceptable.

The development would introduce a relatively small number of additional traffic movements which can easily be integrated into the existing road network and will not cause the local road network to be saturated. In this regard, the matters raised about personal safety and children's safety are addressed and are considered by Council Engineers to represent an acceptable outcome.

The removal of the upper levels of the dwellings now proposed by the current application will alleviate the overlooking and overshadowing impacts of the original application complying with all relevant Rescode standards.

Council engineers have accepted the drainage strategy subject to a more detailed drainage management plan being prepared prior to the commencement of works. This plan will need to take into account nutrient stripping of storm water before it leaves the site.

APPENDICES AND ATTACHMENTS

Appendices

1. Proposed permit conditions

Attachments

1. Amended planning permit application documentation (Plans, supporting documentation) 24 February 2020.
2. Objections
3. Minutes of the Planning Consultation Meeting September 2019
4. Detailed Planning Scheme Assessment

5.3 A Growing Region of Opportunities

5.3.1 Joint Regional Leaders Statement - NSW - VIC Border Closure Impact and Recommendations - Regional Development Australia Murray Inc

Authored by Jodie Pitkin, General Manager Place and Community

Endorsed by Anthony Basford, Chief Executive Officer

Document No 8617482

EXECUTIVE SUMMARY

A joint regional leaders' statement has been released by Regional Development Australia Murray Inc, asking for border businesses and communities to be included in COVID-19 Assistance Packages (refer **Appendix 1**).

It is stated that the NSW – VIC border community of 180,000 NSW and 260,000 VIC people are being profoundly and exceptionally disadvantaged economically and socially as a direct consequence of Victorian and New South Wales Emergency Public Health Orders.

Our communities are experiencing unique regional exclusion from daily activities; from work, health, education and welfare services, family interaction, business delivery and development, banking, groceries and fresh food, sports and recreation activities.

No other area of Australia has suffered the impact of not being able to attend work because of COVID-19 Emergency Orders. Our communities are facing rules more restrictive than those imposed on residents of Melbourne and Sydney hotspots. report, summarising the important points.

Due to the timeframes for inclusion on the statement, this report is being presented for endorsement and to raise public awareness of the issues facing border communities at this time.

RECOMMENDATION

That Council:

- 1. note the inclusion of East Gippsland Shire Council as a signatory on the Joint Statement, "NSW - VIC Border Closure Impact and Recommendations".***
- 2. endorse the prioritised recommendations as outlined in the Joint Statement at Appendix 1.***

OFFICER COMMENT / CONTEXT

Discussion

RDA Murray provided short time frames for Councils to determine if they wanted to be a signatory to the Joint Statement. The offer from RDA Murray was discussed with Councillors who were of the view that this was an important matter for Council to advocate on. As such it was agreed for East Gippsland Shire Council to be included as a signatory to Joint Statement and the matter be brought to a future Council Meeting for endorsement.

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

A Growing Region of Opportunities Goal 1 - East Gippsland is a region of economic opportunity with strong industry sectors, a skilled workforce and local jobs

Council Policy

The proposed support measures set out in this report have regard for and are consistent with Council's Business Continuity Plan, Municipal Emergency Management Plan, Influenza Pandemic Response Plan and COVID-19 Local Relief Plan.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

The New South Wales Minister for Health and Medical Research, Brad Hazzard, introduced a public health order that commenced on 8 July 2020 placing restrictions on Victorians, or people who had visited Victoria in the previous 14 day period entering New South Wales. This order is known as Public Health Order (COVID-19 Border Control) Order 2020 and has been subject to several amendments since its introduction. These amendments have not altered the intention of the order.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's *Charter of Human Rights and Responsibilities Act 2006*.

Community

It is stated that the NSW – VIC border community of 180,000 NSW and 260,000 VIC people are being profoundly and exceptionally disadvantaged economically and socially as a direct consequence of Victorian and New South Wales Emergency Public Health Orders.

Our communities are experiencing unique regional exclusion from daily activities; from work, health, education and welfare services, family interaction, business delivery and development, banking, groceries and fresh food, sports and recreation activities.

No other area of Australia has suffered the impact of not being able to attend work because of COVID-19 Emergency Orders. Our communities are facing rules more restrictive than those imposed on residents of Melbourne and Sydney hotspots. report, summarising the important points.

The border closures have had impact on East Gippsland communities and business, with requirements resulting in people needing to travel to alternate locations and business suffering significant additional costs as a result.

Organisational

- **Financial**

These closures have not had a direct impact on Councils financial position at the time of preparing this report

- **Human Resources**

These closures have not had a direct impact on east Gippsland Shire Councils Human Resources.

- **Amenity/Environment**

The proposed action outlined in this report will not have a direct impact on amenity or environment.

Climate Change

This report has been prepared and aligned with the following Climate Change function/category:

Corporate/Strategic/Council Plan: Consideration is given to climate change in corporate, strategic or council plan(s) and includes responses to direct and indirect impacts.

Consultation

Officers have been engaged with effected community members throughout the pandemic.

Officers attend regular cross border briefings with the Victorian and NSW Cross Border Commissioners. These matters have also been raised with Local Government Victoria, Municipal Association of Victoria and the Department of Health and Human Services.

Appendices and Attachments

Appendices

1. Joint Statement Media release

Attachments

Nil

5.4 Good Governance

5.4.1 Adoption of Draft Budget 2020/21

Authored by Liz Collins, Manager Finance

Endorsed by Peter Cannizzaro, General Manager Business Excellence

Document No 8610752

In Attendance Liz Collins, Manager Finance

EXECUTIVE SUMMARY

The draft Budget 2020/21 (draft Budget) is submitted to Council for final adoption in accordance with the provisions of the *Local Government Act 1989* (the Act) and the *Local Government (Planning and Reporting) Regulations 2014* (Reporting Regulations). The draft Budget document is provided at **Appendix 1**.

The draft Budget 2020/21 was adopted by Council on 23 June 2020 and was made available for review and submissions from the public until 24 July 2020.

Whilst the rate cap set by the Victorian Government's Fair Go Rates System is 2 percent, the draft Budget proposes a zero rate percentage increase so that general rates and the municipal charge will not increase from the average of the 2019/20 general rates and municipal charge. Domestic waste collection charges sit outside of the rate cap and it is proposed that domestic waste collection charges be increased by 2 percent over the 2019/20 charges. User fees and charges have been kept at the 2019/20 level with no increase proposed.

The draft Budget proposes the delivery of a range of projects and programs to the East Gippsland community in 2020/21, while forecasting an operating surplus of \$22.673 million for the year. Taking into account income to be received from grants and contributions for capital works, the underlying result is a deficit of \$2.520 million.

The capital works program for 2020/21 totals \$64.766 million, which includes an estimated \$20.998 million for projects carried over from the 2019/20 year that will be completed in 2020/21. Capital grant income to be received for a range of these projects is estimated to be \$23.503 million. Capital reimbursements for assets destroyed in the 2019/20 bushfires of \$3.908 million is also expected to be received.

The draft Budget also includes landfill rehabilitation projects of \$2.219 million, the most significant being \$1.778 million for the capping of the Lakes Entrance Landfill.

The draft Budget had proposed an operating surplus of \$19.845 million and this has now been revised to \$22.673 million as a result of a range of changes including increased estimated capital grants (refer to the Summary of Budget Changes – **Attachment 1** for details).

Included in the draft Budget is forecast financial information for the four years from 2020/21 to 2023/24. The financial information and associated financial indicators that are used to assess financial sustainability, indicate Council's ongoing financial sustainability over the short to medium term.

Through the public consultation process undertaken in respect of the draft Budget, four submissions were received and two submitters spoke to their written submission at a hearing held on 11 August 2020. In accordance with section 223 of the Act, all submissions were considered by a Committee of Council comprising the whole of Council (with a quorum being five Councillors).

No changes to the draft Budget have been recommended by the Committee.

A summary of all submissions, together with the Committee's recommendations is provided at **Appendix 2**.

Under Section 130 (3) of the Act Council is required to adopt an annual budget by 30 June each year or such other date fixed by the Minister. The Minister for Local Government advised Council that an extension to 31 August 2020 for adoption of the budget for the 2020/21 year was granted. Council is now in a position to consider formally adopting the draft Budget 2020/21, with or without further amendment.

RECOMMENDATION

That Council:

1. ***having reviewed all submissions received and considered the recommendations of the Committee of Council convened to hear and consider written and oral submissions (summarised at Appendix 2), adopts all recommendations of the Committee in relation to the draft Budget 2020/21;***
2. ***adopts the Budget 2020/21 as provided at Appendix 1 (including the schedule of fees and charges) in accordance with section 130 of the Local Government Act 1989;***
3. ***in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014, declares the following:***
 - (a) ***An amount of \$58,728,746 be declared as the amount that Council intends to raise by general rates, municipal charge and waste collection charges, which is calculated as follows:***

CATEGORY	INCOME
General Rate	\$33,259,952
Commercial / Industrial	\$ 5,635,885
Farm Rate	\$ 4,745,185
TOTAL RATES	<u>\$43,641,022</u>
Municipal Charge	\$ 7,105,850
Waste Charges	
Kerbside Waste/recycling collection (120 litre bin)	\$ 1,085,064
Kerbside Waste/recycling collection (240 litre bin)	\$ 11,583
Kerbside Waste/recycling/green waste collection (120 litre bin)	\$ 6,726,200
Kerbside Waste/recycling/green waste collection (240 litre bin)	\$ 61,087
Rural Waste Collection Charge	<u>\$ 97,940</u>
Total Waste Charges	<u>\$ 7,981,874</u>
TOTAL CHARGES	<u>\$15,087,724</u>
TOTAL RATES AND CHARGES	<u>\$ 58,728,746</u>

(b) *The general rate be declared for the period commencing 1 July 2020 and concluding on 30 June 2021:*

i) *It be further declared that subject to paragraph (iii) of this Part, the general rates be raised through the application of differential rates.*

ii) *The following rates in the dollar apply to property classifications:*

CATEGORY	RATE IN THE DOLLAR
General Rate	0.00392622
Commercial/ Industrial Rate	0.00569302
Farm Rate	0.00314098

iii) *Differential rates apply to rateable properties with the following characteristics:*

(a) *General*

General land is any land that is:

- Used primarily for residential purposes; or*
- Unoccupied but zoned Residential, Township or Rural Living under the East Gippsland Shire Council Planning Scheme; or*
- Any land that is not defined as Farm Land or Commercial/Industrial Land.*

(b) *Commercial and Industrial*

Commercial and Industrial Land is any land used primarily for:

- the manufacture, or production of, or trade in, goods or services; or*
- Obviously adapted for the primary use of commercial or industrial purposes; or*
- Occupied primarily for the purpose of service delivery for tourism leisure and/or accommodation; or*
- Unoccupied but zoned Business, Industrial, Mixed Use, Special Use or Comprehensive Development Zone under the East Gippsland Shire Council Planning Scheme; or*
- Conforming to East Gippsland Shire Council guidelines for the classification of property as Commercial/Industrial Land.*

(c) *Farm Land*

Farm land is defined as any land which:

- Is used primarily for a farming or agricultural business; and,*
- Conforms to the definition of “farm land” as specified within the Valuation of Land Act 1960; and,*
- Conforms to East Gippsland Shire Council guidelines for the classification of property as “farm land” as stipulated within East Gippsland Shire Council’s “Application for Farm Rate”; and*
- The ratepayer has Primary Producer status with the Australian Taxation Office and be located in a Farm Zone in accordance with Council’s planning scheme, or have a permit from Council to operate a farming business.*

- iv) *Council has determined that the application of a differential rate for Farm and Commercial/Industrial Land will contribute to the equitable and efficient carrying out of its functions.*
 - i) *Council has determined it will provide a rate rebate equivalent to \$58.45 to eligible properties in the ownership of pensioners who qualify for a Victorian Government approved pension rebate. This rebate is provided in accordance with section 169(1)(a) of the Local Government Act 1989 and supports the development of the municipality in that it helps support pensioners to keep and stay in their own homes.*
- (c) **Municipal Charge**
- i) *A municipal charge be declared for the period commencing 1 July 2020 and concluding on 30 June 2021.*
 - ii) *A municipal charge be declared for the purpose of covering some of the administrative costs of Council.*
 - iii) *The municipal charge be the sum of \$230.00 per each rateable property in respect of which a municipal charge can be levied.*
- (d) **Waste Collection Charge**
- i) *A charge for kerbside collection of waste with recycling, and for kerbside collection of waste with recycling and green waste, and a rural waste collection charge be declared for the period commencing 1 July 2020 and concluding on 30 June 2021 as follows:*
- | | |
|--|-----------------|
| <i>Kerbside Waste/recycling collection (120 litre bin)</i> | <i>\$348.00</i> |
| <i>Kerbside Waste/recycling collection (240 litre bin)</i> | <i>\$429.00</i> |
| <i>Kerbside Waste/recycling/green waste collection (120 litre bin)</i> | <i>\$398.00</i> |
| <i>Kerbside Waste/recycling/green waste collection (240 litre bin)</i> | <i>481.00</i> |
| <i>Rural Waste Collection Charge</i> | <i>\$236.00</i> |
- (e) *Authorises the Chief Executive Officer to levy and recover the general rates, municipal charge, kerbside waste with recycling collection charge, kerbside waste with recycling and green waste collection charge and rural waste collection charge as per section 167 of the Local Government Act 1989.*

- (f) ***Council allows the following payment options in accordance with section 167 of the Local Government Act 1989:***

<i>In Full</i>	<i>Four Instalments</i>	<i>Nine Instalments</i>
<i>15 February 2021</i>	<i>30 September 2020</i>	<i>30 September 2020</i>
	<i>30 November 2020</i>	<i>31 October 2020</i>
	<i>28 February 2021</i>	<i>30 November 2020</i>
	<i>31 May 2021</i>	<i>31 December 2020</i>
		<i>31 January 2021</i>
		<i>28 February 2021</i>
		<i>31 March 2021</i>
		<i>30 April 2021</i>
		<i>31 May 2021</i>

- (g) ***Interest on unpaid rates and charges will be charged in accordance with section 172 of the Local Government Act 1989.***

4. ***authorises the Chief Executive Officer to write to all submitters advising of the adoption of the Budget 2020/21 and responding in detail to the issues raised in their submission; and***
5. ***authorises the Chief Executive Officer to provide the Minister for Local Government with a copy of the Budget 2020/21 within the timeframe stipulated by the Local Government Act 1989.***

OFFICER COMMENT / CONTEXT

The draft Budget presented at **Appendix 1** proposes the delivery of a range of projects and programs to the East Gippsland community in 2020/21 and a proactive asset renewal program, while continuing to safeguard Council's long-term financial sustainability.

At the Council Meeting on 23 June 2020 Council approved its draft budget for public comment in accordance with sections 129 and 223 of the Act. Public notice was given commencing from 26 June 2020 setting out the prescribed information in accordance with the requirements of the Act. Public submissions closed on 24 July 2020, with four submissions received by the closing date. The table below indicates the nature of the submissions lodged:

Key points raised in submissions	No. received
Community Plans	1
Bushfire Recovery Support	1
Capital Works Program - Raymond Island Ferry	1
Omeo – capital and operating matters	1

A Committee of Council convened for the purpose and comprising of all Councillors (with a quorum of five Councillors) heard and considered the four written submissions at a hearing held on 11 August 2020. Two submitters spoke to their submission at the Hearing. After considering all written and oral submissions, the Committee of Council did not recommend any changes to the draft Budget. A summary of submissions lodged is provided at **Appendix 2** and a copy of all submissions is provided at **Attachment 2**.

As a result of revised forecasts for income and expenditure in 2019/20, and new information coming to hand on grant funding, a number of amendments have been made to the draft Budget 2020/21 that was approved by Council on 23 June 2020. The most significant of these changes relates to additional capital grants.

An indicator of the sustainable operating result required to enable Council to continue to provide core services is the adjusted underlying surplus/deficit. This measure adjusts the operating surplus/deficit by removing non-recurring income that is used to fund capital works as well as other non-monetary capital contributions. For the 2020/21 year it is estimated that the underlying operating result will be a deficit of \$2.520 million, noting that the advance Victoria Grants Commission 2020/21 payment of \$8.2 million was received in the 2019/20 year and therefore has also had a significant impact on this result for the 2020/21 year.

A reassessment of the value of capital works and landfill rehabilitation projects that will be incomplete at the end of the 2019/20 year, and therefore will be carried forward into the 2020/21 year, has added \$7.761 million to the capital works and landfill rehabilitation programs for 2020/21.

Finally, various amendments were made to the forecast operating result for 2019/20 and the draft Budget 2020/21.

A summary of all changes to the draft Budget is provided at **Attachment 1**.

The draft Budget 2020/21 forecasts an operating surplus of \$22.637 million, after raising rates and charges of \$59.381 million and capital grants and reimbursements of \$27.411 million. Excluding non-recurring capital funding, an adjusted underlying operating deficit of \$2.520 million is forecast for 2020/21.

The financial performance indicators used to analyse Council's financial position indicate that Council has developed a budget for the 2020/21 year that provides financial sustainability over the four years of the Strategic Resource Plan.

Included in the revised draft budget is a wide range of initiatives and projects that will be delivered in 2020/21. A summary of the capital program and significant projects within it is shown in the following table:

Project Highlights	Proposed Budget
Roads - including <ul style="list-style-type: none"> • Reseal program, Shire wide - \$4.9 million • Gravel Road Renewal program, Shire wide - \$1.2 million • Upgrade of Moroney Street, Bairnsdale - \$0.7 million • Omeo Valley Road Major Rehabilitation - \$1.0 million 	Total Roads \$15.642 million
Bridges – including <ul style="list-style-type: none"> • Genoa Pedestrian Bridge from rest area - \$1.2 million • Bullock Island Bridge - \$1.5 million 	Total Bridges \$7.706 million
Drainage – including <ul style="list-style-type: none"> • Gully Road, Lake Tyers Beach - \$0.601 million 	Total Drainage \$1.043 million
Footpaths and Cycleways– including <ul style="list-style-type: none"> • Omeo Mountain Bike Trails – Stage 2 - \$2.1 million 	Total Footpaths \$3.249 million
Buildings and improvements - including <ul style="list-style-type: none"> • Building renewal (Council owned), Shire Wide - \$1.0 million • Eagle Point Foreshore Hub - \$0.5 million • Lucknow Recreation Reserve Upgrade - \$2.2 million 	Total Property and Buildings \$7.182 million

Project Highlights	Proposed Budget
Recreation, Leisure, Parks and Open Spaces – including <ul style="list-style-type: none"> • WORLD Sporting Precinct Stage 1 - \$3.9 million • Bullock Island Masterplan implementation - \$2.0 million • Lakes Entrance Streetscapes- \$1.6 million 	Total Recreation \$10.360 million
Plant and Equipment - including <ul style="list-style-type: none"> • Renewal of vehicles, plant and machinery - \$2.930 million • Information and Communications Technology systems, Shire wide - \$3.9 million 	Total Plant/Equipment \$7.105 million
Waste Management - including <ul style="list-style-type: none"> • Lakes Entrance Transfer Station upgrade - \$2.2 million • Bairnsdale Landfill – Cell 4 construction - \$2.0 million 	Total Waste \$5.843 million
Other Infrastructure - including <ul style="list-style-type: none"> • Mallacoota Seawalls Construction - \$1.40 million • Jemmy's Point, Lakes Entrance – Stage 2 - \$0.700 million • Cann River Off Street Parking - \$0.350 million • Newmerrella – Upgrade of Princes Highway Rest Area - \$0.300 million 	Total Other \$6.636 million

There are a number of non-capital initiatives included in the draft Budget as a result of funding received from both federal and state governments to support and assist the community recovery from the 2019/20 bushfire events. There is also \$2.219 million included in the draft Budget for the rehabilitation of various landfill sites.

Overview of Financial Performance

In developing the draft Budget 2020/21, it is proposed to set general rates and the municipal charge at the same average as the 2019/20 general rates and municipal charge, being a zero percent increase from the 2019/20 base rates and municipal charge. Fees and charges will also remain at the 2019/20 level with no increase proposed for the 2020/21 year. Total rates and charges, excluding supplementary rates, valuation objection adjustments and rating agreements, are forecast to be \$58,728,746 for 2020/21. The impact of this is reflected in the following tables:

Type of Property	Proposed rate in the dollar	Total Income
General	0. 00392622	\$33,259,952
Commercial / Industrial	0. 00569302	\$5,635,885
Farm	0. 00314098	\$4,745,185
Total Rates Income		\$43,641,022

Type of Charge	Charge per rateable property	Total Income
Municipal Charge	\$230	\$7,105,850
Kerbside waste with recycling collection (120 litre Bin)	\$348	\$1,085,064
Kerbside waste with recycling collection (240 litre Bin)	\$429	\$11,583
Kerbside waste with recycling and green waste collection (120 litre Bin)	\$398	\$6,726,200
Kerbside waste with recycling and green waste collection (240 litre Bin)	\$481	\$61,087

Type of Charge	Charge per rateable property	Total Income
Rural Waste Collection Charge	\$236	\$97,940
Total		\$15,087,724

Some key financial statistics for the draft Budget 2020/21 as compared with the forecast results for the 2019/20 year are shown below:

Key Statistics	2019/20 Forecast Actual \$'000	2020/21 Budget \$'000
Total expenditure	\$102,973	\$110,637
Surplus for the year *	\$10,706	\$22,673
Adjusted underlying surplus/(Deficit) *	\$6,068	(\$ 2,520)
Cash and investment balance at year end	\$60,952	\$37,857
Cash flows from operations	\$36,952	\$39,149
Capital works expenditure	\$32,712	\$64,766

* The forecast results for 2019/20 were impacted by the prepayment of \$8.2M of the 2020/21 Victoria Grants Commission allocation in the 2019/20 year.

Council Plan

Good Governance Goal 3 Council is in a strong financial position and can provide for future generations of East Gippslanders.

Legislation

On 24 March 2020 the Government passed the Local Government Act 2020 (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The Local Government Act 1989 applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the Local Government Act 1989 or the Local Government Act 2020 as in force at the date of the decision.

The *Local Government Act* 1989 prescribes and informs the preparation and public notification of the annual Budget. Relevant provisions include:

- Sections 127 and 129 outline the information that is required to be contained within the budget document and the necessary public notice that is to be provided in order to allow the public to make submissions to Council prior to adoption of the Budget.
- Section 167 outlines the requirements relating to payment of rates and charges.
- Section 169(1)(a) allows Council to grant a rebate or concession.
- Section 172 allows Council to charge interest on unpaid rates and charges.
- Section 223 outlines the requirements associated with receiving and hearing public submissions.

The *Local Government (Planning and Reporting) Regulations* 2014 (Reporting Regulations) outline the reporting requirements for the budget document.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's *Charter of Human Rights and Responsibilities Act 2006*.

Organisational

- **Financial**

Refer to the draft Budget 2020/21 at **Appendix 1**

Climate Change

This report is assessed as having no direct impact on climate change.

Consultation

The availability of the revised draft Budget for review and comment was advertised in local newspapers, through press releases and via Council's website.

Community members and organisations were given the opportunity to make written and verbal submissions in accordance with section 223 of the Act. Through this process four written submissions were received.

In accordance with section 223 of the Act, a Committee of Council convened for the purpose met on Tuesday, 11 August 2020 to consider the issues raised in the written submissions. Also considered were oral presentations by two submitters who asked to speak to their written submission.

Copies of all submissions were provided to Committee members prior to the Committee's meeting and are also provided with this report (at **Attachment 2**). No changes to the draft budget have been recommended to Council as a result of the Committee's deliberations.

APPENDICES AND ATTACHMENTS

Appendices

1. Draft Budget 2020/2
2. Summary of submissions lodged and recommendations of the Committee of Council convened to hear and consider submissions.

Attachments

1. Summary of budget changes from draft Budget adopted on 23 June 2020 for public review/comment and the final draft Budget 2020/21 presented with this report.
2. Copy of all submissions lodged in relation to the draft Budget 2020/21.

5.4.2 Report on Audit and Risk Committee Meeting held on 28 July 2020

Authored by	Patricia Clive, Governance and Compliance Coordinator
Endorsed by	Peter Cannizzaro, General Manager Business Excellence
Document No	8606147
In Attendance	Patricia Clive, Governance and Compliance Coordinator

EXECUTIVE SUMMARY

This report provides Council with an overview of the items considered by the East Gippsland Shire Council Audit and Risk Committee (the Committee) at its meeting held on 28 July 2020. The new Committee members, appointed by Council in April 2020, attended their first meeting.

Crowe, Australasia (Crowe), Council's internal auditors, presented the report for the internal audit of Council's Fraud Management, which was undertaken during the quarter. The report noted Council's fraud management control framework in place and suggested opportunities for strengthening the system. Management have agreed to implement the recommendations.

The Committee adopted its annual work program for 2020/21. In addition, to the quarterly reports the Committee discussed and provided feedback on the following matters:

- The proposed 2020/21 Internal Audit program.
- Councillors expenses 2019/20.
- The Drone (Remotely Piloted Aircraft) Program.
- Mallacoota Ocean Access Boat Ramp Independent Compliance Audit of Environment Management Plan 2019.
- The private swimming pool and spa register.
- The draft revised Audit and Risk Committee Charter.

The Committee will meet with Council in September 2020 to discuss its annual performance review.

RECOMMENDATION

That Council notes this report on items considered by the East Gippsland Shire Council Audit and Risk Committee at its meeting held on 28 July 2020.

OFFICER COMMENT / CONTEXT

The Committee meets on a quarterly basis to consider items particularly relevant to the governance of Council and to formulate recommendations for Council's consideration. Items considered at the meeting held on 28 July 2020 included the following:

Internal Audit Plan 2018-2021, Fraud Management and Management of Plant and Equipment

In its quarterly report to the Committee, Crowe, Council's internal auditors, advised that the 2019/20 program is complete, and it will be commencing the 2020/21 program in September.

The Fraud Management review was presented for the Committee's consideration and the Committee noted that the Management of Plant and Equipment internal audit had been completed and the report would be presented to the next Committee meeting. The Fraud Management report noted Council's good control framework in place and suggested opportunities for strengthening the system. Management have agreed to implement the recommendations.

Internal Audit Program 2020/21

The Committee discussed the program for 2020/21 internal audits. The Committee discussed the merits of undertaking an Occupational Health and Safety audit in 2020/21. However, it was noted that management is implementing actions in response to its Occupational Health and Safety self-assessment and an audit in 2021/22 would provide a better understanding of impacts of any actions taken.

Internal Audit Current and Outstanding Actions

The Committee was provided with an update on progress made during the quarter in relation to previously identified risks and remedial actions taken. The Committee noted that there was one request for adjusted timeframes in respect of contract management. The Committee agreed to the extension to the completion of these actions.

Regular Updates

The Committee received and noted updates in respect of several regularly reported or previously identified agenda items, including reports for the period ended 30 June 2020 relating to:

- risk management;
- legal activities;
- major insurance claims;
- Risk Management Policy and Risk Management Objectives; and
- Councillor expenditure 2019/20.

Finance policies and procedures

The Committee reviewed several financial related policies and procedures and provided feedback for consideration in the finalisation of the documents.

Private swimming pool and spa register.

The Committee noted an update on Council's compliance activities with the amendments to the *Building Act* 1993, which commenced on 1 December 2019, requiring Councils to establish and maintain a register of swimming pools and spas within their municipality and to be the gatekeeper for compliance of pool safety barriers.

Mallacoota Ocean Access Boat Ramp at Bastion Point

The Committee noted the annual independent audit of the Operation and Maintenance Environmental Management Plan and the intent to develop an action plan. These will be presented at the next Committee meeting.

East Gippsland 2019-20 Bushfire Recovery

The Committee noted an update on the Gippsland bushfires, their impacts, recovery activities and organisational risk. In addition, the Committee noted Council's commitment to monitor identified risks and take appropriate action to mitigate risks.

COVID-19 East Gippsland Shire Council Organisational Response

The Committee noted an overview of the actions taken by Council management in response to the outbreak of COVID-19 and the implementation of the Government imposed Class 3 restrictions. The Committee commended Management on the *How We Do Business Now* plan and discussed the agility of the plan to address the changing environment.

Drone (Remotely Piloted Aircraft) Program Annual Review 2020 report

The annual review of the Drone (Remotely Piloted Aircraft) Program was discussed by the Committee. Progress against the business case for implementation of the program will be presented to the Committee at a future meeting.

Audit and Risk Committee work program for 2020/21

The Committee adopted the draft Audit and Risk Committee Work Program for 2020/21 which includes the designated focus areas for the Committee. The Committee noted the work program may be impacted by external and unplanned factors and risk related events that may require the Committee's consideration.

Updated Draft Audit and Risk Charter

The Committee noted the draft revised Audit and Risk Committee Charter (Charter) incorporating requirements from the *Local Government Act 2020*, including the Committee's responsibility to review the policies and procedures in relation to the Acts overarching governance principles, monitor fraud prevention systems and controls and review Councillor reimbursements. The draft revised Charter will be presented to Council in August 2020.

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

Good Governance Goal 1 - East Gippsland Shire Council is inclusive, engaged and open

Good Governance Goal 3 - Council is in a strong financial position and can provide for future generations of East Gippslanders.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

The report has been prepared under the *Local Government Act 2020* section 54(6)(b) regarding the tabling of Audit and Risk Committee reports at Council meetings.

The Audit and Risk Committee in operation under the *Local Government Act 1989* continues in operation until the Council establishes the Audit and Risk Committee under the *Local Government Act 2020* as per section 54(8) of the new Act. A Council report addressing the reestablishment of the Audit and Risk Committee and a revised Committee Charter under the *Local Government Act 2020* will be presented to Council for consideration on 25 August 2020.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's *Charter of Human Rights and Responsibilities Act 2006*.

Organisational

- **Financial**

An attendance fee is paid to the four external independent members of the Audit and Risk Committee. This expense is accommodated within Council's annual operating budget.

Climate Change

There is no perceived climate change impact associated with the adoption of the governance arrangements

Consultation

Not applicable

Conflict of interest

The Officer preparing this report has no conflict of interest to declare.

APPENDICES AND ATTACHMENTS

Appendices

Nil

Attachments

Nil

5.4.3 Local Government Act 2020 governance arrangements for 1 September 2020

Authored by	Patricia Clive, Governance and Compliance Coordinator
Endorsed by	Peter Cannizzaro, General Manager Business Excellence
Document No	8618747
In Attendance	Patricia Clive, Governance and Compliance Coordinator

EXECUTIVE SUMMARY

This report presents to Council the governance arrangements under The *Local Government Act* 2020 (the Act) to be adopted prior to 1 September 2020. These are:

- Governance Rules, incorporating an election period policy (s60 and s 69)
- Public Transparency Policy (s57)
- Councillor Support and Expenses Policy (s41)
- Audit and Risk Committee (appointment of) (s53)
- Audit and Risk Committee Charter (s54)

Each of the governance arrangements have been prepared in accordance with the requirements of the Act and draft models and guidance provided by Local Government Victoria. The governance arrangements have incorporated existing good practices or policies of the East Gippsland Shire Council.

Once adopted the Governance Rules (including the election period policy), Public Transparency Policy, Councillor Support and Expenses Policy and Audit and Risk Committee Charter will be available on Council's website.

RECOMMENDATION

That Council

- 1. resolves to adopt the draft Governance Rules, incorporating the Election Period Policy at Appendix 1;***
- 2. resolves to adopt the draft Public Transparency Policy at Appendix 2;***
- 3. resolves to adopt the draft revised Councillor Support and Expenses Policy at Appendix 3;***
- 4. resolves to adopt the draft revised Audit and Risk Committee Charter at Appendix 4;***
- 5. resolves to establish an Audit and Risk Committee in accordance with section 53 of the Local Government Act 2020 and as set out in the Audit and Risk Committee Charter adopted at this meeting;***
- 6. resolves that the Audit and Risk Committee is appointed as an advisory committee of Council as at 1 September 2020; and***

7. *resolves to appoint the following independent members of the Audit and Risk Committee who have previously been appointed through a competitive process, for the time remaining on their current terms:*

- *Jason Hellyer for the term commencing on 1 September 2020 and concluding on 30 November 2021;*
- *Cathy Healey for the term commencing on 1 September 2020 and concluding on 30 November 2020;*
- *Christopher Badger for the term commencing on 1 September 2020 and concluding on the 30 November 2022;*
- *Andrew Roberts for the term commencing on 1 September 2020 and concluding on 30 November 2022.*

OFFICER COMMENT / CONTEXT

Discussion

Governance Rules

The Council is required under section 60 of the *Local Government Act 2020* (the Act) to develop and adopt Governance Rules incorporating an election period policy by 1 September 2020. The Governance Rules presented at **Appendix 1**, as required by the Act provide for:

- a) the conduct of Council and delegated committee meetings;
- b) the form and availability of meeting records;
- c) the election of the Mayor and Deputy Mayor;
- d) the appointment of an Acting Mayor;
- e) an election period policy;
- f) procedures for the disclosure of conflict of interest by a Councillor or member of a delegated committee at Council meetings or other meetings;
- g) procedures for the disclosure of conflict of interest by a member of Council staff; and
- h) other matter prescribed in regulations (no matters have been prescribed to date).

The Election Period Policy in Schedule 1 of the Governance Rules aligns with section 69(2) of the Act that stipulates the policy must prohibit any Council decisions during an election period that:

- a) relates to appointment and remuneration of the Chief Executive Officer but not to the appointment and remuneration of an Acting Chief Executive Officer;
- b) commits the Council to expenditure exceeding one per cent of Council's income from general rates, municipal charges and service rates and charges in the preceding financial year;
- c) the Council considers could be reasonably deferred until the next Council is in place; and
- d) the Council considers should not be made during an election period.

The Governance Rules are based on the draft model prepared by Local Government Victoria and substantially incorporate the Council's Local Law No.1 – Procedure for Council Meetings (Local Law No. 1). The Governance Rules will replace Local Law No. 1. The Municipal Election Period Policy adopted by Council in February 2019 under the *Local Government Act 1989* has been revised and incorporated into Schedule 1 of the Governance Rules.

During the development of the Governance Rules a public engagement process was used to seek input from the community—one submission was received. The submission and response to the matters raised are provided in **Attachment 1**. The following matters have been incorporated into the Governance Rules following internal and external feedback:

- the Chief Executive Officer and the Mayor will determine the order of business with regard to the principles of open, efficient and effective conduct of Council business as this will allow flexibility in the construct of the agenda.
- duration of Council meetings to be three (3) hours unless Councillors agree by resolution to extend.
- if a question is not able to be asked during the allocated open forum time, Council will resolve to take the question on notice and provide a response in the minutes.
- the Chief Executive Officer is not a decision maker when Council cannot maintain a quorum due to conflict of interest. In line with the Act, the decision maker in this instance will be a delegated committee appointed by Council for the express purpose of making the decision.
- requests for public submissions to be received three days prior to the Council meetings published commencement time. Council's Local Law No. 1 currently requires 8 days, but this is before the agenda is published. Three days will provide time following the publishing of the agenda for requests to be sent.
- delegated committees to provide the minutes of a meeting to the next Council meeting. This was omitted in the first iteration but required for any community asset committees.

The Governance Rules differ from the Local Law No.1 in relation to the following matters:

- Council meeting durations will be limited to three (3) hours. Currently there is no limit on the duration of the Council meetings.
- Councillors will determine by resolution prior to the election of the Mayor and Deputy Mayor the Mayoral term. The Act allows for 1- or 2-year terms. The Local Law No. 1 had established a 1-year Mayoral term.
- Conflict of interest of Councillors and Council staff disclosed in a Council meeting will be recorded in the Conflict of Interest Register.
- The open forum time for questions and submissions from the community will be limited to 30 minutes. Though the limit on speaking time for asking questions and making submission will be retained, the total open forum time will be limited to 30 minutes.
- A delegated committee may be appointed to resolve a matter before Council where a quorum cannot be maintained due to conflicts of interest. This is the last resort option after breaking the question into parts. Previously the Minister was responsible for making decisions in this rare circumstance.
- Joint meetings of Councils, where two or more Councils agree to work together, will be conducted under the Governance Rules.
- The public may display placards at the entrance of the place a Council meeting is being conducted providing the material does not obstruct anyone or is offensive.
- Governance Rules will apply to delegated committees, community asset committees and Audit and Risk Committees unless the terms of reference or charter state otherwise.

Public Transparency Policy

The Council is required under section 57 of the Act to adopt a public transparency policy prior to 1 September 2020. The proposed draft Public Transparency Policy at **Appendix 2** gives effect to the overarching governance principles in section 9 and public transparency principles in section 58 of the Act. The public transparency principles are:

- a) Council decisions must be transparent except when Council is dealing with information that is confidential;
- b) Council information must be publicly available unless it is confidential information, or it would be contrary to the public interest;
- c) Council information must be understandable and accessible to members of the municipal community; and
- d) public awareness of the availability of Council information must be facilitated.

The proposed draft Public Transparency Policy commits Council to making information available in line with these principles. The proposed draft Policy states that Council will make available on its website all information that is publicly available and it will be regularly reviewed, updated, understandable and accessible. It also outlines what information will be available and how the community can access it. This Policy has been developed with reference to the draft model prepared by Local Government Victoria.

Councillor Support and Expenses Policy

The Council is required under section 41 of the Act to adopt an expenses policy in relation to the reimbursement of out-of-pocket expenses for Councillors and members of delegated committees. The Act provides for Councillors to receive allowances (s39) and seek reimbursement for out-of-pocket expenses (s40) for performing their duties as a Councillor. The revised draft Councillor Support and Expenses Policy presented at **Appendix 3** incorporates the following legislative requirements:

- a) allowances will be determined by the Victorian Independent Remuneration Tribunal;
- b) reimbursement details need to be provided to the Audit and Risk Committee; and
- c) childcare and carer costs for Councillors and members of delegated committees incurred in performing their duties will be reimbursed.

In addition, the existing Councillor Support and Expenses Policy, adopted in 2017, has been transferred to the current policy template and processes have been amended to reflect current practices for supporting Councillors. The forms have been removed from the revised draft Policy to enable these to be easily updated and accessed.

Audit and Risk Committee Charter

Section 54 of the Act requires Council to adopt an Audit and Risk Committee Charter by 1 September 2020, that includes the following functions and responsibilities:

- a) monitoring the compliance of Council policies and procedures with the overarching governance principles, the Act, regulations and any Ministerial directions;
- b) monitoring Council's financial and performance reporting;
- c) monitoring and providing advice on risk management and fraud prevention systems and controls; and
- d) overseeing internal and external audit functions.

The draft revised Audit and Risk Committee Charter presented in **Appendix 4** includes the following key changes:

- a) a requirement to monitor the compliance of Council policies and procedures with the overarching governance principles, the act and regulations;

- b) the express provision to monitor and provide advice on fraud prevention systems and controls;
- c) the requirement for the Committee to prepare a biannual report on its activities, findings and recommendations;
- d) the consecutive terms of the independent members to be reduced from 3 (or nine consecutive years) to 2 (or six consecutive years); and
- e) a requirement to review the details of the reimbursements to Councillors and members of delegated committees as part of the 6-monthly review of Councillor expenses.

Audit and Risk Committee appointment

The Council is required to establish an Audit and Risk Committee under section 53 of the Act. As part of its governance function, Council has maintained an independent Audit and Risk Committee since 1995. Its primary role is to assist Council fulfil its governance and associated responsibilities in relation to financial reporting, internal control structures, risk management systems, ethical accountability and internal and external audit.

Section 53 (3) of the Act requires the Audit and Risk Committee must:

- a) include members who are Councillors or the Council;
- b) consist of a majority of members who are not Councillors and who collectively have:
 - i. expertise in financial management and risk; and
 - ii. experience in public sector management and
- c) not include any person who is a member of Council staff of the East Gippsland Shire Council.

In line with the requirements of the Act, the Audit and Risk Committee Charter provides for the Audit and Risk Committee to comprise of seven members: four external independent members, the Mayor and two other Councillors. Further, independent members are appointed for three-year terms and the appointments are staggered to ensure a rotation and continuity of membership. Each member is appointed through a competitive process. At the completion of a members' term, unless a consecutive appointment is allowed under the Charter, the position will be advertised. The term of an independent member's appointment expires on 30 November in the relevant year.

It is proposed that Council reappoints the current Audit and Risk Committee independent members for the remaining term of their current appointments to maintain the staggered terms and ensure the continuity and experience of membership. The current membership fulfils the Charter's requirement of collective experience in financial management and risk and public sector management. Each member has been previously appointed following a competitive process. One member's term is due to expire in November 2020 and another in November 2021. Two members were appointed in April 2020 with their appointments due to expire in November 2022.

Section 54 (4) requires the Chairperson not be a Councillor of the Council. Under the Charter the Chair is appointed annually at each February meeting. As the proposal is to reappoint the existing independent members this will not impact the current Chair of the Committee.

As established under section 53(2) the Audit and Risk Committee is not a delegated committee of Council, it is an advisory committee.

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

Good Governance Goal 1 - East Gippsland Shire Council is inclusive, engaged and open

Council Policy

The Election Period Policy adopted by Council in February 2020 has been amended to reflect the requirements in the 2020 Act, the 1989 Act and the Governance Rules. It will form schedule 1 of the Governance Rules when adopted.

The Public Transparency Policy complies with the requirement under the *Local Government Act 2020* to establish this new Policy prior to 1 September 2020.

The Councillor Support and Expenses Policy adopted by Council in 2017 has been revised to comply with the *Local Government Act 2020* and administrative processes.

The Audit and Risk Committee Charter adopted in February 2020 has been revised to incorporate the requirements of the *Local Government Act 2020*.

Once adopted the Governance Rules, Public Transparency Policy, Councillor Support and Expenses Policy and Audit and Risk Committee Charter will be available on Council's website.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

This report has been prepared in accordance with *Local Government Act 2020* as follows:

- Governance Rules, incorporating an Election Period Policy (s60 and s 69)
- Public Transparency Policy (s57)
- Councillor Support and Expenses Policy (s41)
- Audit and Risk Committee (s53)
- Audit and Risk Committee Charter (s54)

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's *Charter of Human Rights and Responsibilities Act 2006*.

Community

The Governance Rules provide for community involvement in Council meetings through question time, public submissions, petitions and organised demonstration of opinions outside a Council meeting.

The Public Transparency Policy ensures the community has access to publicly available information that is accessible and understandable. The Policy outlines when and how the community can access publicly available information.

Organisational

- **Financial**

There are no financial implications from the adoption of these governance arrangements.

Climate Change

There is no perceived climate change impact associated with the adoption of the governance arrangements.

Consultation

The Governance Rules engagement process provided the East Gippsland Shire community with an opportunity to provide input into the development of the Governance Rules. One submission was received in the process. This submission has been considered in the finalisation of the Governance Rules. The submission and responses to the matters raised is provided in **Attachment 2**.

Conflict of interest

The Officer preparing this report has no conflict of interest to declare.

APPENDICES AND ATTACHMENTS

Appendices

1. Draft Governance Rules (which includes the Election Period Policy)
2. Draft Public Transparency Policy
3. Draft revised Councillor Support and Expenses Policy
4. Draft revised Audit and Risk Committee Charter

Attachment

1. Response to Governance Rules submission

5.4.4	Adoption of updated Strategic Resource Plan 2020-24 as part of the Draft Revised Council Plan 2017-2021
Authored by	Jamie Lynch, Corporate Planning and Performance Officer
Endorsed by	Peter Cannizzaro, General Manager Business Excellence
Document No	8597670
In Attendance	Rebecca Aston, Manager People Performance and Culture Jamie Lynch, Corporate Planning and Performance Officer

EXECUTIVE SUMMARY

The Draft Revised Council Plan 2017-21 (the Council Plan) expresses the Council's broad vision for the future development of East Gippsland Shire and gives a clear direction to the organisation about specific outcomes for the term of this Council and how they will be funded. As part of the Council Plan, Council is required to develop a Strategic Resource Plan that outlines the resources required to achieve the strategic objectives documented in the Council Plan.

Under Section 126 (3)(a) and (b) the *Local Government Act 1989* (the Act) a Council is required to review the Strategic Resource Plan and adopt it by no later than 30 June each year, or such other date fixed by the Minister. East Gippsland Shire Council received an extension from the Minister to 31 August 2020 in order to prepare an Annual Budget for 2020-21 and the Strategic Resource Plan.

Following adoption of the Draft Revised Council Plan at the Council Meeting on 23 July 2020, there was a recommendation that Council notes that the Strategic Resource Plan will be updated and presented to Council for adoption prior to 31 August 2020. The Strategic Resource Plan 2020-24 has been updated and presented to Council to meet the extended deadline. With adoption of this report, Council will finalise the review process for updating the Draft Revised Council Plan 2017-21.

This report does not have any changes to the strategic content of the Council Plan. The development of the Strategic Resource Plan did not include advertising for public submissions, as there is no provision in the Act that allows a public submission to be considered by Council.

Council is in a position to consider adopting the Council Plan with changes to the Strategic Resource Plan, provided at **Appendix 1**.

RECOMMENDATION

That Council:

- 1. adopts the Draft Revised Council Plan 2017-2021 which includes the updated Strategic Resource Plan 2020-24, as provided at Appendix 1;***
- 2. notes that a copy of the Revised Council Plan 2017-2021 will be submitted to the Minister for Local Government within the following 30 days; and***
- 3. notes that copies of the Revised Council Plan will be available on Council's website and upon request through Council's Customer Service Centres.***

OFFICER COMMENT / CONTEXT

Discussion

The Draft Revised Council Plan 2017-21 (the Council Plan) expresses the Council's broad vision for the future development of East Gippsland Shire and gives a clear direction to the organisation about specific outcomes for the term of this Council and how they will be funded. As part of the Council Plan, Council is required to develop a Strategic Resource Plan that outlines the resources required to achieve the strategic objectives documented in the Council Plan.

Under Section 126 (3)(a) and (b) the *Local Government Act 1989* (the Act) a Council is required to review the Strategic Resource Plan and adopt it by no later than 30 June each year, or such other date fixed by the Minister. East Gippsland Shire Council received an extended deadline of 31 August 2020 in order to prepare an Annual Budget for 2020-21 and the Strategic Resource Plan.

Following adoption of the Draft Revised Council Plan at the Council Meeting on 23 July 2020, there was a recommendation that Council notes that the Strategic Resource Plan will be updated and presented to Council for adoption prior to 31 August 2020. The Strategic Resource Plan 2020-24 has been updated and presented to Council to meet the extended deadline. With adoption of this report, Council will finalise the review process for updating the Draft Revised Council Plan 2017-21.

This report does not have any changes to the strategic content of the Council Plan. The development of the Strategic Resource Plan did not include advertising for public submissions, as there is no provision in the Act that allows a public submission to be considered by Council.

The Strategic Resource Plan 2020-24 has been updated to meet the extended deadline of 31 August 2020 granted by the Minister for Local Government to adopt the updated plan. Council is in a position to consider adopting the Council Plan with changes to the Strategic Resource Plan, provided at **Appendix 1**.

Council Plan

Responsive Services Goal 1 East Gippsland Shire Council is a leading local government service provider

Good Governance Goal 3 Council is in a strong financial position and can provide for future generations of East Gippslanders.

Council Policy

The Council Plan is a key strategic document and provides the vision, values and objectives that will support the drafting of Council Policy.

Legislation

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's Charter of Human Rights and Responsibilities Act 2006.

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

This report has been prepared in accordance with *Local Government Act 1989* Section 125 and 126.

Community

The Council Plan 2017-2021 was developed following a significant engagement process with the community and key stakeholders between October 2016 and March 2017.

The Council Plan has also undergone two previous revision processes that included a public exhibition period of at least 28 days on each occasion, during which time written submissions on the Council Plan's content were welcome. Any submitter would be granted the invitation to appear before a Committee of Council to support their submission.

Organisational

- **Financial**

The Council Plan is linked to Council's strategic and financial planning documents - the Council Plan, Budget, Capital Expenditure Program and Long Term Financial Plan. It therefore has a significant impact on the financial management of Council.

- **Human Resources**

All East Gippsland Shire staff will be impacted by the adoption of the Council Plan, as Business Unit Plans and Individual Work Plans are developed to support the strategic outcomes required in this document.

Climate Change

This report has been prepared and aligned with the following Climate Change function/category:

Corporate/Strategic/Council Plan: Consideration is given to climate change in corporate, strategic or council plan(s) and includes responses to direct and indirect impacts.

Consultation

Significant and broad consultation with Councillors and Council Officers has been undertaken to develop the initial Council Plan. The Council Plan as presented reflects the outcomes from the consultation process.

The Council Plan has also undergone two previous revision processes that included a public exhibition period of at least 28 days on each occasion, during which time written submissions on the Council Plan's content were welcome. Any submitter would be granted the invitation to appear before a Committee of Council to support their submission.

APPENDICES AND ATTACHMENTS

Appendices

1. Draft Revised Council Plan 2017-21

Attachments

Nil

6 Urgent and Other Business

7 Confidential Business

Nil

8 Close of meeting