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AGENDA

Council meeting to be held
at Darebin Civic Centre,
350 High Street Preston
on Monday, 18 July 2016
at 7.00 pm.

Public question time will
commence shortly after 7.00 pm



ACKNOWLEDGEMENT OF DAREBIN'S ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITY

**(Council adopted this Acknowledgment on 1 July 2013 in order
to confirm the commitment of Council to the process of
Reconciliation)**

Darebin City Council acknowledges the Wurundjeri people and the Kulin Nations as the traditional landowners and the historical and contemporary custodians of the land on which the City of Darebin and surrounding municipalities are located.

Council recognises, and pays tribute to, the diversity of Darebin's Aboriginal and Torres Strait Islander community, valuing the unique and important role Aboriginal and Torres Strait Islander community members play in progressing reconciliation, respect and the building of mutual understanding across the City, amongst its people, and in the achievement of shared aspirations. Council recognises and pays tribute to, and celebrates, Darebin's long standing Aboriginal and Torres Strait Islander culture and heritage.



Italian

Questo è l'ordine del giorno della riunione del Consiglio Comunale di Darebin per la data che compare sulla prima pagina di questo documento. Se desiderate informazioni in lingua italiana sugli argomenti dell'ordine del giorno, siete pregati di chiamare la Linea Telefonica Multilingue del Comune al 8470 8888.

Greek

Αυτή είναι η ημερήσια διάταξη για τη συνεδρίαση του Δημοτικού Συμβουλίου Darebin, για την ημερομηνία που φαίνεται στο εξώφυλλο αυτού του εγγράφου. Αν θα θέλατε πληροφορίες στα Ελληνικά σχετικά με τα θέματα σ' αυτή την ημερήσια διάταξη, παρακαλούμε καλέστε την Πολυγλωσσική Τηλεφωνική Γραμμή του Δήμου στον αριθμό 8470 8888.

Chinese

這是一份戴瑞濱市議會議程表，其開會日期顯示於此文件之封面。如果您欲索取有關此議程表的中文資料，敬請致電 8470 8888 聯絡市議會的多語種電話專線。

Arabic

هذا هو جدول أعمال اجتماع مجلس بلدية داربيبن والذي سيحدد في التاريخ الوارد في الصفحة الأولى من هذه الوثيقة. إذا أردت الحصول على مزيد من المعلومات في اللغة العربية حول المواضيع المذكورة في جدول الأعمال، فيرجى الاتصال برقم هاتف البلدية المتعدد اللغات
8470 8888

Macedonian

Ова е дневниот ред за состанокот на Општината на Градот Даребин, која ќе биде на датумот покажан на предната корица од овој документ. Ако Вие сакате некои информации на Македонски јазик, за предметите на овој дневен ред, Ве молиме повикајте ја Општинската Повеќејазична Телефонска Линија на 8470 8888.

Vietnamese

Đây là nghị trình cho cuộc họp của Hội đồng Thành phố Darebin; ngày họp có ghi ở trang bìa tài liệu này. Muốn biết thêm về chương trình nghị sự bằng Việt ngữ, xin gọi cho Đường dây Điện thoại Đa Ngôn ngữ của Hội đồng Thành phố qua số 8470 8888.

Bosnian

Ovo je dnevni red za sastanak Gradske općine Darebin čiji je datum održavanja naznačen na prvoj strani ovog dokumenta. Ako želite više informacija o tačkama ovog dnevnog reda na bosanskom jeziku, molimo nazovite općinsku višjejezičnu telefonsku službu na 8470 8888.

Croatian

Ovo je dnevni red sastanka u Darebin City Council za dan koji je naveden na prednjem ovitku ovog dokumenta. Ako želite informacije o tačkama ovog dnevnog reda na hrvatskom jeziku, molimo da nazovete Council Multilingual Telephone Line (Višjejezičnu telefonsku liniju) na 8470 8888.

Portuguese

Esta é a pauta para a reunião da Câmara Municipal de Darebin a ser realizada na data que consta na capa deste documento. Se você deseja informação em Português sobre os itens desta pauta, por favor ligue para a Linha Telefônica Multilíngue da Câmara no 8470 8888.

Serbian

Ово је дневни ред за састанак Darebin City Council-а (Градско веће Darebin) који ће се одржати на дан који је наведен на насловној страни овог документа. Ако желите информације на српском о тачкама дневног реда, молимо вас да назовете Council Multilingual Telephone Line (Вишејезичку телефонску линију Већа), на 8470 8888.

Somali

Kuwani waa qodobada shirka lagaga wada hadli doono ee Degmada Degaanka Darebin ee taariikhda lagu xusey boga ugu sareeya ee qoraalkan. Haddii aad doonysid wararka ku saabsan qodobadan oo ku qoran Af-Somali, fadlan ka wac Khadka Taleefanka Afafka ee Golaha oo ah 8470 8888.

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Agenda

1. MEMBERSHIP

Cr. Vince Fontana (Mayor) (Chairperson)

Cr. Gaetano Greco

Cr. Tim Laurence

Cr. Bo Li

Cr. Trent McCarthy

Cr. Steven Tsitas

Cr. Angela Villella

Cr. Oliver Walsh

Cr. Julie Williams

2. APOLOGIES

3. DISCLOSURES OF CONFLICTS OF INTEREST

4. CONFIRMATION OF THE MINUTES OF COUNCIL MEETINGS

Recommendation

That the Minutes of the Ordinary Meeting of Council held on 4 July 2016 be confirmed as a correct record of business transacted.

5. PUBLIC QUESTION TIME

PLEASE NOTE: Questions from the public must be submitted prior to the commencement of Council meetings.

- Questions can be submitted online up to 4.00 pm on the day of the meeting:
 - At darebin.vic.gov.au/publicquestiontime; or
 - By email to PQT@darebin.vic.gov.au
- Question can also be submitted in person:
 - At the counter of the Preston Customer Service, 274 Gower Street, Preston until 5.00 pm on the day of the meeting
 - At the Council Chamber from 6.45 pm to 7.00 pm on the day of the meeting

Council officers are available to assist residents in the preparation of questions between 3.00 pm and 5.00 pm on the day of the Council meeting. For assistance please call (03) 8470 8888 and you will be directed to the appropriate department.

No questions will be accepted after 7.00 pm on the night of the Council meeting.

Questions that relate to items that are listed on the Agenda cannot be responded to.

The Mayor will read the question and provide a response. If a question cannot be answered at the meeting, a written response will be prepared and forwarded to the person raising the question.

Residents do not need to attend the meeting for a question to be answered.

A period of up to 30 minutes will be set aside to enable the Chairperson to read out the questions submitted by the public in accordance with the above guidelines and to provide responses.

6. CONSIDERATION OF REPORTS

6.1 SOLAR \$AVER SPECIAL CHARGE SCHEME DECLARATION

Author: Manager Environment and Natural Resources

Reviewed By: Director Assets and Business Services

Report Background

This report follows Council's resolution on 16 May, 2016 to give notice of its intention to declare a special charge in relation to the Solar \$aver scheme.

Previous Council Resolution

At its meeting held on 16 May 2016, which considered the award of tenders for the Solar \$aver program the Council resolved that:

- (1) *Council give notice of its intention to declare a special charge in accordance with section 163 of the Local Government Act 1989 (Act) as follows:*
 - a. *A special charge is declared for the period commencing on the day on which Council issues a notice levying payment of the special rate and concluding on the tenth anniversary of that day.*
 - b. *The special charge be declared for the purpose of defraying any expense incurred by Council in relation to the provision of solar energy systems on residential properties participating in the Solar \$aver scheme, which project:*
 - i. *Council considers there is or will be a special benefit to those persons required to pay the special charge (and who are described in succeeding parts of this resolution); and*
 - ii. *arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district.*
 - c. *The total:*
 - i. *cost of performing the function described in paragraph 1(b) of this resolution be recorded as \$388,440.00; and*
 - ii. *amount for the special charge to be levied be recorded as \$388,440.00, or such other amount as is lawfully levied as a consequence of this resolution.*
 - d. *The special charge be declared in relation to all rateable land described in the table included as Appendix B to this report, in the amount specified in the table as applying to each piece of rateable land.*
 - e. *The following be specified as the criteria which form the basis of the special charge so declared:*

Ownership of any land described in paragraph 1(d) of this resolution.
 - f. *The following be specified as the manner in which the special charge so declared will be assessed and levied:*
 - i. *a special charge calculated by reference to the size of the solar energy system being installed and the particular costs of installation at each property participating in the Solar \$aver scheme, in respect of which a*

- Householder Agreement has been executed, totalling \$388,440.00, being the total cost of the scheme to Council;*
- ii. to be levied each year for a period of 10 years.*
 - g. Having regard to the preceding paragraphs of this resolution and subject to section 166(1) of the Act, it be recorded that the owners of the land described in paragraph 1(d) of this resolution will, subject to a further resolution of Council, pay the special charge in the amount set out in paragraph 1(f) of this resolution in the following manner:*
 - i. payment annually by a lump sum on or before one month following the issue by Council of a notice levying payment under section 163(4) of the Act; or*
 - ii. payment annually by four instalments to be paid by the dates which are fixed by Council in a notice levying payment under section 163(4) of the Act.*
- (2) Council considers that there will be a special benefit to the persons required to pay the special charge because there will be a benefit to those persons that is over and above, or greater than, the benefit that is available to persons who are not subject to the proposed special charge, as a result of the expenditure proposed by the special charge, in that the properties will have the benefit of a solar energy system being installed.*
 - (3) Council, for the purposes of having determined the total amount of the special charge to be levied:*
 - a. considers and formally records that only those rateable properties included in the Solar Saver scheme as proposed will derive a special benefit from the imposition of the special charge, and there are no community benefits to be paid by Council; and*
 - b. formally determines for the purposes of section 163(2)(a), (2A) and (2B) of the Act that the estimated proportion of the total benefits of the special charge to which the performance of the function or the exercise of the power relates (including all special benefits and community benefits) that will accrue as special benefits to the persons who are liable to pay the special charge is 100%.*
 - (4) Public notice be given in "The Northcote Leader" and "The Preston Leader" newspapers of Council's intention to declare, at its ordinary meeting to be held on 18 July 2016, the special charge in the form set out above.*
 - (5) Separate letters, enclosing a copy of this resolution, Appendix B to this report and the public notice referred to in paragraph 4 of this resolution, are to be sent to the owners of the properties included in the scheme, advising of Council's intention to levy the special charge, the amount for which the property owner will be liable, the basis of calculation of the special charge, and notification that submissions and/or objections in relation to the proposal will be considered by Council in accordance with sections 163A, 163B and 223 of the Act.*
 - (6) The Council's Hearing of Submissions Committee be convened, at a date and time to be fixed, to hear persons who, in their written submissions made under section 223 of the Act, advise that they wish to appear in person, or to be represented by a person specified in the submission, at a meeting in support of their submission.*
 - (7) Council's Manager Environment and Natural Resources be authorised to carry out any and all other administrative procedures necessary to enable Council to carry out its functions under sections 163A, 163(1A), (1B) and (1C), 163B and 223 of the Act.*
 - (8) The Mayor write to Minister for Energy and all local MP's voicing Council's support to the solar feed-in tariff in line with NAGA's stated position.*
-

Previous Briefing(s)

Councillor Briefing – 13 July 2015

Council Plan Goal/Endorsed Strategy

- Council Plan Goal 3 – Sustainable and resilient neighbourhoods
- Community Climate Change Action Plan

Summary

This report recommends Council declare a Special Charge Scheme under section 163 of the Local Government Act 1989 for the purposes of defraying expenses relating to the provision of solar energy systems on residential properties participating in the Solar \$aver scheme.

Formal submissions on the proposal were sought and no submissions or objections were received. Since public advertising of the scheme, two households have requested to withdraw from the scheme due to changed circumstances, with one moving to the next scheme due to price changes. These households have been removed from the scheme and this change does not require further public notice and does not affect Council's declaration of the Special Charge Scheme.

Due to the slow take up of the Solar \$aver program, the scheme has been split into two special charge schemes, with this being the first of the two schemes to be declared. A further scheme is being considered by Council.

Recommendation

That:

- (1) Darebin City Council ("Council") having considered all submissions received and taken account of all objections lodged and complied with the requirements of sections 163A, 163B and 223 of the Local Government Act 1989 ("Act"), and otherwise according to law, hereby declares a Special Charge ("Special Charge") under section 163 of the Act as follows:
 - a. A special charge is declared for the period commencing on the day on which Council issues a notice levying payment of the special rate and concluding on the tenth anniversary of that day.
 - b. The special charge be declared for the purpose of defraying any expense incurred by Council in relation to the provision of solar energy systems on residential properties participating in the Solar \$aver scheme, which project:
 - i. Council considers is or will be a special benefit to those persons required to pay the special charge (and who are described in succeeding parts of this resolution); and
 - ii. arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district.
 - c. The total:
 - i. cost of performing the function described in paragraph 1(b) of this resolution be recorded as \$388,440.00; and

- ii. amount for the special charge to be levied be recorded as \$388,440.00, or such other amount as is lawfully levied as a consequence of this resolution.
 - d. The special charge be declared in relation to all rateable land described in the table included as **Appendix A** to this report, in the amount specified in the table as applying to each piece of rateable land.
 - e. The following be specified as the criteria which form the basis of the special charge so declared:
Ownership of any land described in paragraph 1(d) of this resolution.
 - f. The following be specified as the manner in which the special charge so declared will be assessed and levied:
 - i. a special charge calculated by reference to the size of the solar energy system being installed and the particular costs of installation at each property participating in the Solar \$aver scheme, in respect of which a Householder Agreement has been executed, totalling \$388,440.00, being the total cost of the scheme to Council;
 - ii. to be levied each year for a period of 10 years.
 - g. Having regard to the preceding paragraphs of this resolution and subject to section 166(1) of the Act, it be recorded that the owners of the land described in paragraph 1(d) of this resolution will pay the special charge in the amount set out in paragraph 1(f) of this resolution in the following manner:
 - i. payment annually by a lump sum on or before one month following the issue by Council of a notice levying payment under section 163(4) of the Act; or
 - ii. payment annually by four instalments to be paid by the dates which are fixed by Council in a notice levying payment under section 163(4) of the Act.
- (2) Council considers that there will be a special benefit to the persons required to pay the special charge because there will be a benefit to those persons that is over and above, or greater than, the benefit that is available to persons who are not subject to the proposed special charge, as a result of the expenditure proposed by the special charge, in that the properties will have the benefit of a solar energy system being installed.
- (3) Council, for the purposes of having determined the total amount of the special charge to be levied:
- a. considers and formally records that only those rateable properties included in the Solar \$aver scheme as proposed will derive a special benefit from the imposition of the special charge, and there are no community benefits to be paid by Council; and
 - b. formally determines for the purposes of section 163(2)(a), (2A) and (2B) of the Act that the estimated proportion of the total benefits of the special charge to which the performance of the function or the exercise of the power relates (including all special benefits and community benefits) that will accrue as special benefits to the persons who are liable to pay the special charge is 100%.
- (4) Council directs that notice be given to all owners and occupiers of properties included in the Scheme and all persons who have lodged a submission and/or an objection in writing of the decision of Council to declare and levy the Special Charge, and the reasons for the decision. For the purposes of this paragraph, the reasons for the decision of Council to declare the Special Rate are that –

- a. there is no objection to the Scheme and it is otherwise considered that there is a broad level of support for the Special Charge from all property owners and occupiers;
 - b. Council considers that it is acting in accordance with the functions and powers conferred on it under the Local Government Act 1989, having regard to its role, purposes and objectives under the Act, particularly in relation to its functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district.
 - c. all persons who are liable or required to pay the Special Charge and the properties respectively owned or occupied by them will receive a special benefit of a solar energy system being installed at the property.
- (5) Where a Householder wishes to withdraw from the Scheme, Council agrees to such withdrawal where the Householder has given written notice of their desire to withdraw from the Scheme before Council has incurred any expenditure in relation to the Householder's solar PV system.
- (6) Council receive a further report in the first quarter of 2017 regarding the Solar \$aver program options.
-

Introduction

The 2015/2016 Solar \$aver program has been offered to the following categories of people and organisations:

- pensioners who receive the rate rebate and other pensioners;
- people in retirement villages or supported accommodation
- renters who have a level of disadvantage (in receipt of Centrelink benefit or in housing poverty) with authorisation from property owner; and
- child care, kindergarten and community centres (Council and Yappera owned).

Non-pensioner property owners and commercial businesses are able to access the competitive prices negotiated by Council through the Bulk buy program.

The Solar \$aver scheme provider is a partnership with Positive Charge providing the information and quotation to the residents with SunEdison Australia supplying and installing the solar systems. A separate company, Solargain, has been selected to provide the general solar bulk buy scheme available for all residents and businesses.

On 16 May 2016 Council resolved to give notice of its intention to declare a special charge for the purpose of defraying any expense incurred by Council in relation to the provision of solar energy systems on residential properties participating in the Solar \$aver scheme.

Public notice was posted in the 24 May 2016 edition of the Preston Leader and the 25 May 2016 edition of the Northcote Leader. The public notice advised of the proposed declaration and invited submissions under section 223 of the Act by 5pm on 22 June 2016. No submissions or objections were received. Four telephone calls were received to clarify details of the scheme and two households have made requests to withdraw from the scheme due to changed circumstances. In order to accommodate a changed panel orientation one household has withdrawn from this scheme and proposes to be included in the following second scheme.

Take up of the Solar \$aver scheme was slower than expected and accordingly there were two special rates schemes proposed in order to ensure that recipients were not waiting too long to have solar installed.

This report relates to the 124 contracts signed by May 2016 to the amount of \$388,440.00. A separate report considers the proposal of another scheme for those properties that are part of the second proposed scheme.

Issues and Discussion

Since public advertising of the scheme, two households have requested to withdraw from the scheme due to changed circumstances and one move to the second scheme. These households have been removed from the scheme and this change does not require further public notice and does not affect Council's declaration of the Special Charge Scheme. This has reduced the proposed cost of \$398,551.00 to \$388,440.00.

Proposed special charge declaration

Under Section 163 of the *Local Government Act 1989* (Act), Council is empowered to declare a special charge for the purposes of defraying any expenses in relation to the performance of a function or the exercise of a power of Council, if Council considers that the performance of the function or the exercise of the power is, or will be, of special benefit to the persons required to pay the special rate or special charge.

In this case, the installation of solar energy systems on properties as part of the Solar \$aver scheme arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community. Each participating property has signed a Householder Agreement with Council to participate in the scheme, which includes the overall cost and repayments which would be paid by the property should the scheme be approved (see **Appendix A**).

In September 2004, the Minister for Local Government issued a guideline for the preparation of special charge schemes. The guideline specifically deals with the calculation of the maximum total amount that a council may levy as a special charge.

The guideline requires that Council identify the following:

- A. Purpose of the works
- B. Ensure coherence
- C. Calculate total cost
- D. Identify special beneficiaries
- E. Determine the properties to include
- F. Estimate total special benefits
- G. Estimate community benefits
- H. Calculate the benefit ratio
- I. Calculate the maximum total levy

A. Purpose of the Works

The purpose of the works is to supply and install solar energy systems on properties to reduce energy costs and encourage and increase the use of renewable energy in Darebin.

B. Ensure Coherence

The proposed works have a natural coherence with the proposed beneficiaries, as the properties proposed to be included in the scheme are receiving solar energy systems to the value of their participation.

C. Calculate the Total Cost

The proposed solar system installation includes the following items:

- Assessment and administration costs
- Supply and installation of solar energy systems

For the purposes of section 163(1) of the Act, the total cost of the works is calculated at \$388,440.00 based on signed quotations.

The expenses in the estimate of works are consistent with the allowable expenses listed in section 163(6) of the Act.

D. Identify the Special Beneficiaries

Council is required to identify those properties that would receive a special benefit from the proposed works. A special benefit is considered to be received by a property if the proposed works or services will provide a benefit that is additional to or greater than the benefit to other properties.

The Ministerial Guideline notes that a special benefit is considered to exist if it could reasonably be expected to benefit the owners or occupiers of the property. It is not necessary for the benefit to be actually used by the particular owners or occupiers of a specified property at a particular time in order for a special benefit to be attributed to the property.

Property owners participating in the Solar Saver scheme are considered to receive special benefit from the proposed supply and installation of solar PV systems by means of:

- Reduced energy costs over the life of the solar PV system
- Ownership of the solar PV system after the special rate repayments are paid in full
- Increased property value

The proposed properties taking part in the scheme, the owners of which have signed a Householder Agreement with Council to participate in the scheme, are listed in **Appendix B**.

E. Determine Properties to Include

Once the properties that receive special benefit are identified, Council must decide which properties to include in the scheme. If a property will receive a special benefit but is not included in the scheme, the calculation of the benefit ratio will result in Council paying the share of costs related to the special benefits for that property.

It is accepted that only those properties at which the solar energy systems are installed will receive a special benefit from the scheme. Accordingly, it is proposed to include only those residential properties whose owners have signed Householder Agreements in the scheme. Council will not, then, be required to pay a share of costs related to special benefits for any property that is not included in the scheme.

F. Estimate Total Special Benefits

As per the Ministerial Guideline for Special Rates and Charges, total special benefits are defined according to the formula below:

$$\mathbf{TSB} = \mathbf{TSB}_{(in)} + \mathbf{TSB}_{(out)}$$

- **TSB** is the estimated total special benefit for all properties that have been identified to receive a special benefit
- **TSB_(in)** is the estimated total special benefit for those properties that are included in the scheme
- **TSB_(out)** is the estimated total special benefit for those properties with an identified special benefit that are not included in the scheme

For the purposes of the proposed scheme, total special benefits have been calculated as follows:

- **TSB_(in)** – The estimated total special benefit is based on the quoted cost of the solar PV system to be installed (which has been included in the Householder Agreement signed by the property owner). It is expected that the benefit in reduced energy costs will exceed this special benefit.
- **TSB_(out)** – This is not applicable as all participating properties are included.

G. Estimate Community Benefits

Whilst the reduction of energy use, greenhouse emissions and increase of renewable energy is considered a community benefit there are no direct quantifiable costs.

- **TCB** – Total Community Benefit is assessed to be 0 benefit units

H. Calculate the Benefit Ratio

The benefit ratio is calculated as:

$$\mathbf{R} = \frac{\mathbf{TSB}_{(in)}}{\mathbf{TSB}_{(in)} + \mathbf{TSB}_{(out)} + \mathbf{TCB}}$$

Where:

$$\mathbf{TSB}_{(in)} = \mathbf{\$388,440.00}$$

$$\mathbf{TSB}_{(out)} = \mathbf{0}$$

$$\mathbf{TCB} = \mathbf{0}$$

$$\mathbf{R} = \mathbf{1}$$

I. Calculate the Maximum Total Levy

In order to calculate the maximum total levy **S**, the following formula is used:

$$\mathbf{S} = \mathbf{R} \times \mathbf{C}$$

Where **R** is the benefit ratio and **C** is the cost of all works

$$\text{Therefore } \mathbf{S} = 1 * \mathbf{\$388,440.00} = \mathbf{\$388,440.00}$$

Note there is no community benefit amount payable by Council.

Apportionment of Costs

Once the maximum levy amount has been calculated, it is necessary to establish an appropriate way to distribute these costs to all affected landowners.

As the properties have all received individual quotations based on the solar system and work required, it is proposed to apportion the costs based on these quotes. It is noted that the householders have been notified and signed agreements on the basis of these costs for the purpose of declaring this scheme.

It is proposed to distribute the costs as shown in **Appendix B**.

Financial and Resource Implications

- Council allocated \$1 million from the 2015/2016 Council budget for the delivery of the Solar Saver program in 2015/2016. To date \$136,000 has been expended of which \$38,000 is administration costs and \$98,000 costs relate to quotation and advice to householders which is included within the agreed price and special charge scheme cost.
- \$750,000 has been allocated in the 2016/2017 budget to pay for the installation of the solar systems should the Special Charge Scheme be passed.
- Should the recommended special charge scheme be declared, Council will pay **\$388,440** for the supply and installation of the solar PV systems on the properties listed in **Appendix B**. In accordance with their respective Householder Agreements, property owners will pay for the cost of the solar energy system by equal installments apportioned over a 10-year period, commencing from January 2016. Council is expected to receive \$38,844.00 in special charge repayments annually for this scheme over the 10 year period. It should be noted that the special charge scheme is effectively an interest free loan to the households.
- Payments to Council by property owners for works via special charge schemes are GST exempt.
- Should the property be sold during the 10 year period in which the special charge scheme applies, the amount outstanding on the special charge scheme at the time of sale will be fully paid.
- It is proposed that Council consider a further report in early 2017 regarding options for the expenditure of the remaining funds.

Risk Management

The American parent company of SunEdison has filed for bankruptcy. Council officers have spoken with SunEdison Australia (formerly EnergyMatters), who continue to assure officers of the ongoing viability of the Australian operations, given the company remains largely independent of the American organisation and has significant sales volumes. Officers will monitor this situation and report to Council if there are any issues of concern.

The 10 year warranties are independent of SunEdison and with large companies.

Policy Implications

Economic Development

It is estimated that the average participating household could save \$20 to 90 per year after the special scheme payment. After 10 years households can save \$300 - \$400 per year. This represents potential funds that can be spent within the Darebin community rather than on utility bills.

Environmental Sustainability

This project is consistent with Darebin's Community Climate Change Action Plans and the Darebin Climate Change and Peak Oil Adaptation Plan.

Human Rights, Equity and Inclusion

Council has committed through its Community Climate Action Plan not only to reduce emissions, but to support those most vulnerable to climate change impacts and increasing energy costs. This project was specifically aimed at low income households, who are more vulnerable to increasing energy costs. Many participating pensioners are also from culturally and linguistically diverse (CALD) communities.

Other

This is consistent with the Council Plan and Council Budget.

Future Actions

- Provision of a notice to property owners
- 30 day period for an objection to be lodged with VCAT (likely to be a procedural matter only as all households have signed an agreement to proceed with the scheme)
- Installation of solar systems July – December 2016
- Further report for second scheme declaration September 2016
- Future report in early 2017 regarding solar \$aver options

Consultation and Advocacy

- Public notice was posted in the 24 May 2016 edition of the Preston Leader and the 25 May 2016 edition of the Northcote Leader. The public notice advised of the proposed declaration and invited submissions under section 223 of the Act by 5pm on 22 June 2016. No submissions or objections were received. Four telephone calls were received to clarify details of the scheme and two households have made requests to withdraw from the scheme due to changed circumstances.
- The program was advertised on the Council website, in the local paper and through direct mail to over 10,500 pensioner households.
- Over 380 homes have received home visits from Positive Charge to provide quotations for the Solar \$aver program and receive energy advice. Participating households have all signed agreements to participate in the program based on quoted prices.
- Council has consulted with Aged and Disability - Community Development Officer and Marketing and Community Engagement Officer, Equity and Diversity – Community Planner, Interfaith Development Officer and Aboriginal Policy Officer.
- Council has consulted with the following external organisations: Baptcare – Sanctuary Bellhaven Hostel, Northcote Rental Housing Co-operative, Community Equity Housing Ltd, Lions Village, Veronica Gardens Retirement Village
- Chief Financial Officer

Related Documents

- Householder Agreement (**Appendix A**)
- Table of properties intended to be subject to the Solar Saver special charge scheme (**Appendix B**)
- Council Minutes – 16 May 2016 and 23 November 2015
- *Local Government Act 1989*
- Community Climate Change Action Plan
- The Macquarie Special Rates and Charges Manual 2012
- 2015/2016 Budget

Disclosure of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Date / /2016



City of Darebin Solar \$aver Program

Householder Agreement

DAREBIN CITY COUNCIL

and

THE HOUSEHOLDER IN THE AGREEMENT

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City of Darebin Solar \$aver Program Householder Agreement

DATE / /2016

BETWEEN

Darebin City Council ACN 75 815 980 522
of 274 Gower St, Preston, Victoria 3072, Australia (Council)

and

.....[insert name/s]

Of (Householder)

BACKGROUND

- A. Council has developed the "Solar \$aver Program" (**Program**), whereby certain residents of the City of Darebin may elect to have a solar energy system installed at their residential property by a contractor engaged by Council.
- B. Council intends to pay for the solar energy system to be installed and recover this cost through a special rate scheme yet to be declared by Council. The delivery of the Program is conditional upon the special rate scheme going ahead and will not proceed if the special rate scheme is not declared, or is rendered by a court or tribunal to be legally invalid.
- C. A separate agreement will be entered into between Council and the contractor engaged to supply and install the solar energy systems under the Program.
- D. This agreement records the agreed terms between Council and the Householder regarding the supply and installation of a solar energy system under the Program.

IT IS AGREED AS FOLLOWS

1. Term of Agreement

This Agreement shall commence on the Commencement Date and, unless terminated in accordance with this Agreement, shall continue until 30 June 2026.

2. Pre-Conditions

- 2.1 The provision of a Solar Energy System to the Householder under this Agreement is conditional upon and subject to:
 - 2.1.1 Council entering into a contract with a person or body to supply and install the Solar Energy System to the Householder as part of the Program; and
 - 2.1.2 Council declaring the Scheme to recover the costs of the Program.
- 2.2 No Solar Energy System will be provided under this Agreement until the pre-conditions in clause 2.1.1 - 2.1.2 have been satisfied.
- 2.3 If the conditions in clause 2.1.1 - 2.1.2 have not been satisfied by 28 November 2015, in the absence of agreement to the contrary between the parties, this Agreement immediately ends



and each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other.

3. Declaration of Invalidity of Scheme

In the event that, during the term of this Agreement, a court or tribunal of Victoria declares the Scheme to be invalid, or determines that the Householder is not bound by the Scheme, the following will apply:

- 3.1 if the Solar Energy System has not yet been supplied and installed at the Householder's property, this Agreement will terminate immediately, each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other; or
- 3.2 if the Solar Energy System has already been supplied and installed at the Householder's property, the Householder may elect to:
 - 3.2.1 allow the Solar Energy System to be removed from the Householder's premises and returned to Council; or
 - 3.2.2 keep the Solar Energy System provided and pay to Council, in a lump sum or otherwise as agreed between the Parties, the outstanding amount for the Cost of the Solar Energy System, within 60 days of receiving written notice from Council that the Scheme will no longer apply to the Householder.

4. Payment for Solar Energy System

- 4.1 The Cost of the Solar Energy System is the total amount set out in Item 3 of the Summary Schedule and itemised in Schedule 1. This amount purchases the supply and installation of the Solar Energy System and any required repair or replacement covered by the warranty during the warranty period, as set out in Schedule 2, but does not cover general maintenance, service calls or repair or replacement outside the warranty.
- 4.2 The Cost of the Solar Energy System under clause 4.1 may be adjusted by Council during the term of this Agreement if, for a reason beyond the control of Council or the Contractor, further costs are required to be incurred in supplying or installing the Solar Energy System.
- 4.3 Council envisages that any adjustment to the Cost of the Solar Energy System under clause 4.2 will only arise where:
 - 4.3.1 there is a change to legislation applicable to, or regulation of, the installation of the Solar Energy System (eg changes to Small-scale Technology Certificates); or
 - 4.3.2 the installation of the Solar Energy System originally quoted for changes as a result of building works undertaken at the Householder's property or a request to change the location of the Solar Energy System.
- 4.4 Any adjustment under clause 4.2 will be made by way of a variation to the Scheme, in accordance with section 166 of the *Local Government Act 1989*. Where a variation would result in a change to the Householder's liability under the Scheme of 10% or more, the Householder will have an opportunity to make submissions to Council in respect of it and withdraw from the Scheme.

- 4.5 Payment for the Cost of the Solar Energy System is to be by equal instalments apportioned over a 10-year period, commencing from July 2016. The amount payable by the Householder for each quarterly payment is set out at Item 4 of the Summary Schedule.
- 4.6 Commencing July 2016, the Householder will receive a rates notice each quarter setting out their liability under the Scheme for the property at which the Solar Energy System is installed, until their liability under the Scheme is discharged in full.
- 4.7 Unless otherwise agreed between the Parties, all payments are due at the date set out in each rates notice. In the event that payment has not been made by the due date, Penalty Interest is payable upon any outstanding amounts, in accordance with the *Local Government Act 1989* and this Agreement.
- 4.8 Any delay or adjustment to the delivery date for the Solar Energy System or adjustment to the Cost of the Solar Energy System under clause 4.2 does not entitle the Householder to delay or withhold payment under this Agreement.
- 4.9 The Cost of the Solar Energy System will not be adjusted after installation has occurred.

5. Council's Obligations

Council's obligations under this Agreement include the obligation to make all reasonable efforts to:

- 5.1 enter into contractual arrangements with a licensed electrical contractor, who has experience and expertise in the Solar Energy industry and who is of good repute, to supply and install the Solar Energy System;
- 5.2 declare the Scheme and collect payments from the Householder in accordance with clause 4;
- 5.3 ensure that any Contractor engaged under clause 5.1 provides the supply and installation of a Solar Energy System to the Householder within a reasonable time of this Agreement being entered into; and
- 5.4 assign all warranties attaching to the Solar Energy System to the Householder in accordance with clause 7.

6. The Householder's Obligations

- 6.1 The Householder must pay to Council the Cost of the Solar Energy System in accordance with clause 4.
- 6.2 The Householder must allow the Contractor and its agents access to their property for the purposes of conducting site inspections, installing the Solar Energy System and to carry out any required repairs or replacements in accordance with Schedule 2.
- 6.3 The Householder must ensure that those parts of their property in which works are being undertaken by the Contractor are safe to access, and free from asbestos or other toxic substances, prior to the Contractor or its agents accessing the Householder's property.
- 6.4 The Householder authorises the Contractor to submit an application to their electricity provider to connect a renewable energy system to the electricity

provider's electrical distribution network and the Householder must take all reasonable action required by the Contractor, including signing any relevant documents, in order for that connection to take place.

- 6.5 The Householder is responsible for any metering or other fees charged by their electricity provider and such charges do not form part of this Agreement.
- 6.6 The Householder must not intentionally damage, sell, trade or otherwise dispose of any part of the Solar Energy System during the term of this Agreement.
- 6.7 The Householder must comply with any warranties, manufacturer's instructions and user manuals relating to the Solar Energy System and acknowledges that any failure to do so may void those warranties.
- 6.8 The Householder does not have any entitlement to claim, create or assign any Small-scale Technology Certificates in relation to the Solar Energy System provided under this Agreement.

7. Assignment of Warranties

- 7.1 The Contractor has agreed that all warranties relevant to the Solar Energy Systems will be issued in respect of, and remain with, the relevant properties at which the Solar Energy Systems are installed, meaning that it should not be necessary to assign the warranties.
- 7.2 If the Householder has any concerns, queries or requests for a service call, repair or replacement of the Solar Energy System, the Householder must contact the Contractor who supplied and installed the Solar Energy System. Contact details for the Contractor will be supplied to the Householder prior to the installation of the Solar Energy System.

8. No Guarantee of Savings

- 8.1 While it is reasonably expected that the operation of the Solar Energy System will result in reduced electricity costs for the Householder, no guarantee is made by Council that the Householder will save money on their electricity bills as a result of the provision of the Solar Energy System under this Agreement.
- 8.2 Neither Council, nor the Contractor, is responsible for any inaccuracies or losses caused to the Householder by changes to feed in tariffs, electricity prices or government schemes.

9. No Liability

- 9.1 To the fullest extent permitted by law, while Council will take all commercially reasonable care in arranging for the provision of the Solar Energy System under the Agreement, Council shall not be liable in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or incurred or which may arise directly or indirectly in respect of the installation or operation of the Solar Energy System.
- 9.2 To the fullest extent permitted by law, Council is not liable for the ongoing maintenance, repair or replacement of the Solar Energy System, including but not limited to:
 - 9.2.1 the replacement of the goods or the supply of equivalent goods;
 - 9.2.2 the repair of such goods;

- 9.2.3 the payment of the cost of replacing the goods or of acquiring equivalent goods; or
- 9.2.4 the payment of the cost of having the goods repaired.

10. Ownership of Solar Energy System

- 10.1 Ownership of the Solar Energy System remains fully vested in Council during the term of the Agreement, unless the Solar Energy System is otherwise paid for in full in accordance with clause 3.2.2, at which time the ownership of the Solar Energy System vests in the Householder.
- 10.2 Once all payments payable under this Agreement have been made by the Householder in accordance with clause 4, the full ownership of the Solar Energy System will pass from Council to the Householder.

11. Release and Indemnity

- 11.1 The Householder agrees to the installation and use of the Solar Energy System under this Agreement at their own risk and releases Council from all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.
- 11.2 The Householder must indemnify and hold harmless Council against all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.

12. Termination

- 12.1 Without limiting the generality of any other clause, Council may terminate this Agreement by notice in writing if the Householder breaches any essential terms of this Agreement and such breach is not remedied within 60 days of written notice by Council.
- 12.2 If notice of termination is given to the Householder pursuant to clause 12.1, Council may, in addition to terminating this Agreement:
 - 12.2.1 repossess the Solar Energy System;
 - 12.2.2 retain any moneys already paid;
 - 12.2.3 charge a reasonable sum for any work performed in disconnecting and removing the Solar Energy System;
 - 12.2.4 be regarded as discharged from any further obligations under this Agreement; and
 - 12.2.5 pursue any additional or alternative remedies provided by law.

13. No Fettering of Council's Powers

It is acknowledged and agreed that this Agreement does not fetter or restrict Council's powers or discretions in relation to any powers or obligations it has under any Act, regulation or local law that may apply to the Scheme or any other aspect of this Agreement.

14. Entire Agreement

This Agreement constitutes the entire agreement between the parties. Any prior arrangements, agreements, representations or undertakings are superseded.

15. Joint and Several Liability

If the Householder consists of more than one person, this Agreement binds them jointly and each of them severally.

16. Survival of Indemnities

Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties and survives termination of this Agreement.

17. Severability

If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from such provision which shall be deemed deleted.

18. Governing Law

This Agreement will be governed by and construed according to the law of Victoria.

19. Disputes

19.1 Householder to contact Contractor regarding Solar Energy System

Any grievances or concerns relating to the Solar Energy System must be conveyed to the Contractor, in accordance with clause 7.2.

19.2 Other disputes arising under this Agreement

If any dispute arises between the Householder and Council regarding this Agreement, the Parties must at first instance endeavour to resolve it by discussion and agreement.

20. Definitions

In this Agreement, unless the contrary intention appears:

Agreement means this agreement and includes the Schedules and any Annexures.

Commencement Date means the date on which this Agreement commences as specified in the Summary Schedule.

Contractor means the licensed electrical contractor, whether being a person or entity, engaged by Council to supply and install Solar Energy Systems under the Program.

Cost means the amounts payable under this Agreement as outlined in Schedule 1, which may be amended from time to time in the manner described in this Agreement.

Council means the Darebin City Council.

Householder means the person or persons named in the Agreement as being the resident or residents of the property at which a Solar Energy System will be installed.

Party means either Council or the Householder as the context dictates.

Payment Schedule means the arrangements for payment by the Householder to Council, as set out in clause 4.

Penalty Interest means interest at the rate of 10 per cent per annum, or such other rate as may be fixed by section 2 of the *Penalty Interest Rates Act* 1983 from time to time.

Program means the "Solar \$aver Program" of Council.

Scheme means the Special Rate Scheme to be declared by Council, under the *Local Government Act* 1989, to recoup the costs of the Solar Energy Systems provided as part of the Program.

Solar Energy System means the system described at **Schedule 1** and includes the solar panels and any associated infrastructure and materials provided by the Contractor for the proper functioning of the solar panels to produce electricity from solar power, but does not include any infrastructure or services provided by third parties (such as electricity distributors or electricity retailers).

Small-scale Technology Certificate, has the same meaning as in the *Renewable Energy (Electricity) Act* 2000 (Cth) and includes any other certificate, right or entitlement of a similar nature which arises under Victorian or Commonwealth legislation;

Term means the term of this Agreement as set out in clause 1.

SIGNED as an agreement

SIGNED for and on behalf of **Darebin City**))
Council ACN 75 815 980 522 in the presence of:))
))
) Name:
Title: ~~General~~ **Glenn Mountjoy**
Officer Title: **Environmental Strategy**
Coordinator

.....
Witness

SIGNED by the **Householder/s** named in ()
this agreement in the presence of: ()
.....
Householder/s - signature

.....
Witness – full name Householder/s - full name

.....
Witness – signature ()
()
.....
Householder/s - signature

.....
Householder/s - full name

Summary Schedule

1.	Commencement Date	1 July 2016
2.	Expiry date	30 June 2026
3.	Cost of the Solar Energy System	\$ See breakdown provided at Schedule 1
4.	Amount payable by the Householder in each quarterly rates notice from July 2017	An amount equal to 1/40 th of the total cost, being: \$

Schedule 1 Solar Energy System Details and Cost

Customer Contact

Reference #
Name
Phone
Email

Site Details

Visit Date	/ /2016
Site Address	XXX Street, XXXXSuburb
Roof Pitch	Pitched
Klip Lock req	No
Roof Type	Tile
Height	1
Orientation	North (345 - 15 Degrees)
Shading	
Shading Comments (if applicable)	

System Specification

System Size	Solar 1.5kW
Panels	: 6 x 255W JA Solar - JAP255 Poly MC4
Inverter	: Sungrow SG2KTL-S
Mounting	: SunLock Mounting
Small-scale technology certificates (STC)	1.5kW system = 26 certificates 2kW system = 35 certificates
Estimate	These discounts have been incorporated into the pricing below.

Item Cost

Item	Description	Cost
System	: Solar 1.5kW	\$0.00
Tilt Frame	: Tilt frames as required	\$0.00
Klip Lock	: Secure frames to roof as required	\$0.00
Tile Mounting	: Additional cost for tiled roof	\$0.00
Height	: Additional cost for 2 nd storey	\$0.00
Access	: Equipment for rooftop access	\$0.00
Switchboard	: Upgrade	\$0.00
Other	: Other costs	\$0.36
TOTAL		\$0.00
GST is not applicable		

--

Conditions

The Household is provided a 10 day cooling off period from signing the agreement.

The Contractor reserves the right to contact the Householder to re-issue this Schedule, within 7 business days receipt of your signed Household Agreement to adjust pricing or details where quality assurance matters have been identified.

Schedule 2 Warranty and Supplier Terms and Conditions

See attached

SunEdison Terms and Conditions

System Component Warranties

APPENDIX B

Table of properties intended to be subject to the Solar Saver special charge scheme

Each listed property has been assessed as to the size of solar panel and installation costs and has been provided and agreed to the following quotation to have a solar energy system installed at their property for the following costs.

Property address	Cost	
16 Ross Street	ALPHINGTON	\$3,172.00
2A Rowe Street	ALPHINGTON	\$3,636.00
35 Keith Street	ALPHINGTON	\$3,172.00
4/50 Austin Street	ALPHINGTON	\$2,867.00
95 Yarralea Street	ALPHINGTON	\$3,489.00
11 Sanctuary Drive	BUNDOORA	\$2,867.00
2 Timberglades Drive	BUNDOORA	\$2,803.00
42 Elizabeth Street	COBURG	\$3,172.00
194 Elizabeth Street	COBURG NORTH	\$3,479.00
150 Gillies Street	FAIRFIELD	\$3,076.00
32 Langridge Street	FAIRFIELD	\$3,078.00
117 The Fairway	KINGSBURY	\$2,867.00
13 Club Avenue	KINGSBURY	\$3,172.00
1 Evan Smith Close	MACLEOD	\$2,867.00
10 Evan Smith Close	MACLEOD	\$2,867.00
64 Ernest Jones Drive	MACLEOD	\$3,400.00
8 Linaker Drive	MACLEOD	\$2,867.00
10 Hunter Street	NORTHCOTE	\$2,803.00
10 Stott Street	NORTHCOTE	\$3,381.00
105 Christmas Street	NORTHCOTE	\$3,017.00
15 Campbell Grove	NORTHCOTE	\$2,980.00
16 Derby Street	NORTHCOTE	\$3,076.00
17/25 Veronica Street	NORTHCOTE	\$2,867.00
21 Main Street	NORTHCOTE	\$3,122.00
23 Auburn Avenue	NORTHCOTE	\$3,076.00
32 Langston Street	NORTHCOTE	\$2,867.00
41 Gladstone Avenue	NORTHCOTE	\$3,078.00
5 Eunson Avenue	NORTHCOTE	\$3,383.00
5 Gray Street	NORTHCOTE	\$2,803.00
50 Auburn Avenue	NORTHCOTE	\$3,172.00
50/25 Veronica St	NORTHCOTE	\$3,427.00
54/25 Veronica Street	NORTHCOTE	\$3,231.00
55/25 Veronica Street	NORTHCOTE	\$3,350.00
6 Maivary Lane	NORTHCOTE	\$3,788.00
62 Helen Street	NORTHCOTE	\$3,108.00
67 Hawthorn Road	NORTHCOTE	\$3,381.00

Property address		Cost
95 Bastings Street	NORTHCOTE	\$3,381.00
10 Kenneth Street	PRESTON	\$3,232.00
10 Rita Street	PRESTON	\$2,867.00
11 Willow Street	PRESTON	\$3,744.00
125 Dundas Street	PRESTON	\$3,142.00
147 Tyler Street	PRESTON	\$2,867.00
15 Emerald Street	PRESTON	\$2,407.00
16 Goldsmith Avenue	PRESTON	\$3,636.00
168 Gower Street	PRESTON	\$3,172.00
18 Hardy Street	PRESTON	\$2,867.00
18 Maynard Street	PRESTON	\$2,803.00
18A Mary Street	PRESTON	\$2,867.00
2/19 Sylvester Grove	PRESTON	\$2,867.00
24 Ruby Street	PRESTON	\$2,867.00
25 Kitchener Grove	PRESTON	\$3,462.00
3 Davies Street	PRESTON	\$2,867.00
3 Mutimer Street	PRESTON	\$2,867.00
3/1 Asling Street	PRESTON	\$2,867.00
319 Murray Road	PRESTON	\$3,172.00
32 Benambra Street	PRESTON	\$3,172.00
32 Murphy Grove	PRESTON	\$2,867.00
34 Belgrove Street	PRESTON	\$3,172.00
4 Brynor Court	PRESTON	\$3,172.00
40 Eton Street	PRESTON	\$3,126.00
42 Carlisle Street	PRESTON	\$3,432.00
6 Walsh Street	PRESTON	\$3,734.00
64 Erin Street	PRESTON	\$3,149.00
68 McNamara Street	PRESTON	\$2,867.00
69 Kendall Street	PRESTON	\$2,867.00
7 Calbourne Street	PRESTON	\$3,363.00
78 Malpas Street	PRESTON	\$3,172.00
8 Belmont Street	PRESTON	\$3,172.00
8 Hotham Street	PRESTON	\$3,381.00
1 Clough Parade	RESERVOIR	\$3,427.00
1/4 Ayr Street	RESERVOIR	\$3,095.00
1/64 Purinuan Road	RESERVOIR	\$2,867.00
1/79A Rathcown Road	RESERVOIR	\$3,202.00
100 Winter Crescent	RESERVOIR	\$3,172.00
103 Cheddar Road	RESERVOIR	\$2,867.00
11 Titus Court	RESERVOIR	\$2,867.00
12 Howard Street	RESERVOIR	\$3,308.00
12 Wattle Grove	RESERVOIR	\$3,399.00
14 Elinda Place	RESERVOIR	\$2,867.00

Property address		Cost
140 Leamington Street	RESERVOIR	\$3,172.00
15A Haig Street	RESERVOIR	\$2,867.00
16 Borrie Street	RESERVOIR	\$2,977.00
16/47-49 Rathcown Road	RESERVOIR	\$2,867.00
17 Jeffrey Street	RESERVOIR	\$3,489.00
18 Mclvor Street	RESERVOIR	\$3,172.00
2 Frier Avenue	RESERVOIR	\$3,400.00
2/12 McComas Street	RESERVOIR	\$2,867.00
233 Spring Street	RESERVOIR	\$3,108.00
26 Wilson Boulevard	RESERVOIR	\$3,172.00
3/14 Ludeman Court	RESERVOIR	\$3,095.00
33 Lockton Avenue	RESERVOIR	\$3,172.00
33 Orchid Avenue	RESERVOIR	\$3,172.00
35 Willoughby Street	RESERVOIR	\$3,122.00
38 Cameron Street	RESERVOIR	\$3,490.00
38 Thackeray Road	RESERVOIR	\$3,108.00
39 Thackeray Road	RESERVOIR	\$3,282.00
4/12 Merino Street	RESERVOIR	\$2,867.00
44 Shand Road	RESERVOIR	\$3,172.00
46 Southernhay Street	RESERVOIR	\$3,172.00
6 Leonor Court	RESERVOIR	\$2,867.00
62 Steane Street	RESERVOIR	\$3,172.00
75 Mahoneys Road	RESERVOIR	\$3,447.00
779 Plenty Road	RESERVOIR	\$2,867.00
8 Cameron Street	RESERVOIR	\$3,108.00
8 Monza Court	RESERVOIR	\$3,947.00
8 Seston Street	RESERVOIR	\$3,172.00
8 Village Drive	RESERVOIR	\$3,400.00
8/132A Leamington Street	RESERVOIR	\$3,172.00
85 North Road	RESERVOIR	\$3,172.00
10 Newman Street	THORNBURY	\$2,867.00
128 Flinders Street	THORNBURY	\$2,867.00
13/30-34 Strettle Street	THORNBURY	\$3,331.00
134A Flinders Street	THORNBURY	\$3,363.00
148 Smith Street	THORNBURY	\$3,196.00
2 Keon Street	THORNBURY	\$2,803.00
2/298 Raleigh Street	THORNBURY	\$3,122.00
2/48A Clyde Street	THORNBURY	\$3,412.00
263 Mansfield Street	THORNBURY	\$3,172.00
44 Leinster Grove	THORNBURY	\$3,344.00
455 St Georges Road	THORNBURY	\$3,108.00
5 Miller Street	THORNBURY	\$2,644.00
5/109 Fyffe Street	THORNBURY	\$3,172.00

Property address		Cost
51 Fyffe Street	THORNBURY	\$3,157.00
93 Ballantyne Street	THORNBURY	\$3,383.00
		\$388,440.00

6.2 SOLAR \$AVER PROGRESS REPORT AND SECOND SPECIAL CHARGE SCHEME

Author: Manager Environment and Natural Resources

Reviewed By: Director Assets and Business Services

Report Background

At the Council meeting held 23 November 2015, Council resolved to allocate \$1 million in the 2015/2016 budget for a second round of the Solar \$aver program and adopted providers for the Solar Saver and solar bulk buy. The project has had a slower take up this year likely due to slightly higher systems prices and lower feed in tariffs and accordingly two special charge scheme processes are being undertaken. This report is for the proposal to declare the second special charge scheme, following Council's resolution on 16 May 2016 to give notice of its intention to declare the first special charge scheme in relation to the Solar \$aver scheme.

Previous Council Resolution

At its meeting held on 16 May 2016 which considered the award of tenders for the Solar \$aver program, Council resolved:

That:

- (1) *Council give notice of its intention to declare a special charge in accordance with section 163 of the Local Government Act 1989 (Act) as follows:*
 - a. *A special charge is declared for the period commencing on the day on which Council issues a notice levying payment of the special rate and concluding on the tenth anniversary of that day.*
 - b. *The special charge be declared for the purpose of defraying any expense incurred by Council in relation to the provision of solar energy systems on residential properties participating in the Solar \$aver scheme, which project:*
 - i. *Council considers there is or will be a special benefit to those persons required to pay the special charge (and who are described in succeeding parts of this resolution); and*
 - ii. *arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district.*
 - c. *The total:*
 - i. *cost of performing the function described in paragraph 1(b) of this resolution be recorded as \$398,551.00; and*
 - ii. *amount for the special charge to be levied be recorded as \$398,551.00, or such other amount as is lawfully levied as a consequence of this resolution.*
 - d. *The special charge be declared in relation to all rateable land described in the table included as Appendix B to this report, in the amount specified in the table as applying to each piece of rateable land.*
 - e. *The following be specified as the criteria which form the basis of the special charge so declared:*

Ownership of any land described in paragraph 1(d) of this resolution.

- f. *The following be specified as the manner in which the special charge so declared will be assessed and levied:*
- i. *a special charge calculated by reference to the size of the solar energy system being installed and the particular costs of installation at each property participating in the Solar Saver scheme, in respect of which a Householder Agreement has been executed, totalling \$398,551.00, being the total cost of the scheme to Council;*
 - ii. *to be levied each year for a period of 10 years.*
- g. *Having regard to the preceding paragraphs of this resolution and subject to section 166(1) of the Act, it be recorded that the owners of the land described in paragraph 1(d) of this resolution will, subject to a further resolution of Council, pay the special charge in the amount set out in paragraph 1(f) of this resolution in the following manner:*
- i. *payment annually by a lump sum on or before one month following the issue by Council of a notice levying payment under section 163(4) of the Act; or*
 - ii. *payment annually by four instalments to be paid by the dates which are fixed by Council in a notice levying payment under section 163(4) of the Act.*
- (2) *Council considers that there will be a special benefit to the persons required to pay the special charge because there will be a benefit to those persons that is over and above, or greater than, the benefit that is available to persons who are not subject to the proposed special charge, as a result of the expenditure proposed by the special charge, in that the properties will have the benefit of a solar energy system being installed.*
- (3) *Council, for the purposes of having determined the total amount of the special charge to be levied:*
- a. *considers and formally records that only those rateable properties included in the Solar Saver scheme as proposed will derive a special benefit from the imposition of the special charge, and there are no community benefits to be paid by Council; and*
 - b. *formally determines for the purposes of section 163(2)(a), (2A) and (2B) of the Act that the estimated proportion of the total benefits of the special charge to which the performance of the function or the exercise of the power relates (including all special benefits and community benefits) that will accrue as special benefits to the persons who are liable to pay the special charge is 100%.*
- (4) *Public notice be given in "The Northcote Leader" and "The Preston Leader" newspapers of Council's intention to declare, at its ordinary meeting to be held on 18 July 2016, the special charge in the form set out above.*
- (5) *Separate letters, enclosing a copy of this resolution, Appendix B to this report and the public notice referred to in paragraph 4 of this resolution, are to be sent to the owners of the properties included in the scheme, advising of Council's intention to levy the special charge, the amount for which the property owner will be liable, the basis of calculation of the special charge, and notification that submissions and/or objections in relation to the proposal will be considered by Council in accordance with sections 163A, 163B and 223 of the Act.*
- (6) *The Council's Hearing of Submissions Committee be convened, at a date and time to be fixed, to hear persons who, in their written submissions made under section 223 of the Act, advise that they wish to appear in person, or to be represented by a person specified in the submission, at a meeting in support of their submission.*

- (7) Council's Manager Environment and Natural Resources be authorised to carry out any and all other administrative procedures necessary to enable Council to carry out its functions under sections 163A, 163(1A), (1B) and (1C), 163B and 223 of the Act.
- (8) The Mayor write to Minister for Energy and all local MP's voicing Council's support to the solar feed-in tariff in line with NAGA's stated position.

Previous Briefing(s)

Councillor Briefing – 13 July 2015

Council Plan Goal/Endorsed Strategy

- Council Plan Goal 3 – Sustainable and resilient neighbourhoods
- Community Climate Change Action Plan

Summary

This report provides a progress report on the Solar \$aver program and recommends Council initiate the declaration of a second Special Charge Scheme under section 163 of the Local Government Act 1989 for the purposes of defraying expenses relating to the provision of solar energy systems on residential properties participating in the Solar \$aver scheme.

Take up of the Solar \$aver scheme had remained slower than expected. Even though letters were sent out to a further 10,500 pensioners and many other organisations were consulted, only \$740,237 has been allocated. As solar pricing and Feed in Tariffs are likely to change in January 2017 and a further scheme to use remaining funds would not be able to be implemented prior to this time it is recommended that Council consider further options for the program in early 2017 when there is more certainty around pricing and benefits to participants.

The inclusion of low income rental properties for the first time in the Solar \$aver scheme, through a housing association, is expected to open up further opportunity across the market for low income rental homes to have solar installed.

Recommendation

THAT:

- (1) Council give notice of its intention to declare a special charge in accordance with section 163 of the *Local Government Act 1989* (Act) as follows:
 - a. A special charge is declared for the period commencing on the day on which Council issues a notice levying payment of the special rate and concluding on the tenth anniversary of that day.
 - b. The special charge be declared for the purpose of defraying any expense incurred by Council in relation to the provision of solar energy systems on properties participating in the Solar \$aver scheme, which project:
 - i. Council considers there is or will be a special benefit to those persons/co-operative/associations required to pay the special charge (and who are described in succeeding parts of this resolution); and
 - ii. arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district.

- c. The total:
 - i. cost of performing the function described in paragraph 1(b) of this resolution be recorded as \$351,797; and
 - ii. amount for the special charge to be levied be recorded as \$351,797, or such other amount as is lawfully levied as a consequence of this resolution.
 - d. The special charge be declared in relation to all rateable land described in the table included as **Appendix B** to this report, in the amount specified in the table as applying to each piece of rateable land.
 - e. The following be specified as the criteria which form the basis of the special charge so declared:

Ownership of any land described in paragraph 1(d) of this resolution.
 - f. The following be specified as the manner in which the special charge so declared will be assessed and levied:
 - i. a special charge calculated by reference to the size of the solar energy system being installed and the particular costs of installation at each property participating in the Solar Saver scheme, in respect of which an Agreement has been executed, totalling \$351,797, being the total cost of the scheme to Council;
 - ii. to be levied each year for a period of 10 years.
 - g. Having regard to the preceding paragraphs of this resolution and subject to section 166(1) of the Act, it be recorded that the owners/occupiers of the land described in paragraph 1(d) of this resolution will, subject to a further resolution of Council, pay the special charge in the amount set out in paragraph 1(f) of this resolution in the following manner:
 - i. payment annually by a lump sum on or before one month following the issue by Council of a notice levying payment under section 163(4) of the Act; or
 - ii. payment annually by four instalments to be paid by the dates which are fixed by Council in a notice levying payment under section 163(4) of the Act.
- (2) Council considers that there will be a special benefit to the persons required to pay the special charge because there will be a benefit to those persons that is over and above, or greater than, the benefit that is available to persons who are not subject to the proposed special charge, as a result of the expenditure proposed by the special charge, in that the properties will have the benefit of a solar energy system being installed.
- (3) Council, for the purposes of having determined the total amount of the special charge to be levied:
- a. considers and formally records that only those rateable properties included in the Solar Saver scheme as proposed will derive a special benefit from the imposition of the special charge, and there are no community benefits to be paid by Council; and
 - b. formally determines for the purposes of section 163(2)(a), (2A) and (2B) of the Act that the estimated proportion of the total benefits of the special charge to which the performance of the function or the exercise of the power relates (including all special benefits and community benefits) that will accrue as special benefits to the persons who are liable to pay the special charge is 100%.

- (4) Public notice be given in "The Northcote Leader" and "The Preston Leader" newspapers of Council's intention to declare, at its ordinary meeting to be held on 19 September 2016, the special charge in the form set out above.
 - (5) Separate letters, enclosing a copy of this resolution, **Appendix B** to this report and the public notice referred to in paragraph 4 of this resolution, are to be sent to the owners/occupiers of the properties included in the scheme, advising of Council's intention to levy the special charge, the amount for which the property owner/occupier will be liable, the basis of calculation of the special charge, and notification that submissions and/or objections in relation to the proposal will be considered by Council in accordance with sections 163A, 163B and 223 of the Act.
 - (6) The Council's Hearing of Submissions Committee be convened, at a date and time to be fixed, to hear persons who, in their written submissions made under section 223 of the Act, advise that they wish to appear in person, or to be represented by a person specified in the submission, at a meeting in support of their submission.
 - (7) Council's Manager Environment and Natural Resources be authorised to carry out any and all other administrative procedures necessary to enable Council to carry out its functions under sections 163A, 163(1A), (1B) and (1C), 163B and 223 of the Act.
 - (8) Consider a further report in the first quarter of 2017 regarding the Solar \$aver program options.
-

Introduction

The 2015/2016 Solar \$aver program has been offered to the following categories of people and organisations:

- pensioners who receive the rate rebate and other pensioners;
- people in retirement villages or supported accommodation
- renters who have a level of disadvantage (in receipt of Centrelink benefit or in housing poverty) with authorisation from property owner; and
- child care, kindergarten and community centres (Council owned).

Non-pensioner property owners and commercial businesses are able to access the competitive prices negotiated by Council through the Bulk buy program.

Since the initial 2014/15 Solar \$aver program, the cost of solar has increased and the feed in tariff has reduced, therefore reducing the expected savings and has likely resulted in reduced sign ups. Additionally negotiations between housing cooperatives and the State Government/Common Equity Housing Ltd, who own the sites, to enable low income renters to participate in the solar \$aver Program has taken longer due to the complexity of arrangements and approval processes. This led to the development of two special rates schemes in order to ensure that recipients were not waiting too long to have solar installed.

Council resolved on 16 May, 2016 to give notice of its intention to declare the first special charge scheme in relation to the Solar \$aver scheme and this scheme is considered in a separate report. The scheme proposed in this report is the second special charge scheme.

Issues and Discussion

Progress of Solar \$aver Scheme

The first scheme considered in a separate report included 124 residential properties.

To increase Solar \$aver participation a further mail out to over 10,500 pensioners was undertaken, and all senior citizen groups received information (translated into the major community languages). Additional information was sent to a number of social housing groups.

Positive Charge has now provided quotes to 430 homes since December 2015. To date 124 households in the first scheme, 56 households, one social housing co-operative (32 residential homes) and 3 neighbourhood houses in the second scheme have signed contracts (91 properties).

As the Council owned neighbourhood centres required a different process to the residential properties a separate competitive quotation process was undertaken and this quote will be awarded pending Council declaration of the scheme.

A number of community managed kindergarten or child care centres operating from council buildings are also considering the Solar \$aver program. Arrangements have not been sufficiently finalised to be included in this special charge scheme. As these are Council owned properties other payment schemes can be considered when details are finalised.

Proposed special charge declaration

Under Section 163 of the *Local Government Act 1989* (Act), Council is empowered to declare a special charge for the purposes of defraying any expenses in relation to the performance of a function or the exercise of a power of Council, if Council considers that the performance of the function or the exercise of the power is, or will be, of special benefit to the persons required to pay the special rate or special charge.

In this case, the installation of solar energy systems on properties as part of the Solar \$aver scheme arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community. Each participating property has signed an Agreement with Council to participate in the scheme, which includes the overall cost and repayments which would be paid by the property should the scheme be approved. There is a separate agreement for households, cooperatives and associations (see **Appendix A**).

In September 2004, the Minister for Local Government issued a guideline for the preparation of special charge schemes. The guideline specifically deals with the calculation of the maximum total amount that a council may levy as a special charge.

The guideline requires that Council identify the following:

- J. Purpose of the works
- K. Ensure coherence
- L. Calculate total cost
- M. Identify special beneficiaries
- N. Determine the properties to include
- O. Estimate total special benefits
- P. Estimate community benefits
- Q. Calculate the benefit ratio
- R. Calculate the maximum total levy

A. Purpose of the Works

The purpose of the works is to supply and install solar energy systems on properties to reduce energy costs and encourage and increase the use of renewable energy in Darebin.

B. Ensure Coherence

The proposed works have a natural coherence with the proposed beneficiaries, as the properties proposed to be included in the scheme are receiving solar energy systems to the value of their participation.

C. Calculate the Total Cost

The proposed solar system installation includes the following items:

- Assessment and administration costs
- Supply and installation of solar energy systems

For the purposes of section 163(1) of the Act, the total cost of the works is calculated at \$351,797 based on signed quotations.

The expenses in the estimate of works are consistent with the allowable expenses listed in section 163(6) of the Act.

D. Identify the Special Beneficiaries

Council is required to identify those properties that would receive a special benefit from the proposed works. A special benefit is considered to be received by a property if the proposed works or services will provide a benefit that is additional to or greater than the benefit to other properties.

The Ministerial Guideline notes that a special benefit is considered to exist if it could reasonably be expected to benefit the owners or occupiers of the property. It is not necessary for the benefit to be actually used by the particular owners or occupiers of a specified property at a particular time in order for a special benefit to be attributed to the property.

Property owners participating in the Solar Saver scheme are considered to receive special benefit from the proposed supply and installation of solar PV systems by means of:

- Reduced energy costs over the life of the solar PV system
- Ownership of the solar PV system after the special rate repayments are paid in full
- Increased property value

The proposed properties taking part in the scheme, the owners/occupiers of which have signed an Agreement with Council to participate in the scheme, are listed in **Appendix B**.

E. Determine Properties to Include

Once the properties that receive special benefit are identified, Council must decide which properties to include in the scheme. If a property will receive a special benefit but is not included in the scheme, the calculation of the benefit ratio will result in Council paying the share of costs related to the special benefits for that property.

It is accepted that only those properties at which the solar energy systems are installed will receive a special benefit from the scheme. Accordingly, it is proposed to include only those properties whose owners/occupiers have signed Agreements in the scheme. Council will not, then, be required to pay a share of costs related to special benefits for any property that is not included in the scheme.

F. Estimate Total Special Benefits

As per the Ministerial Guideline for Special Rates and Charges, total special benefits are defined according to the formula below:

$$\text{TSB} = \text{TSB}_{(\text{in})} + \text{TSB}_{(\text{out})}$$

- **TSB** is the estimated total special benefit for all properties that have been identified to receive a special benefit
- **TSB_(in)** is the estimated total special benefit for those properties that are included in the scheme
- **TSB_(out)** is the estimated total special benefit for those properties with an identified special benefit that are not included in the scheme

For the purposes of the proposed scheme, total special benefits have been calculated as follows:

- **TSB_(in)** – The estimated total special benefit is based on the quoted cost of the solar PV system to be installed (which has been included in the Agreement signed by the property owner). It is expected that the benefit in reduced energy costs will exceed this special benefit.
- **TSB_(out)** – This is not applicable as all participating properties are included.

G. Estimate Community Benefits

Whilst the reduction of energy use, greenhouse emissions and increase of renewable energy is considered a community benefit there are no direct quantifiable costs.

- **TCB** – Total Community Benefit is assessed to be 0 benefit units

H. Calculate the Benefit Ratio

The benefit ratio is calculated as:

$$R = \frac{\text{TSB}_{(\text{in})}}{\text{TSB}_{(\text{in})} + \text{TSB}_{(\text{out})} + \text{TCB}}$$

Where:

$$\text{TSB}_{(\text{in})} = \$351,797$$

$$\text{TSB}_{(\text{out})} = 0$$

$$\text{TCB} = 0$$

$$R = 1$$

I. Calculate the Maximum Total Levy

In order to calculate the maximum total levy **S**, the following formula is used:

$$S = R \times C$$

Where **R** is the benefit ratio and **C** is the cost of all works

$$\text{Therefore } S = 1 * \$351,797 = \$351,797$$

Note there is no community benefit amount payable by Council.

Apportionment of Costs

Once the maximum levy amount has been calculated, it is necessary to establish an appropriate way to distribute these costs to all affected landowners.

As the properties have all received individual quotations based on the solar system and work required, it is proposed to apportion the costs based on these quotes. It is noted that the participants have been notified and signed agreements on the basis of these costs for the purpose of declaring this scheme.

It is proposed to distribute the costs as shown in **Appendix B**.

Statutory Process

The Act requires Council to give public notice of its proposed declaration of the special charge and write to all people who will be liable to contribute. The proposed declaration of the special charge has been prepared in accordance with the Act.

Owners or occupiers who would pay the special charge may object to the proposal within 28 days. If objections are received from more than fifty per cent of persons liable, Council will be prevented from making the declaration and the scheme cannot proceed.

Options for Consideration

As full participation of the Solar Saver scheme has not been yet reached there is an option to undertake a further special charge scheme process and/or consider other changes to the program. Solar pricing and Feed in Tariffs are likely to change in January 2017, due to the change in the federal government rebate (payment for small-scale technology certificates) reducing by 1/15th and the Victorian Government consideration of the Inquiry into the True Value of Distributed Generation by the Essential Services Commission (ESC) which may result in an increase to Feed in Tariffs.

As there are changes which will affect solar prices occurring post December 2016 and a new special charge scheme would not be able to be implemented prior to this time it is recommended that Council consider options in early 2017 when there is more certainty around pricing and benefits to participants. In the interim a number of community managed kindergarten or child care centres operating from council buildings are also considering the Solar Saver program. As these are Council owned properties alternative payment schemes could be considered by Council when details are finalised.

Financial and Resource Implications

- Council was allocated \$1 million from the 2015/2016 Council budget for the delivery of the Solar Saver program in 2015/2016. To date \$136,000 has been expended of which \$38,000 is administration costs and \$98,000 costs relate to quotation and advice to householders which is included within the agreed price and special charge scheme cost.
- \$750,000 has been allocated in the 2016/2017 budget to pay for the installation of the solar systems should the Special Charge Scheme be passed on 18 July and 19 September 2016.
- Should the proposed special charge scheme proceed, Council will pay **\$351,797** for the supply and installation of the solar PV systems on the properties listed in **Appendix B**. In accordance with their Agreements, property owners or occupiers will pay for the cost of the solar energy system by equal installments apportioned over a 10-year period, commencing from October 2016. Council is expected to receive \$35,179.70 in special charge repayments annually for this scheme over the 10 year period.

It should be noted that the special charge scheme is effectively an interest free loan to the participating properties.

- This scheme is in addition to the scheme proposed on 16 May at a cost of \$388,440.00. Payments to Council by property owners for works via special charge schemes are GST exempt.
- Should the property be sold during the 10 year period in which the special charge scheme applies, the amount outstanding on the special charge scheme at the time of sale will be fully paid.
- It is proposed that Council consider a further report in early 2017 regarding options for the expenditure of the remaining funds.

Risk Management

The American parent company of SunEdison has filed for bankruptcy. Council officers have previously met with the Managing Director of SunEdison Australia (formerly EnergyMatters), and have recently been assured of the ongoing viability of the Australian operations, given the company remains largely independent of the American organisation and has significant sales volumes. Officers will monitor this situation and report to Council if there are any issues of concern.

The 10 year warranties are independent of SunEdison and with large companies.

Policy Implications

Economic Development

It is estimated that the average participating household could save \$20 to 90 per year after the special scheme payment. After 10 years households can save \$300 - \$400 per year. This represents potential funds that can be spent within the Darebin community rather than on utility bills.

Of the three neighbourhood house solar systems, two are expected to achieve approximately \$2,000 net savings per year and one is expected to achieve over \$1,200 net savings per year. These are excellent financial benefits returning to these community associations.

Environmental Sustainability

This project is consistent with Darebin's Community Climate Change Action Plans and the Darebin Climate Change and Peak Oil Adaptation Plan.

Human Rights, Equity and Inclusion

Council has committed through its Community Climate Action Plan not only to reduce emissions, but to support those most vulnerable to climate change impacts and increasing energy costs. This project was specifically aimed at low income households, who are more vulnerable to increasing energy costs. Many participating pensioners are also from culturally and linguistically diverse (CALD) communities. Recent changes include support of households who are renting in social housing co-operative(s).

Other

This is consistent with the Council Plan and 2016/2017 Council Budget.

Future Actions

- Copies of the proposed declaration to property owners – 25 July 2016
- Copy of proposed declaration available for public inspection – 25 July 2016
- Public notice of proposed declaration – 26 July 2016
- Receipt of written submissions – 24 August 2016
- Hearing of submissions (if required) – 5 September 2016
- Report to Council for special scheme approval – 19 September 2016
- Future report in early 2017 regarding solar \$aver options

Consultation and Advocacy

- The program was advertised on the Council website, in the local paper and through direct mail to over 10,500 pensioner households.
- Over 430 homes have received home visits from Positive Charge to provide quotations for the Solar \$aver program and receive energy advice. Participating households and occupants have all signed agreements to participate in the program based on quoted prices.
- Consultation with neighbourhood and community centres
- Council has consulted with Aged and Disability - Community Development Officer and Marketing and Community Engagement Officer, Equity and Diversity – Community Planner, Interfaith Development Officer and Aboriginal Policy Officer.
- Council has consulted with the following external organisations: Baptistcare – Sanctuary Bellhaven Hostel, Northcote Rental Housing Co-operative, Community Equity Housing Ltd, Lions Village, Veronica Gardens Retirement Village
- Chief Financial Officer

Related Documents

- Householder Agreement, Co-operative Agreement and Associations Agreement (**Appendix A**)
- Table of properties intended to be subject to the Solar \$aver special charge scheme (**Appendix B**)
- Council Minutes – 16 May 2016 and 23 November 2015
- *Local Government Act 1989*
- Community Climate Change Action Plan
- The Macquarie Special Rates and Charges Manual 2012
- 2015/2016 Budget

Disclosure of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Date / /2016



City of Darebin Solar \$aver Program

Householder Agreement

DAREBIN CITY COUNCIL

and

THE HOUSEHOLDER IN THE AGREEMENT

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City of Darebin Solar \$aver Program Householder Agreement

DATE / /2016

BETWEEN

Darebin City Council ACN 75 815 980 522
of 274 Gower St, Preston, Victoria 3072, Australia (Council)

and

.....[insert name/s]

Of (Householder)

BACKGROUND

- A. Council has developed the "Solar \$aver Program" (**Program**), whereby certain residents of the City of Darebin may elect to have a solar energy system installed at their residential property by a contractor engaged by Council.
- B. Council intends to pay for the solar energy system to be installed and recover this cost through a special rate scheme yet to be declared by Council. The delivery of the Program is conditional upon the special rate scheme going ahead and will not proceed if the special rate scheme is not declared, or is rendered by a court or tribunal to be legally invalid.
- C. A separate agreement will be entered into between Council and the contractor engaged to supply and install the solar energy systems under the Program.
- D. This agreement records the agreed terms between Council and the Householder regarding the supply and installation of a solar energy system under the Program.

IT IS AGREED AS FOLLOWS

1. Term of Agreement

This Agreement shall commence on the Commencement Date and, unless terminated in accordance with this Agreement, shall continue until 30 June 2026.

2. Pre-Conditions

- 2.1 The provision of a Solar Energy System to the Householder under this Agreement is conditional upon and subject to:
 - 2.1.1 Council entering into a contract with a person or body to supply and install the Solar Energy System to the Householder as part of the Program; and
 - 2.1.2 Council declaring the Scheme to recover the costs of the Program.
- 2.2 No Solar Energy System will be provided under this Agreement until the pre-conditions in clause 2.1.1 - 2.1.2 have been satisfied.
- 2.3 If the conditions in clause 2.1.1 - 2.1.2 have not been satisfied by 28 November 2015, in the absence of agreement to the contrary between the parties, this Agreement immediately ends



and each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other.

3. Declaration of Invalidity of Scheme

In the event that, during the term of this Agreement, a court or tribunal of Victoria declares the Scheme to be invalid, or determines that the Householder is not bound by the Scheme, the following will apply:

- 3.1 if the Solar Energy System has not yet been supplied and installed at the Householder's property, this Agreement will terminate immediately, each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other; or
- 3.2 if the Solar Energy System has already been supplied and installed at the Householder's property, the Householder may elect to:
 - 3.2.1 allow the Solar Energy System to be removed from the Householder's premises and returned to Council; or
 - 3.2.2 keep the Solar Energy System provided and pay to Council, in a lump sum or otherwise as agreed between the Parties, the outstanding amount for the Cost of the Solar Energy System, within 60 days of receiving written notice from Council that the Scheme will no longer apply to the Householder.

4. Payment for Solar Energy System

- 4.1 The Cost of the Solar Energy System is the total amount set out in Item 3 of the Summary Schedule and itemised in Schedule 1. This amount purchases the supply and installation of the Solar Energy System and any required repair or replacement covered by the warranty during the warranty period, as set out in Schedule 2, but does not cover general maintenance, service calls or repair or replacement outside the warranty.
- 4.2 The Cost of the Solar Energy System under clause 4.1 may be adjusted by Council during the term of this Agreement if, for a reason beyond the control of Council or the Contractor, further costs are required to be incurred in supplying or installing the Solar Energy System.
- 4.3 Council envisages that any adjustment to the Cost of the Solar Energy System under clause 4.2 will only arise where:
 - 4.3.1 there is a change to legislation applicable to, or regulation of, the installation of the Solar Energy System (eg changes to Small-scale Technology Certificates); or
 - 4.3.2 the installation of the Solar Energy System originally quoted for changes as a result of building works undertaken at the Householder's property or a request to change the location of the Solar Energy System.
- 4.4 Any adjustment under clause 4.2 will be made by way of a variation to the Scheme, in accordance with section 166 of the *Local Government Act 1989*. Where a variation would result in a change to the Householder's liability under the Scheme of 10% or more, the Householder will have an opportunity to make submissions to Council in respect of it and withdraw from the Scheme.

- 4.5 Payment for the Cost of the Solar Energy System is to be by equal instalments apportioned over a 10-year period, commencing from July 2016. The amount payable by the Householder for each quarterly payment is set out at Item 4 of the Summary Schedule.
- 4.6 Commencing July 2016, the Householder will receive a rates notice each quarter setting out their liability under the Scheme for the property at which the Solar Energy System is installed, until their liability under the Scheme is discharged in full.
- 4.7 Unless otherwise agreed between the Parties, all payments are due at the date set out in each rates notice. In the event that payment has not been made by the due date, Penalty Interest is payable upon any outstanding amounts, in accordance with the *Local Government Act 1989* and this Agreement.
- 4.8 Any delay or adjustment to the delivery date for the Solar Energy System or adjustment to the Cost of the Solar Energy System under clause 4.2 does not entitle the Householder to delay or withhold payment under this Agreement.
- 4.9 The Cost of the Solar Energy System will not be adjusted after installation has occurred.

5. Council's Obligations

Council's obligations under this Agreement include the obligation to make all reasonable efforts to:

- 5.1 enter into contractual arrangements with a licensed electrical contractor, who has experience and expertise in the Solar Energy industry and who is of good repute, to supply and install the Solar Energy System;
- 5.2 declare the Scheme and collect payments from the Householder in accordance with clause 4;
- 5.3 ensure that any Contractor engaged under clause 5.1 provides the supply and installation of a Solar Energy System to the Householder within a reasonable time of this Agreement being entered into; and
- 5.4 assign all warranties attaching to the Solar Energy System to the Householder in accordance with clause 7.

6. The Householder's Obligations

- 6.1 The Householder must pay to Council the Cost of the Solar Energy System in accordance with clause 4.
- 6.2 The Householder must allow the Contractor and its agents access to their property for the purposes of conducting site inspections, installing the Solar Energy System and to carry out any required repairs or replacements in accordance with Schedule 2.
- 6.3 The Householder must ensure that those parts of their property in which works are being undertaken by the Contractor are safe to access, and free from asbestos or other toxic substances, prior to the Contractor or its agents accessing the Householder's property.
- 6.4 The Householder authorises the Contractor to submit an application to their electricity provider to connect a renewable energy system to the electricity

provider's electrical distribution network and the Householder must take all reasonable action required by the Contractor, including signing any relevant documents, in order for that connection to take place.

- 6.5 The Householder is responsible for any metering or other fees charged by their electricity provider and such charges do not form part of this Agreement.
- 6.6 The Householder must not intentionally damage, sell, trade or otherwise dispose of any part of the Solar Energy System during the term of this Agreement.
- 6.7 The Householder must comply with any warranties, manufacturer's instructions and user manuals relating to the Solar Energy System and acknowledges that any failure to do so may void those warranties.
- 6.8 The Householder does not have any entitlement to claim, create or assign any Small-scale Technology Certificates in relation to the Solar Energy System provided under this Agreement.

7. Assignment of Warranties

- 7.1 The Contractor has agreed that all warranties relevant to the Solar Energy Systems will be issued in respect of, and remain with, the relevant properties at which the Solar Energy Systems are installed, meaning that it should not be necessary to assign the warranties.
- 7.2 If the Householder has any concerns, queries or requests for a service call, repair or replacement of the Solar Energy System, the Householder must contact the Contractor who supplied and installed the Solar Energy System. Contact details for the Contractor will be supplied to the Householder prior to the installation of the Solar Energy System.

8. No Guarantee of Savings

- 8.1 While it is reasonably expected that the operation of the Solar Energy System will result in reduced electricity costs for the Householder, no guarantee is made by Council that the Householder will save money on their electricity bills as a result of the provision of the Solar Energy System under this Agreement.
- 8.2 Neither Council, nor the Contractor, is responsible for any inaccuracies or losses caused to the Householder by changes to feed in tariffs, electricity prices or government schemes.

9. No Liability

- 9.1 To the fullest extent permitted by law, while Council will take all commercially reasonable care in arranging for the provision of the Solar Energy System under the Agreement, Council shall not be liable in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or incurred or which may arise directly or indirectly in respect of the installation or operation of the Solar Energy System.
- 9.2 To the fullest extent permitted by law, Council is not liable for the ongoing maintenance, repair or replacement of the Solar Energy System, including but not limited to:
 - 9.2.1 the replacement of the goods or the supply of equivalent goods;
 - 9.2.2 the repair of such goods;

9.2.3 the payment of the cost of replacing the goods or of acquiring equivalent goods; or

9.2.4 the payment of the cost of having the goods repaired.

10. Ownership of Solar Energy System

10.1 Ownership of the Solar Energy System remains fully vested in Council during the term of the Agreement, unless the Solar Energy System is otherwise paid for in full in accordance with clause 3.2.2, at which time the ownership of the Solar Energy System vests in the Householder.

10.2 Once all payments payable under this Agreement have been made by the Householder in accordance with clause 4, the full ownership of the Solar Energy System will pass from Council to the Householder.

11. Release and Indemnity

11.1 The Householder agrees to the installation and use of the Solar Energy System under this Agreement at their own risk and releases Council from all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.

11.2 The Householder must indemnify and hold harmless Council against all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.

12. Termination

12.1 Without limiting the generality of any other clause, Council may terminate this Agreement by notice in writing if the Householder breaches any essential terms of this Agreement and such breach is not remedied within 60 days of written notice by Council.

12.2 If notice of termination is given to the Householder pursuant to clause 12.1, Council may, in addition to terminating this Agreement:

12.2.1 repossess the Solar Energy System;

12.2.2 retain any moneys already paid;

12.2.3 charge a reasonable sum for any work performed in disconnecting and removing the Solar Energy System;

12.2.4 be regarded as discharged from any further obligations under this Agreement; and

12.2.5 pursue any additional or alternative remedies provided by law.

13. No Fettering of Council's Powers

It is acknowledged and agreed that this Agreement does not fetter or restrict Council's powers or discretions in relation to any powers or obligations it has under any Act, regulation or local law that may apply to the Scheme or any other aspect of this Agreement.

14. Entire Agreement

This Agreement constitutes the entire agreement between the parties. Any prior arrangements, agreements, representations or undertakings are superseded.

15. Joint and Several Liability

If the Householder consists of more than one person, this Agreement binds them jointly and each of them severally.

16. Survival of Indemnities

Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties and survives termination of this Agreement.

17. Severability

If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from such provision which shall be deemed deleted.

18. Governing Law

This Agreement will be governed by and construed according to the law of Victoria.

19. Disputes

19.1 Householder to contact Contractor regarding Solar Energy System

Any grievances or concerns relating to the Solar Energy System must be conveyed to the Contractor, in accordance with clause 7.2.

19.2 Other disputes arising under this Agreement

If any dispute arises between the Householder and Council regarding this Agreement, the Parties must at first instance endeavour to resolve it by discussion and agreement.

20. Definitions

In this Agreement, unless the contrary intention appears:

Agreement means this agreement and includes the Schedules and any Annexures.

Commencement Date means the date on which this Agreement commences as specified in the Summary Schedule.

Contractor means the licensed electrical contractor, whether being a person or entity, engaged by Council to supply and install Solar Energy Systems under the Program.

Cost means the amounts payable under this Agreement as outlined in Schedule 1, which may be amended from time to time in the manner described in this Agreement.

Council means the Darebin City Council.

Householder means the person or persons named in the Agreement as being the resident or residents of the property at which a Solar Energy System will be installed.

Party means either Council or the Householder as the context dictates.

Payment Schedule means the arrangements for payment by the Householder to Council, as set out in clause 4.

Penalty Interest means interest at the rate of 10 per cent per annum, or such other rate as may be fixed by section 2 of the *Penalty Interest Rates Act* 1983 from time to time.

Program means the "Solar \$aver Program" of Council.

Scheme means the Special Rate Scheme to be declared by Council, under the *Local Government Act* 1989, to recoup the costs of the Solar Energy Systems provided as part of the Program.

Solar Energy System means the system described at **Schedule 1** and includes the solar panels and any associated infrastructure and materials provided by the Contractor for the proper functioning of the solar panels to produce electricity from solar power, but does not include any infrastructure or services provided by third parties (such as electricity distributors or electricity retailers).

Small-scale Technology Certificate, has the same meaning as in the *Renewable Energy (Electricity) Act* 2000 (Cth) and includes any other certificate, right or entitlement of a similar nature which arises under Victorian or Commonwealth legislation;

Term means the term of this Agreement as set out in clause 1.

SIGNED as an agreement

SIGNED for and on behalf of **Darebin City**))
Council ACN 75 815 980 522 in the presence of:))
))
) Name:
Title: ~~General~~ **Glenn Mountjoy**
Officer Title: Environmental Strategy
Coordinator

.....
Witness

SIGNED by the **Householder/s** named in ()
this agreement in the presence of: ()
.....
Householder/s - signature

.....
Witness – full name Householder/s - full name

.....
Witness – signature ()
.....
Householder/s - signature

.....
Householder/s - full name

Summary Schedule

1.	Commencement Date	1 July 2016
2.	Expiry date	30 June 2026
3.	Cost of the Solar Energy System	\$ See breakdown provided at Schedule 1
4.	Amount payable by the Householder in each quarterly rates notice from July 2017	An amount equal to 1/40 th of the total cost, being: \$

Schedule 1 Solar Energy System Details and Cost

Customer Contact

Reference #
Name
Phone
Email

Site Details

Visit Date	/ /2016
Site Address	XXX Street, XXXXSuburb
Roof Pitch	Pitched
Klip Lock req	No
Roof Type	Tile
Height	1
Orientation	North (345 - 15 Degrees)
Shading	
Shading Comments (if applicable)	

System Specification

System Size	Solar 1.5kW
Panels	: 6 x 255W JA Solar - JAP255 Poly MC4
Inverter	: Sungrow SG2KTL-S
Mounting	: SunLock Mounting
Small-scale technology certificates (STC)	1.5kW system = 26 certificates 2kW system = 35 certificates
Estimate	These discounts have been incorporated into the pricing below.

Item Cost

Item	Description	Cost
System	: Solar 1.5kW	\$0.00
Tilt Frame	: Tilt frames as required	\$0.00
Klip Lock	: Secure frames to roof as required	\$0.00
Tile Mounting	: Additional cost for tiled roof	\$0.00
Height	: Additional cost for 2 nd storey	\$0.00
Access	: Equipment for rooftop access	\$0.00
Switchboard	: Upgrade	\$0.00
Other	: Other costs	\$0.36
TOTAL		\$0.00
GST is not applicable		

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Conditions

The Household is provided a 10 day cooling off period from signing the agreement.

The Contractor reserves the right to contact the Householder to re-issue this Schedule, within 7 business days receipt of your signed Household Agreement to adjust pricing or details where quality assurance matters have been identified.

Schedule 2 Warranty and Supplier Terms and Conditions

See attached

SunEdison Terms and Conditions

System Component Warranties

Date / /2016



City of Darebin Solar \$aver Program

Co-operative Agreement

DAREBIN CITY COUNCIL

And

THE NORTHCOTE RENTAL HOUSING CO-OPERATIVE LTD IN THE AGREEMENT

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City of Darebin Solar \$aver Program Co-operative Agreement

DATE / /2016

BETWEEN

Darebin City Council ACN 75 815 980 522
of 274 Gower St, Preston, Victoria 3072, Australia

(Council)

and

Northcote Rental Housing Co-operative Ltd
of 138 Separation St, Northcote VIC 3070

(Co-operative)

BACKGROUND

- A. Council has developed the "Solar \$aver Program" (**Program**), whereby certain Co-operatives in the City of Darebin may elect to have a solar energy system installed at the designated properties by a contractor engaged by Council.
- B. Council intends to pay for the solar energy system to be installed and recover this cost through a special rate scheme yet to be declared by Council. The delivery of the Program is conditional upon the special rate scheme going ahead and will not proceed if the special rate scheme is not declared, or is rendered by a court or tribunal to be legally invalid.
- C. A separate agreement will be entered into between Council and the contractor engaged to supply and install the solar energy systems under the Program.
- D. This agreement records the agreed terms between Council and the Co-operative regarding the supply and installation of a solar energy system under the Program.
- E. The Co-operative is the party to the Agreement as under the Property Lease by DHHS to Common Equity Housing Ltd. (CEHL) and the Agreement between CEHL and the Co-operative, the Co-operative is the entity that is solely responsible for the payment of all Council Rates in full.

IT IS AGREED AS FOLLOWS

1. **Term of Agreement**

This Agreement shall commence on the Commencement Date and, unless terminated in accordance with this Agreement, shall continue until 31 December 2026.

2. **Pre-Conditions**

- 2.1 The provision of a Solar Energy System to the Co-operative under this Agreement is conditional upon and subject to:
 - 2.1.1 Council entering into a contract with a person or body to supply and install the Solar Energy System to the Co-operative as part of the Program; and
 - 2.1.2 Council declaring the Scheme to recover the costs of the Program.
- 2.2 No Solar Energy System will be provided under this Agreement until the pre-conditions in clause 2.1.1 - 2.1.2 have been satisfied.

- 2.3 If the conditions in clause 2.1.1 - 2.1.2 have not been satisfied by 31 December 2016, in the absence of agreement to the contrary between the parties, this Agreement immediately ends and each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other.

3. Declaration of Invalidity of Scheme

In the event that, during the term of this Agreement, a court or tribunal of Victoria declares the Scheme to be invalid, or determines that the Co-operative is not bound by the Scheme, the following will apply:

- 3.1 if the Solar Energy System has not yet been supplied and installed at the designated properties, this Agreement will terminate immediately, each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other; or
- 3.2 if the Solar Energy System has already been supplied and installed at the Co-operative's designated properties, the Co-operative may elect to:
- 3.2.1 allow the Solar Energy System to be removed from the Co-operative's designated properties and returned to Council; or
- 3.2.2 keep the Solar Energy System provided and pay to Council, in a lump sum or otherwise as agreed between the Parties, the outstanding amount for the Cost of the Solar Energy System, within 60 days of receiving written notice from Council that the Scheme will no longer apply to the Co-operative.

4. Payment for Solar Energy System

- 4.1 The Cost of the Solar Energy System is the total amount set out in Item 3 of the Summary Schedule and itemised in Schedule 1. This amount purchases the supply and installation of the Solar Energy System and any required repair or replacement covered by the warranty during the warranty period, as set out in Schedule 2, but does not cover general maintenance, service calls or repair or replacement outside the warranty.
- 4.2 The Cost of the Solar Energy System under clause 4.1 may be adjusted by Council during the term of this Agreement if, for a reason beyond the control of Council or the Contractor, further costs are required to be incurred in supplying or installing the Solar Energy System.
- 4.3 Council envisages that any adjustment to the Cost of the Solar Energy System under clause 4.2 will only arise where:
- 4.3.1 there is a change to legislation applicable to, or regulation of, the installation of the Solar Energy System (eg changes to Small-scale Technology Certificates); or
- 4.3.2 the installation of the Solar Energy System originally quoted for changes as a result of building works undertaken at the Co-operative's designated properties or a request to change the location of the Solar Energy System.
- 4.4 Any adjustment under clause 4.2 will be made by way of a variation to the Scheme, in accordance with section 166 of the *Local Government Act 1989*. Where a variation would result in a change to the Co-operative's liability under the Scheme

of 10% or more, the Co-operative will have an opportunity to make submissions to Council in respect of it and withdraw from the Scheme.

- 4.5 Payment for the Cost of the Solar Energy System is to be by equal instalments apportioned over a 10-year period, commencing from July 2016. The amount payable by the Co-operative for each quarterly payment is set out at Item 4 of the Summary Schedule.
- 4.6 Commencing January 2017, the Co-operative will receive a rates notice each quarter setting out their liability under the Scheme for the property at which the Solar Energy System is installed, until their liability under the Scheme is discharged in full.
- 4.7 Unless otherwise agreed between the Parties, all payments are due at the date set out in each rates notice. In the event that payment has not been made by the due date, Penalty Interest is payable upon any outstanding amounts, in accordance with the *Local Government Act 1989* and this Agreement.
- 4.8 Any delay or adjustment to the delivery date for the Solar Energy System or adjustment to the Cost of the Solar Energy System under clause 4.2 does not entitle the Co-operative to delay or withhold payment under this Agreement.
- 4.9 The Cost of the Solar Energy System will not be adjusted after installation has occurred.

5. Council's Obligations

Council's obligations under this Agreement include the obligation to make all reasonable efforts to:

- 5.1 enter into contractual arrangements with a licensed electrical contractor, who has experience and expertise in the Solar Energy industry and who is of good repute, to supply and install the Solar Energy System;
- 5.2 declare the Scheme and collect payments from the Co-operative in accordance with clause 4;
- 5.3 ensure that any Contractor engaged under clause 5.1 provides the supply and installation of a Solar Energy System to the Co-operative within a reasonable time of this Agreement being entered into; and
- 5.4 assign all warranties attaching to the Solar Energy System to the Co-operative in accordance with clause 7.

6. The Co-operative's Obligations

- 6.1 The Co-operative must pay to Council the Cost of the Solar Energy System in accordance with clause 4.
- 6.2 The Co-operative must allow the Contractor and its agents access to their property for the purposes of conducting site inspections, installing the Solar Energy System and to carry out any required repairs or replacements in accordance with Schedule 2.
- 6.3 The Co-operative must ensure that those parts of their property in which works are being undertaken by the Contractor are safe to access, and free from asbestos or other toxic substances, prior to the Contractor or its agents accessing the designated properties.

- 6.4 The Co-operative authorises the Contractor to submit an application to their electricity provider to connect a renewable energy system to the electricity provider's electrical distribution network and the Co-operative must take all reasonable action required by the Contractor, including signing any relevant documents, in order for that connection to take place.
- 6.5 The Co-operative is responsible for any metering or other fees charged by their electricity provider and such charges do not form part of this Agreement.
- 6.6 The Co-operative must not intentionally damage, sell, trade or otherwise dispose of any part of the Solar Energy System during the term of this Agreement.
- 6.7 The Co-operative must comply with any warranties, manufacturer's instructions and user manuals relating to the Solar Energy System and acknowledges that any failure to do so may void those warranties.
- 6.8 The Co-operative does not have any entitlement to claim, create or assign any Small-scale Technology Certificates in relation to the Solar Energy System provided under this Agreement.

7. Assignment of Warranties

- 7.1 The Contractor has agreed that all warranties relevant to the Solar Energy Systems will be issued in respect of, and remain with, the relevant properties at which the Solar Energy Systems are installed, meaning that it should not be necessary to assign the warranties.
- 7.2 If the Co-operative has any concerns, queries or requests for a service call, repair or replacement of the Solar Energy System, the Co-operative must contact the Contractor who supplied and installed the Solar Energy System. Contact details for the Contractor will be supplied to the Co-operative prior to the installation of the Solar Energy System.

8. No Guarantee of Savings

- 8.1 While it is reasonably expected that the operation of the Solar Energy System will result in reduced electricity costs for the Co-operative, no guarantee is made by Council that the Co-operative will save money on their electricity bills as a result of the provision of the Solar Energy System under this Agreement.
- 8.2 Neither Council, nor the Contractor, is responsible for any inaccuracies or losses caused to the Co-operative by changes to feed in tariffs, electricity prices or government schemes.

9. No Liability

- 9.1 To the fullest extent permitted by law, while Council will take all commercially reasonable care in arranging for the provision of the Solar Energy System under the Agreement, Council shall not be liable in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or incurred or which may arise directly or indirectly in respect of the installation or operation of the Solar Energy System.
- 9.2 To the fullest extent permitted by law, Council is not liable for the ongoing maintenance, repair or replacement of the Solar Energy System, including but not limited to:
- 9.2.1 the replacement of the goods or the supply of equivalent goods;

- 9.2.2 the repair of such goods;
- 9.2.3 the payment of the cost of replacing the goods or of acquiring equivalent goods; or
- 9.2.4 the payment of the cost of having the goods repaired.

10. Ownership of Solar Energy System

- 10.1 Ownership of the Solar Energy System remains fully vested in Council during the term of the Agreement, unless the Solar Energy System is otherwise paid for in full in accordance with clause 3.2.2, at which time the ownership of the Solar Energy System vests in the Co-operative.
- 10.2 Once all payments payable under this Agreement have been made by the Co-operative in accordance with clause 4, the full ownership of the Solar Energy System will pass from Council to the Co-operative.

11. Release and Indemnity

- 11.1 The Co-operative agrees to the installation and use of the Solar Energy System under this Agreement at their own risk and releases Council from all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.
- 11.2 The Co-operative must indemnify and hold harmless Council against all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.

12. Termination

- 12.1 Without limiting the generality of any other clause, Council may terminate this Agreement by notice in writing if the Co-operative breaches any essential terms of this Agreement and such breach is not remedied within 60 days of written notice by Council.
- 12.2 If notice of termination is given to the Co-operative pursuant to clause 12.1, Council may, in addition to terminating this Agreement:
 - 12.2.1 repossess the Solar Energy System;
 - 12.2.2 retain any moneys already paid;
 - 12.2.3 charge a reasonable sum for any work performed in disconnecting and removing the Solar Energy System;
 - 12.2.4 be regarded as discharged from any further obligations under this Agreement; and
 - 12.2.5 pursue any additional or alternative remedies provided by law.

13. No Fettering of Council's Powers

It is acknowledged and agreed that this Agreement does not fetter or restrict Council's powers or discretions in relation to any powers or obligations it has under any Act, regulation or local law that may apply to the Scheme or any other aspect of this Agreement.

14. Entire Agreement

This Agreement constitutes the entire agreement between the parties. Any prior arrangements, agreements, representations or undertakings are superseded.

15. Survival of Indemnities

Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties and survives termination of this Agreement.

16. Severability

If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from such provision which shall be deemed deleted.

17. Governing Law

This Agreement will be governed by and construed according to the law of Victoria.

18. Disputes

18.1 Co-operative to contact Contractor regarding Solar Energy System

Any grievances or concerns relating to the Solar Energy System must be conveyed to the Contractor, in accordance with clause 7.2.

18.2 Other disputes arising under this Agreement

If any dispute arises between the Co-operative and Council regarding this Agreement, the Parties must at first instance endeavour to resolve it by discussion and agreement.

19. Definitions

In this Agreement, unless the contrary intention appears:

Agreement means this agreement and includes the Schedules and any Annexures.

Commencement Date means the date on which this Agreement commences as specified in the Summary Schedule.

Contractor means the licensed electrical contractor, whether being a person or entity, engaged by Council to supply and install Solar Energy Systems under the Program.

Cost means the amounts payable under this Agreement as outlined in Schedule 1, which may be amended from time to time in the manner described in this Agreement.

Co-operative means the Co-operative Limited named in the Agreement acting as the landlord of the specified properties at which a Solar Energy System will be installed.

Council means the Darebin City Council.

Party means either Council or the Co-operative as the context dictates.

Payment Schedule means the arrangements for payment by the Co-operative to Council, as set out in clause 4.

Penalty Interest means interest at the rate of 10 per cent per annum, or such other rate as may be fixed by section 2 of the *Penalty Interest Rates Act* 1983 from time to time.

Program means the "Solar \$aver Program" of Council.

Scheme means the Special Rate Scheme to be declared by Council, under the *Local Government Act* 1989, to recoup the costs of the Solar Energy Systems provided as part of the Program.

Solar Energy System means the system described at **Schedule 1** and includes the solar panels and any associated infrastructure and materials provided by the Contractor for the proper functioning of the solar panels to produce electricity from solar power, but does not include any infrastructure or services provided by third parties (such as electricity distributors or electricity retailers).

Small-scale Technology Certificate, has the same meaning as in the *Renewable Energy (Electricity) Act* 2000 (Cth) and includes any other certificate, right or entitlement of a similar nature which arises under Victorian or Commonwealth legislation;

Term means the term of this Agreement as set out in clause 1.

SIGNED as an agreement

SIGNED for and on behalf of **Darebin City Council ACN 75 815 980 522** in the presence of:

))
))
))
) Name:
Title: ~~General~~ Mountjoy
Officer Title: Environmental Strategy
Coordinator

.....
Witness

SIGNED by and on behalf of the **Co-operative** named in this agreement in the presence of:

(
(
.....
Co-operative Chairperson - signature

.....
Witness – full name Co-operative Chairperson - full name

(
(
.....
Witness – signature Co-operative Authorised Representative - signature
.....
Co-operative Authorised Representative - full name

Summary Schedule

5.	Commencement Date	4 July 2016
6.	Expiry date	31 December 2026
7.	Cost of the Solar Energy System	\$ See breakdown provided at Schedule 1
8.	Amount payable by the Co-operative in each quarterly rates notice from January 2017	An amount equal to 1/40 th of the total cost, being: \$

Schedule 1 Solar Energy System Details and Cost

Customer Contact

Reference #	
Name	DHHS – Northcote Rental Housing Co-operative Ltd
Phone	
Email	

Site Details

Visit Date	//2016
Site Address	XXX Street, XXXXSuburb
Roof Pitch	Pitched
Klip Lock req	No
Roof Type	Tile
Height	1
Orientation	North (345 - 15 Degrees)
Shading	
Shading Comments (if applicable)	

System Specification

System Size	Solar 1.5kW
Panels	: 6 x 255W JA Solar - JAP255 Poly MC4
Inverter	: Sungrow SG2KTL-S
Mounting	: SunLock Mounting
Small-scale technology certificates (STC)	1.5kW system = 26 certificates 2kW system = 35 certificates
Estimate	These discounts have been incorporated into the pricing below.

Item Cost

Item	Description	Cost
System	: Solar 1.5kW	\$0.00
Tilt Frame	: Tilt frames as required	\$0.00
Klip Lock	: Secure frames to roof as required	\$0.00
Tile Mounting	: Additional cost for tiled roof	\$0.00
Height	: Additional cost for 2 nd storey	\$0.00
Access	: Equipment for rooftop access	\$0.00
Switchboard	: Upgrade	\$0.00
Other	: Other costs	\$0.36
TOTAL		\$0.00
GST is not applicable		

Date / /2016



City of Darebin Solar \$aver Program

Association Agreement

DAREBIN CITY COUNCIL

and

THE [FILL IN ASSOC NAME] IN THE AGREEMENT

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City of Darebin Solar \$aver Program Association Agreement

DATE / /2016

BETWEEN

Darebin City Council ACN 75 815 980 522
of 274 Gower St, Preston, Victoria 3072, Australia (Council)

and

.....[insert name/s]
Of (Association)

BACKGROUND

- A. Council has developed the "Solar \$aver Program" (**Program**), whereby certain occupants of the City of Darebin may elect to have a solar energy system installed at the designated property by a contractor engaged by Council.
- B. Council intends to pay for the solar energy system to be installed and recover this cost through a special rate scheme yet to be declared by Council. The delivery of the Program is conditional upon the special rate scheme going ahead and will not proceed if the special rate scheme is not declared, or is rendered by a court or tribunal to be legally invalid.
- C. A separate agreement will be entered into between Council and the contractor engaged to supply and install the solar energy systems under the Program.
- D. This agreement records the agreed terms between Council and the Association regarding the supply and installation of a solar energy system under the Program.

IT IS AGREED AS FOLLOWS

1. Term of Agreement

This Agreement shall commence on the Commencement Date and, unless terminated in accordance with this Agreement, shall continue until 31 December 2026.

2. Pre-Conditions

- 2.1 The provision of a Solar Energy System to the Association under this Agreement is conditional upon and subject to:
 - 2.1.1 Council entering into a contract with a person or body to supply and install the Solar Energy System to the Association as part of the Program; and
 - 2.1.2 Council declaring the Scheme to recover the costs of the Program.
- 2.2 No Solar Energy System will be provided under this Agreement until the pre-conditions in clause 2.1.1 - 2.1.2 have been satisfied.
- 2.3 If the conditions in clause 2.1.1 - 2.1.2 have not been satisfied by 31 December 2016, in the absence of agreement to the contrary between the parties, this Agreement immediately ends

and each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other.

3. Declaration of Invalidity of Scheme

In the event that, during the term of this Agreement, a court or tribunal of Victoria declares the Scheme to be invalid, or determines that the Association is not bound by the Scheme, the following will apply:

- 3.1 if the Solar Energy System has not yet been supplied and installed at the Association's property, this Agreement will terminate immediately, each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other; or
- 3.2 if the Solar Energy System has already been supplied and installed at the Association's property, the Association may elect to:
 - 3.2.1 allow the Solar Energy System to be removed from the Association's premises and returned to Council; or
 - 3.2.2 keep the Solar Energy System provided and pay to Council, in a lump sum or otherwise as agreed between the Parties, the outstanding amount for the Cost of the Solar Energy System, within 60 days of receiving written notice from Council that the Scheme will no longer apply to the Association.

4. Payment for Solar Energy System

- 4.1 The Cost of the Solar Energy System is the total amount set out in Item 3 of the Summary Schedule and itemised in Schedule 1. This amount purchases the supply and installation of the Solar Energy System and any required repair or replacement covered by the warranty during the warranty period, as set out in Schedule 2, but does not cover general maintenance, service calls or repair or replacement outside the warranty.
- 4.2 The Cost of the Solar Energy System under clause 4.1 may be adjusted by Council during the term of this Agreement if, for a reason beyond the control of Council or the Contractor, further costs are required to be incurred in supplying or installing the Solar Energy System.
- 4.3 Council envisages that any adjustment to the Cost of the Solar Energy System under clause 4.2 will only arise where:
 - 4.3.1 there is a change to legislation applicable to, or regulation of, the installation of the Solar Energy System (eg changes to Small-scale Technology Certificates); or
 - 4.3.2 the installation of the Solar Energy System originally quoted for changes as a result of building works undertaken at the designated property or a request to change the location of the Solar Energy System.
- 4.4 Any adjustment under clause 4.2 will be made by way of a variation to the Scheme, in accordance with section 166 of the *Local Government Act 1989*. Where a variation would result in a change to the Association's liability under the Scheme of 10% or more, the Association will have an opportunity to make submissions to Council in respect of it and withdraw from the Scheme.

- 4.5 Payment for the Cost of the Solar Energy System is to be by equal instalments apportioned over a 10-year period, commencing from July 2016. The amount payable by the Association for each quarterly payment is set out at Item 4 of the Summary Schedule.
- 4.6 Commencing January 2017, the Association will receive a rates notice each quarter setting out their liability under the Scheme for the property at which the Solar Energy System is installed, until their liability under the Scheme is discharged in full.
- 4.7 Unless otherwise agreed between the Parties, all payments are due at the date set out in each rates notice. In the event that payment has not been made by the due date, Penalty Interest is payable upon any outstanding amounts, in accordance with the *Local Government Act 1989* and this Agreement.
- 4.8 Any delay or adjustment to the delivery date for the Solar Energy System or adjustment to the Cost of the Solar Energy System under clause 4.2 does not entitle the Association to delay or withhold payment under this Agreement.
- 4.9 The Cost of the Solar Energy System will not be adjusted after installation has occurred.

5. Council's Obligations

Council's obligations under this Agreement include the obligation to make all reasonable efforts to:

- 5.1 enter into contractual arrangements with a licensed electrical contractor, who has experience and expertise in the Solar Energy industry and who is of good repute, to supply and install the Solar Energy System;
- 5.2 declare the Scheme and collect payments from the Association in accordance with clause 4;
- 5.3 ensure that any Contractor engaged under clause 5.1 provides the supply and installation of a Solar Energy System to the Association within a reasonable time of this Agreement being entered into; and

6. The Association's Obligations

- 6.1 The Association must pay to Council the Cost of the Solar Energy System in accordance with clause 4.
- 6.2 The Association must allow the Contractor and its agents access to their property for the purposes of conducting site inspections, installing the Solar Energy System and to carry out any required repairs or replacements in accordance with Schedule 2.
- 6.3 The Association authorises the Contractor to submit an application to their electricity provider to connect a renewable energy system to the electricity provider's electrical distribution network and the Association must take all reasonable action required by the Contractor, including signing any relevant documents, in order for that connection to take place.
- 6.4 The Association is responsible for any metering or other fees charged by their electricity provider and such charges do not form part of this Agreement.

- 6.5 The Association must not intentionally damage, sell, trade or otherwise dispose of any part of the Solar Energy System ~~during the term of this Agreement~~.
- 6.6 The Association must comply with any warranties, manufacturer's instructions and user manuals relating to the Solar Energy System and acknowledges that any failure to do so may void those warranties.
- 6.7 The Association does not have any entitlement to claim, create or assign any Small-scale Technology Certificates in relation to the Solar Energy System provided under this Agreement.

7. Assignment of Warranties

- 7.1 The Contractor has agreed that all warranties relevant to the Solar Energy Systems will be issued in respect of, and remain with, the relevant properties at which the Solar Energy Systems are installed, meaning that it should not be necessary to assign the warranties.
- 7.2 If the Association has any concerns, queries or requests for a service call, repair or replacement of the Solar Energy System, the Association must contact the Council's Facilities Maintenance team.

8. No Guarantee of Savings

- 8.1 While it is reasonably expected that the operation of the Solar Energy System will result in reduced electricity costs for the Association, no guarantee is made by Council that the Association will save money on their electricity bills as a result of the provision of the Solar Energy System under this Agreement.
- 8.2 Neither Council, nor the Contractor, is responsible for any inaccuracies or losses caused to the Association by changes to feed in tariffs, electricity prices or government schemes.

9. Ownership of Solar Energy System

- 9.1 Ownership of the Solar Energy System remains fully vested in Council during the term of the Agreement and following final payment.

10. Termination

- 10.1 Without limiting the generality of any other clause, Council may terminate this Agreement by notice in writing if the Association breaches any essential terms of this Agreement and such breach is not remedied within 60 days of written notice by Council.
- 10.2 If the Association no longer operates from the designated Council building, the Association will no longer be liable to make special charge scheme payments.

11. No Fettering of Council's Powers

It is acknowledged and agreed that this Agreement does not fetter or restrict Council's powers or discretions in relation to any powers or obligations it has under any Act, regulation or local law that may apply to the Scheme or any other aspect of this Agreement.

12. Entire Agreement

This Agreement constitutes the entire agreement between the parties. Any prior arrangements, agreements, representations or undertakings are superseded.

13. Survival of Indemnities

Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties and survives termination of this Agreement.

14. Severability

If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from such provision which shall be deemed deleted.

15. Governing Law

This Agreement will be governed by and construed according to the law of Victoria.

16. Disputes

16.1 Association to contact Contractor regarding Solar Energy System

Any grievances or concerns relating to the Solar Energy System must be conveyed to the Contractor, in accordance with clause 7.2.

16.2 Other disputes arising under this Agreement

If any dispute arises between the Association and Council regarding this Agreement, the Parties must at first instance endeavour to resolve it by discussion and agreement.

17. Definitions

In this Agreement, unless the contrary intention appears:

Agreement means this agreement and includes the Schedules and any Annexures.

Association means the Incorporated Association named in the Agreement as being the occupants of the specified property at which a Solar Energy System will be installed.

Commencement Date means the date on which this Agreement commences as specified in the Summary Schedule.

Contractor means the licensed electrical contractor, whether being a person or entity, engaged by Council to supply and install Solar Energy Systems under the Program.

Cost means the amounts payable under this Agreement as outlined in Schedule 1, which may be amended from time to time in the manner described in this Agreement.

Council means the Darebin City Council.

Party means either Council or the Association as the context dictates.

Payment Schedule means the arrangements for payment by the Association to Council, as set out in clause 4.

Penalty Interest means interest at the rate of 10 per cent per annum, or such other rate as may be fixed by section 2 of the *Penalty Interest Rates Act* 1983 from time to time.

Program means the "Solar \$aver Program" of Council.

Scheme means the Special Rate Scheme to be declared by Council, under the *Local Government Act 1989*, to recoup the costs of the Solar Energy Systems provided as part of the Program.

Solar Energy System means the system described at **Schedule 1** and includes the solar panels and any associated infrastructure and materials provided by the Contractor for the proper functioning of the solar panels to produce electricity from solar power, but does not include any infrastructure or services provided by third parties (such as electricity distributors or electricity retailers).

Small-scale Technology Certificate, has the same meaning as in the *Renewable Energy (Electricity) Act 2000 (Cth)* and includes any other certificate, right or entitlement of a similar nature which arises under Victorian or Commonwealth legislation;

Term means the term of this Agreement as set out in clause 1.

SIGNED as an agreement

SIGNED for and on behalf of **Darebin City**))
Council ACN 75 815 980 522 in the presence of:))
))
) Name:
 Title: ~~Gavin~~ Mountjoy
 Officer Title: Environmental Strategy
 Coordinator

.....
Witness

SIGNED for and on behalf of the ()
Association named in this agreement in ()
the presence of:
Association - signature

.....
Association President - full name
Witness – full name

()
()
.....
Association - signature
Witness – signature

.....
Association Authorised Officer - full name & Title

Summary Schedule

9.	Commencement Date	4 July 2016
10.	Expiry date	31 December 2026
11.	Cost of the Solar Energy System	\$ See breakdown provided at Schedule 1
12.	Amount payable by the Association in each quarterly rates notice from January 2017	An amount equal to 1/40 th of the total cost, being: \$

Schedule 1 Solar Energy System Details and Cost

Customer Contact

Name
Phone
Email

Site Details

Site Name
Site Address

System Specification

System Size	Solar 9.9kW
Panels	31 x 320 Watt Jinko JKM320P-72 panels = 9920 Watts
Inverter	1 x 10kw Sungrow SG10kTL-EC three phase inverter.
Mounting	Clenergy Tin feet (ER-I-05) Clenergy tilt legs (10/15 degrees) (ER-TL-10/15)
Small-scale technology certificates Estimate (STC)	176 STCs These discounts have been incorporated into the pricing below.

Item Cost

Item	Description	Cost
Base System	Solar 9.9kW	\$0.00
Tilt Frame	Tilt frames as required	\$0.00
Klip Lock	Secure frames to roof as required	\$0.00
Tile Mounting	Additional cost for tiled roof	\$0.00
Height	Additional cost for 2 nd storey	\$0.00
Access	Equipment for rooftop access	\$0.00
Switchboard	Upgrade	\$0.00
Other	Split Arrays	\$0.00
TOTAL		\$0.00
GST is not applicable		

Indicative system layout (red mark is potential inverter location TBC)

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Schedule 2 Warranty and Supplier Terms and Conditions

See attached

Enviroshop Terms and Conditions

System Component Warranties

APPENDIX B

Table of properties intended to be subject to the Solar Saver special charge scheme

Each listed property has been assessed as to the size of solar panel and installation costs and has been provided and agreed to the following quotation to have a solar energy system installed at their property for the following costs.

Property address	Cost
9 Shiers Street ALPHINGTON	\$3,427.00
11 Moonstone Walk BUNDOORA	\$3,658.00
5 Emerald Walk BUNDOORA	\$2,867.00
116 Elizabeth Street COBURG NORTH	\$2,867.00
159 Grange Road FAIRFIELD	\$3,172.00
166 Wingrove Street FAIRFIELD	\$3,491.00
75 The Fairway KINGSBURY	\$4,273.00
1/138 Separation Street NORTHCOTE	\$3,373.00
107A South Crescent NORTHCOTE	\$3,734.00
120 Clarke Street NORTHCOTE	\$3,722.00
123 Arthurton Road NORTHCOTE	\$4,273.00
14 Thomson Street NORTHCOTE	\$4,234.00
15 Langston Street NORTHCOTE	\$3,108.00
168 Beaconsfield Parade NORTHCOTE	\$4,719.00
2/105 Victoria Road NORTHCOTE	\$2,867.00
22 McDonald Street NORTHCOTE	\$4,357.00
23 Boothby Street NORTHCOTE	\$3,972.00
28 Derby Street NORTHCOTE	\$4,572.00
30 Jessie Street NORTHCOTE	\$3,342.00
32 Reid Street NORTHCOTE	\$4,072.00
44 Woolhouse Street NORTHCOTE	\$4,082.00
56/25 Veronica Street NORTHCOTE	\$2,975.00
6/15 Rucker Street NORTHCOTE	\$3,712.00
7 Munro Street NORTHCOTE	\$4,509.00
85 Leinster Grove NORTHCOTE	\$4,491.00
1 Margaret Grove PRESTON	\$3,172.00
117 Albert Street PRESTON	\$3,672.00
124 Raglan Street PRESTON	\$3,400.00
146 Gilbert Road PRESTON	\$3,172.00
218 High Street PRESTON	\$11,590.00
23 Tynan Street PRESTON	\$3,489.00
27 Showers Street PRESTON	\$4,157.00
277 Bell Street PRESTON	\$3,172.00
29 Avondale Road PRESTON	\$3,108.00
3/572 Murray Road PRESTON	\$3,095.00
40A Roseberry Avenue PRESTON	\$3,172.00

Property address		Cost
44 Hotham Street	PRESTON	\$3,280.00
556 Murray Road	PRESTON	\$2,975.00
6 Ventnor Street	PRESTON	\$3,322.00
6/39 Mt Pleasant Road	PRESTON	\$5,386.00
80 Cramer Street	PRESTON	\$2,867.00
9 Margaret Grove	PRESTON	\$3,172.00
9 Milton Crescent	PRESTON	\$3,630.00
92 Gower Street	PRESTON	\$2,975.00
1/79A Rathcoun Road	RESERVOIR	\$3,202.00
100 Broadhurst Avenue	RESERVOIR	\$3,172.00
11 Muriel Court	RESERVOIR	\$3,172.00
12 Beenak Street	RESERVOIR	\$4,273.00
12 Wattle Grove	RESERVOIR	\$3,399.00
147 Broadway	RESERVOIR	\$2,803.00
17 Morris Street	RESERVOIR	\$3,280.00
197 Wilson Boulevard	RESERVOIR	\$3,280.00
2/3-5 Whitelaw Street	RESERVOIR	\$3,972.00
2/40 Godley Street	RESERVOIR	\$3,616.00
28 Elinda Place	RESERVOIR	\$2,867.00
2A Cuthbert Road	RESERVOIR	\$10,270.00
33 Anstey Avenue	RESERVOIR	\$3,172.00
37 Summerhill Road	RESERVOIR	\$3,172.00
47 Cheddar Road	RESERVOIR	\$3,172.00
5 Genoa Avenue	RESERVOIR	\$3,172.00
6/27 Lake Street	RESERVOIR	\$2,867.00
73 Massey Avenue	RESERVOIR	\$3,172.00
9 Nutwood Street	RESERVOIR	\$3,172.00
1 Harold Street	THORNBURY	\$3,491.00
1/28 Jones Street	THORNBURY	\$4,501.00
101 Rennie Street	THORNBURY	\$4,347.00
123 Collins Street	THORNBURY	\$4,357.00
123 Kellet Street	THORNBURY	\$4,273.00
131 Shaftesbury Parade	THORNBURY	\$10,635.00
132 Ballantyne Street	THORNBURY	\$4,273.00
136 Collins Street	THORNBURY	\$4,200.00
144 Smith Street	THORNBURY	\$4,596.00
156 Dundas Street	THORNBURY	\$4,754.00
178 Normanby Avenue	THORNBURY	\$3,172.00
2/53 Collins Street	THORNBURY	\$3,108.00
2/77 Collins Street	THORNBURY	\$2,867.00
22 Alston Street	THORNBURY	\$4,381.00
223 Gooch Street	THORNBURY	\$4,548.00
289 Rossmoyne Street	THORNBURY	\$3,058.00

Property address		Cost
297 Clarendon Street	THORNBURY	\$4,538.00
3/109 Fyffe Street	THORNBURY	\$4,273.00
30 Jones Street	THORNBURY	\$4,273.00
30 Lewis Street	THORNBURY	\$2,803.00
347 Rossmoyne Street	THORNBURY	\$4,273.00
363 St. Georges Road	THORNBURY	\$2,867.00
4/109 Fyffe Street	THORNBURY	\$4,273.00
42 Ethel Street	THORNBURY	\$3,489.00
57A Spencer Street	THORNBURY	\$3,995.00
71 Keon Street	THORNBURY	\$4,357.00
76 Normanby Avenue	THORNBURY	\$3,058.00
83 Miller Street	THORNBURY	\$3,157.00
		\$351,797.00

6.3 SURPLUS STATE GOVERNMENT LAND – 45 MERRI PARADE, NORTHCOTE (VICTRACK RAILWAY LOT 34)

Author: Manager Assets and Properties

Reviewed By: Director Assets and Business Services

Report Background

This report provides Council with an update on negotiations with VicTrack regarding surplus VicTrack land at 45 Merri Parade, Northcote which had been offered to Council through the Victorian Government's First Right of Refusal process.

Previous Council Resolution

At its meeting held on 15 October 2015, Council resolved that:

"The Chief Executive write to the Chief Executive Officer of VicTrack and that the Mayor write to the local Members of Parliament and the Minister for Planning and the Minister for Environment, Climate Change and Water to:

- a. Request the Victorian Government consider declaring surplus VicTrack land at 45 Merri Parade as a Crown Reserve*
- b. Offer Council's services as Committee of Management for that land"*

and that:

"Council receive a report on the progress of negotiations for the gifting of land or protection of land for open space at the following sites:

- b. 45 Merri Parade, Northcote".*

Previous Briefing(s)

Councillor Briefing – 14 June 2016

Council Plan Goal/Endorsed Strategy

Goal – Vibrant City and Innovative Economy

- Promote an innovative, vibrant and thriving economy with physical infrastructure that is both well maintained and appropriately regulated

Summary

Council had previously received a report outlining notification via the Victorian Government's First Right of Refusal (FROR) process that a parcel of VicTrack owned land adjoining the Merri Creek at the corner of St Georges Road and Merri Parade in Northcote had been determined to be surplus to VicTrack's requirements. This surplus land was offered to Council, Victorian Government departments and the Commonwealth Government on a first right of refusal basis prior to being offered for private sale to the public. Only Council registered an interest in acquiring the land.

The land was assessed using the Darebin Property Management Strategy's Decision Logic Map (**Appendix A**). The assessment has identified the land as being clearly required for public purposes and capable of providing ongoing strategic value however the \$1.5M valuation offered by VicTrack was considered excessive. On the basis of this assessment Council resolved to advocate for the land to become a crown reserve with Council as committee of management. The Department of Environment, Land, Water and Planning nor Melbourne Water have both advised Council that they did not support such a proposal.

Following community interest in the matter, VicTrack declared that they would not sell the land to developers and would find a way to work with Council to preserve this land for future community use. VicTrack (in conjunction with Council) subsequently issued joint valuation instructions to the Valuer General noting that, if the land were to be sold, it would be sold on the condition that it remains open space. A revised valuation was obtained which valued the land at \$500,000 (approx. 7.25% of the market value of the land as a residential development). VicTrack has also offered Council an alternative opportunity to enter into a five-year community lease for the land at a cost of \$300 per annum.

The lease option, whilst inexpensive, does not guarantee that the land would be protected for any longer than the term of the lease, currently five years. Council's advocacy efforts have been successful in gaining some concessions from VicTrack, however if continued, they are unlikely to result in permanent protection of the land at no cost to Darebin ratepayers and may damage our present positive relationships with VicTrack and the state government. This report recommends that Council accept VicTrack's offer of sale for the land in order to preserve the open space values of the creek environs and also to permanently protect this valuable landmark site from future development.

Recommendation

That Council:

- (1) Acquire Lot 1 on TP861393K, Certificate of Title Volume 4333, Folio 531 (also known as 45 Merri Parade, Northcote) from VicTrack for an amount no greater than \$500,000, plus costs.
- (2) Make arrangements for the funds to be transferred from the Open Space Reserve during the 2016/17 financial year to enable the purchase of surplus VicTrack land at 45 Merri Parade, Northcote.
- (3) Write to the local Members of Parliament, the Minister for Environment and the Chief Executive Officer of VicTrack thanking them for their assistance in preserving the section of the Merri Creek at the intersection of St Georges Road and Merri Parade for future generations and protecting this landmark site from inappropriate development.

Introduction

Victorian Government Surplus Land Process

The Victorian Government endorsed the *Victorian Government Landholding Policy and Guidelines* in early 2015. The policy states that Victorian Government agencies must only hold land where state ownership of that land contributes directly to current or future service delivery outcomes. The policy and guidelines require Victorian Government departments and authorities to undertake strategic assessments of their property portfolios and provide annual reporting to the Department of Treasury and Finance (DTF) on property utilisation, including identifying parcels which are considered surplus.

The *Victorian Government Landholding Policy and Guidelines* introduces amendments to the process for notification and offering surplus land to local governments. The process features concurrent notification for local, state and federal governments and provides a 60 day period for response (see outline below).

- Upon declaring land surplus to agency requirements, Victorian Government agencies give notice of the surplus land to the DTF
- DTF provides email notification to Victorian Government agencies, local government and the Commonwealth Government of the surplus land
- All other Victorian Government agencies, local government and the Commonwealth Government have a period of 60 days from the date of notification by the Department of Treasury and Finance in which to submit an expression of interest to acquire the surplus land for a public or community purpose
- If an expression of interest is not received within 60 days, the disposing agency may proceed to dispose of the surplus land by public process in accordance with the Victorian Government Land Transactions Policy
- If an expression of interest is received within 60 days, the parties are required to negotiate in good faith to attempt to agree on the terms of sale within 30 days after the close of the expression of interest period (or such other period as may be agreed between the parties)
- If the terms of sale are not agreed between the parties, the disposing agency may proceed to dispose of the surplus land by public process in accordance with the Victorian Government Land Transactions Policy
- If the terms of sale are agreed between the parties, transfer of the surplus land may proceed according to the agreed terms, at a price equal to the current market value of the land as determined by the Valuer-General Victoria
- The landholding Minister may approve the sale of land for a community purpose at a price less than the current market value of the land as determined by the Valuer-General Victoria
- If more than one expression of interest is received in respect of surplus land, expressions of interest by Victorian Government agencies will take precedence over other expressions of interest.

First Right of Refusal for 45 Merri Parade, Northcote

Council received notification via email that a parcel of land owned by VicTrack at 45 Merri Parade had been declared surplus to Victorian Government requirements in April 2015.

VicTrack were advised in May 2015 that Council would be interested in acquiring the land. VicTrack received no other expressions of interest in the land from other government departments or agencies.

VicTrack and Council worked through a process of issuing joint instructions to the Valuer General to obtain a valuation for the land. The land was initially valued partially as open space and partially as developable land. The first valuation by a contracted valuer engaged by the Valuer General came in at \$1.7M (Charter Keck Cramer, June 2015). At the value was greater than \$750,000, VicTrack requested that a second 'check' valuation be undertaken. The second valuation (from another contracted valuer) arrived at a value of \$1.4M (MSV, July 2015) for the land using a slightly different methodology. As the difference between the two values was significant (\$300,000) a valuers' conference was held to arrive at an agreed value for the site. The valuers' conference arrived at a value of \$1.5M (August 2015) for the 6,972m² site.

This was reported to Council in October 2015 and Council resolved to request the state government to declare the area a crown reserve and provide Council with committee of management over the land.

Issues and Discussion

Request for Crown Reserve Status

Letters were sent to local Members of Parliament and the Chief Executive Officer of VicTrack requesting declaration of the land as a Crown Reserve due to the land's state significance as part of the Merri Creek corridor. Input was also sought from government departments who might have an interest in acquiring/protecting the land from development.

Melbourne Water advised that:

"After due consideration we've concluded that Melbourne Water has no driver to support purchasing the allotment in question. Further to this we advise that:

- a) *the land is encumbered by LSIO*
- b) *MW would pursue development restrictions beyond the LSIO to protect amenity values along this reach."*

The Department of Environment, Land, Water and Planning (DELWP) declined to purchase the land for a crown reserve noting that:

"The Department deemed the land was more suitable in council's ownership given the surround land is already owned and managed by the council";

and

"DELWP does not have funds available for such purchases and is unable to consider buying this land."

Community Interest and VicTrack's New Approach

Community interest in the matter grew from October 2015 and appeared to reach a peak around February 2016 with several media enquiries being made to both Council and VicTrack in relation to the land. VicTrack were quoted in one newspaper article stating that it *"is not seeking a public sale of surplus land at Merri Parade"* and that it *"recognises the informal use of the land as part of the wider public park and open space network and supports its protection as a public asset now into the future for the benefit of the community"*. The article further reported that VicTrack claimed that if it could not reach a sale agreement with Council then it would offer a lease to formalise community use of the land.

Revised Valuation

In February 2016 VicTrack and Council issued joint instructions to the Valuer General seeking a new valuation for the land on the basis that a restricted title would be provided to ensure that the land can be only used for open space. The revised valuation was for \$500,000 (Charter Keck Cramer, May 2016). This valuation presupposes that the land has an underlying value of \$1,000/m² which is then discounted due to encumbrance to a value that was 7.25% of the unencumbered value (about \$75/m²).

The previous valuations had assumed that approximately 1,300m² of the site's 6,972m² was developable and therefore would not be receive an open space discount, correspondingly increasing the value of the whole parcel of land.

Offer of Lease

VicTrack have provided Council with indicative terms for a lease of the land in lieu of a purchase by Council. The lease would be offered for a five year term with an annual fee of \$300 which would increase by 5% each year.

Property Asset Management Strategy and the Decision Logic Matrix

Council adopted a Property Asset Management Strategy (PAMS) in 2014 which seeks to enable strategic decision making and align actions relating to property assets to Council’s broader policy objectives. PAMS provides Council with a basis for achieving a sustainable property portfolio capable of generating enhanced community outcomes.

PAMS contains a Property Management Framework (Figure 1) which depicts a methodology for municipal decision making which is founded on service needs and is responsive to budgetary implications.

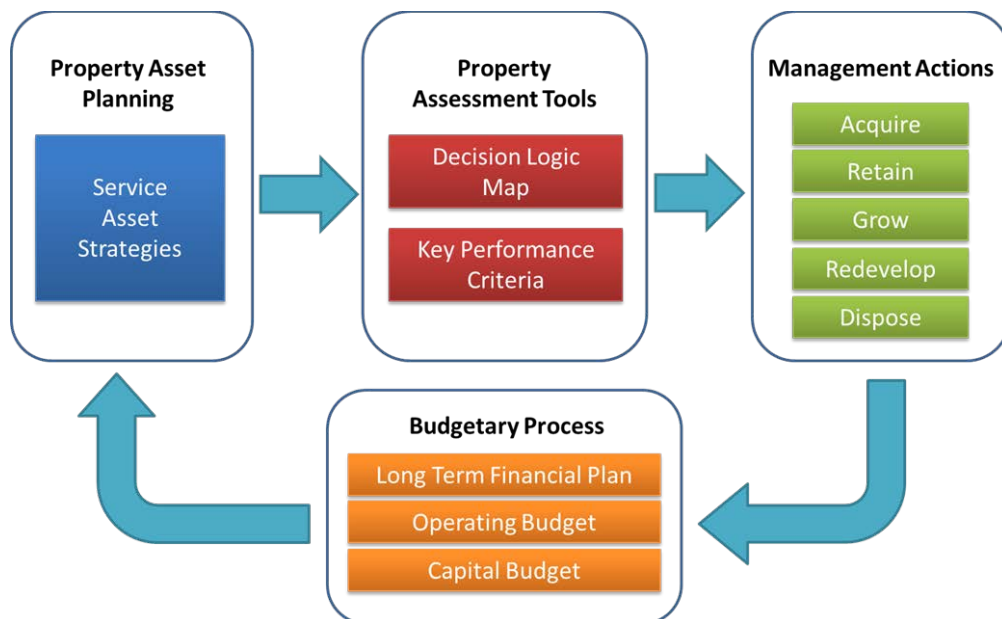


Figure 1- Property Management Framework

A vital element of the Property Asset Management Strategy is the Decision Logic Map (refer to **Appendix A**) which asks a series of key questions in order to arrive at one of four hold points – Dispose, Maintain, Grow or Redevelop as shown in Figure 2.

		Service Provision	
		High	Low
Development Potential	High	<p>Grow</p> <p>(Council undertakes actions to develop the property or transform existing use)</p>	<p>Redevelop</p> <p>(partnership with other parties to develop property or transform existing use)</p>
	Low	<p>Maintain</p> <p>(business as usual)</p>	<p>Dispose</p> <p>(Council sells the property)</p>

Figure 2- Decision Logic Matrix

The Decision Logic Tool assessment for this site is contained in **Appendix B**. The assessment places the site in the **Maintain** quadrant (on the assumption that the land is

already providing municipal service), noting that the land is clearly required for public purposes and would provide ongoing strategic value. The assessment process now requires input from Council to balance outcomes and resources to determine if the proposed management action is appropriate.

Options for Consideration

Option 1 – Do Nothing (not recommended)

Council could resolve to take no action in relation to the offers for sale or lease of this land.

It is unclear what VicTrack would do in this situation as they have publicly stated that the land would not be sold to developers. Pursuit of this action would expose Council to both political and environmental risks relating to the uncertainty about the future of the land.

Option 2 – Purchase the land (recommended)

Council may resolve to accept VicTrack's offer of sale for the current market valuation of \$500,000.

Funds for the purchase of the land could be transferred from the Open Space Reserve without amendment to the 2016/17 budget. Once purchased, the land would continue to provide the same level of service at the same cost to Council as it does at present. This option would permanently protect the land.

The valuation has been undertaken on a basis of Council accepting restrictions upon the title to the land which would prevent Council from ever using the land as anything other than open space (e.g. no development of the land as housing in the future).

There is a risk that if Council were to purchase the land, some sections of the community may see this as inappropriate due to the land being considered already 'public land' and therefore the expenditure of public funds to preserve it would be unnecessary.

Option 3 – Lease the land

Council could resolve to accept VicTrack's offer of lease for land over a five year term.

The lease would have a total cost of approximately \$1,660 over five years (\$300 per annum increasing at 5% per annum) which is able to be covered within existing allocations. Once leased, the land would continue to provide the same level of service at the same cost to Council as it does at present.

This option would temporarily protect the land. No indications have been forthcoming from VicTrack as to the future of the land beyond the five year term of the lease. This option leaves a possibility open for a future government or a differently-oriented VicTrack to consider sale of the land to private interests for development of the 1300m² flat area at the corner of St Georges Road and Merri Parade. Council may consider requesting VicTrack to provide a longer term lease for the land.

State government policy forbids the granting of a lease with an option to purchase. Should Council decide to purchase the land at some point in the future, a new valuation would need to be undertaken to arrive at the current market value for that time.

Should Council choose to resolve to enter into a lease for the land, the following wording would be proposed:

'That Council:

- 1) *Authorise officers to enter into a lease arrangement with VicTrack for land at 45 Merri Parade with the intention of providing open space and transport services and protecting the Merri Creek environs from encroachment by inappropriate development during the period of the lease.*
- 2) *That negotiations with VicTrack for lease of land at 45 Merri Parade, Northcote, include request for a term longer than 5 years.*
- 3) *Write to the local Members of Parliament, the Minister for Environment and the Chief Executive Officer of VicTrack thanking them for their assistance in obtaining a positive outcome for the local community.'*

Option 4 – Continue advocacy

Council could continue its advocacy role via local politicians and the community with the intention of seeking permanent protection for the land at no cost to Council (and the ratepayers of Darebin).

The two offers that VicTrack has provided Council (to either purchase at \$500,000 or lease at \$300/year) likely represent the best possible outcome that could be gained within the Victorian Government's land sales policy and guidelines framework.

Provision of the land to Council at no cost or the permanent reservation of the land as open space would require direct Ministerial involvement. Such direct intervention would be contrary to established Victorian Government policies and guidelines, be unprecedented and would likely have ramifications to other sales of government land in other municipal areas.

Financial and Resource Implications

Council currently spends approximately \$5,000 per annum providing for path maintenance, grass mowing and weed control at the subject site. Some minor maintenance may be undertaken in the area by the Merri Creek Management Committee, but this is likely to be of a lesser order. The slope on the creek embankment makes safely working in the area difficult and as a result only minimal maintenance is undertaken.

Should Council resolve to purchase the land from VicTrack, funds for the purchase could be drawn from the Open Space Reserve. These funds, collected from developers via the Subdivision Act, are available to be spent on purchasing or improving land set aside as public open space:

“(2) The Council must use any payment towards public open space it receives under this Act or has received under section 569B(8A) of the Local Government Act 1958 but has not applied under sub-section (8C) of that section or the proceeds of any sale of public open space to—

(a) buy land for use for public recreation or public resort, as parklands or for similar purposes; or

(b) improve land already set aside, zoned or reserved (by the Council, the Crown, a planning scheme or otherwise) for use for public recreation or public resort, as parklands or for similar purposes”[Subdivision Act 1988, S 20(2)]

Provided that there are sufficient funds available, the Open Space Reserve may be drawn from by Council at any point during the financial year without requiring a revised budget to be created.

In a purchase situation, Council would not be liable for stamp duty, but would be required to pay other statutory costs associated with the transfer of land. These costs are estimated at less than \$500 and would be covered within operational funding in the 2016/17 budget.

Should Council resolve to take up a lease for the land, the ongoing costs of the lease (\$300 per year for five years increasing at 5% per year) would be covered within operational funding allocations. Review of the draft lease agreement by Council's lawyers may cost in the order of \$2,500, again which could be funded through existing operational allocations.

Council contributed 50% of the cost of the most recent (re)valuation of the land – a cost of \$3,400 to Council. VicTrack have arranged with the Valuer General to keep this valuation current until the end of July to enable Council the opportunity to consider the purchase of the land at this meeting. Should Council consider deferring the acquisition of this land, whether by a year or until the end of the lease, a new valuation would be required to be undertaken, of which Council would be expected to fund at least half.

Risk Management

Risks associated with each option are discussed in the option analysis.

Policy Implications

Economic Development

There are no factors in this report which impact upon economic development.

Environmental Sustainability

Whilst it is generally understood that the land which is the subject of this report is required for municipal purposes in part due to its high environmental value, there are no factors in this report which would impact upon environmental sustainability.

Human Rights, Equity and Inclusion

There are no factors in this report which impact on human rights, equity and inclusion.

Other

There are no other factors which impact on this report.

Future Actions

- Write to VicTrack
- Write to local Parliamentarians and Minister for Environment
- Land transfer process and receipt of title

Consultation and Advocacy

- Assets and Properties
- Parks and Vegetation
- Transport
- City Development
- Communication and Marketing
- Finance
- VicTrack
- Melbourne Water
- Department of Environment, Land, Water and Planning
- Local Members of Parliament
- Minister for Environment

Related Documents

- Decision Logic Map (**Appendix A**)
- Assessment, 45 Merri Parade, Northcote (VicTrack Railway Lot 34) (**Appendix B**)
- Property Asset Management Strategy, Darebin City Council, 2014
- Victorian Government Land Transactions Policy and Guidelines, Victorian Government, 2016
- Victorian Government Landholding Policy and Guidelines, Victorian Government, 2016
- Open Space Strategy, Darebin City Council, 2007
- Creek Acquisition Study, Darebin City Council, unpublished
- “VicTrack confirms support for Merri Creek parkland as public space”, Northcote Leader, 9 February 2016
- *Subdivision Act 1988*

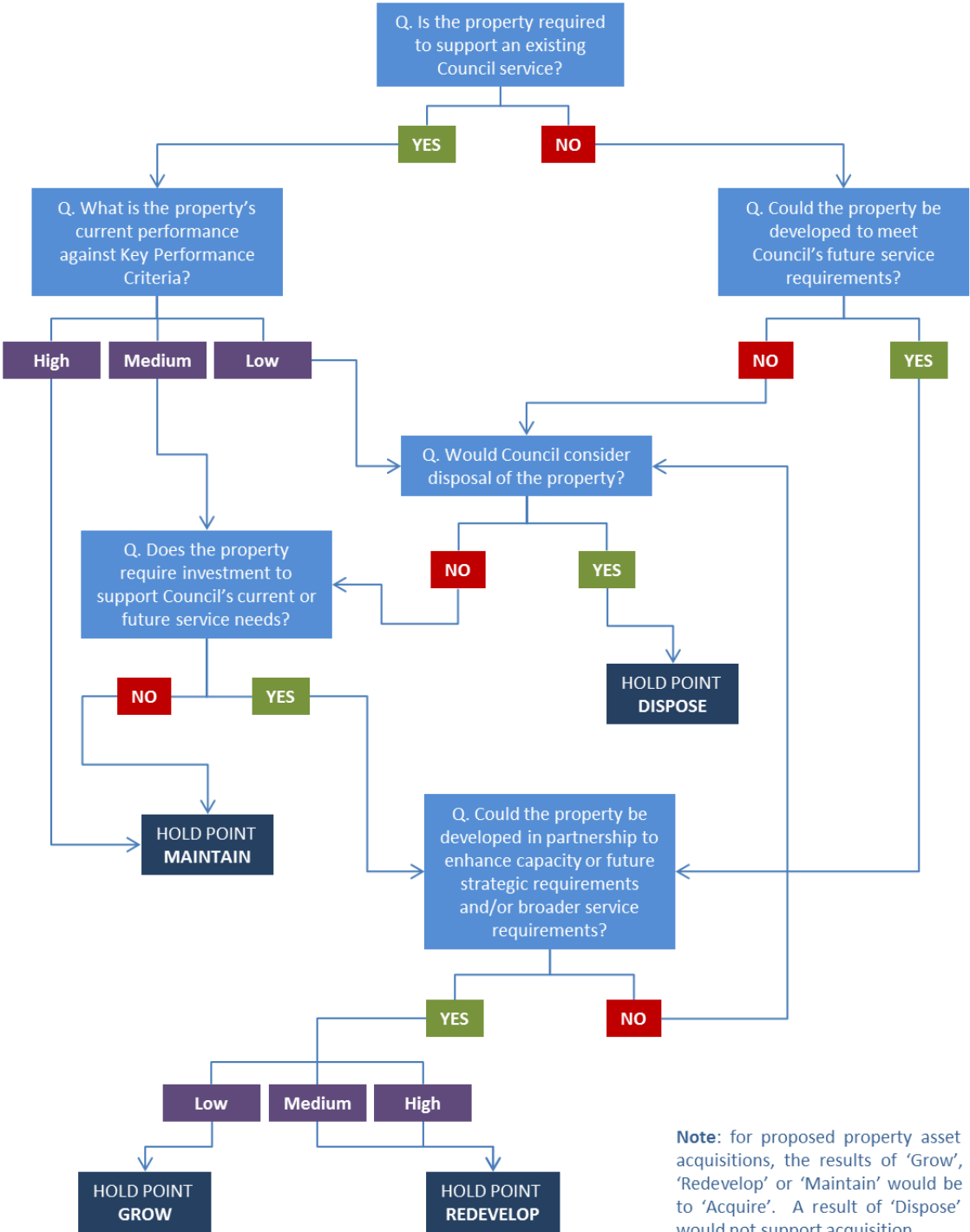
Disclosure of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Decision Logic Map

Property Asset Management Strategy



Note: for proposed property asset acquisitions, the results of 'Grow', 'Redevelop' or 'Maintain' would be to 'Acquire'. A result of 'Dispose' would not support acquisition.

45 Merri Parade, Northcote (Railway Lot 34 Merri)

This site has been managed by Council as part of a collection of land parcels located on the eastern side of St Georges Road adjoining the Merri Creek.

Lot 1 on Title Plan 861393K on Certificate of Title Volume 4333 Folio 531 is owned by Vic Track. It has a street address of 45 Merri Parade, Northcote (the Land) and a site area of 6,972 square metres.

The land is known as Merri Creek Reserve and is identified in Council's Open Space Strategy as 'neighbourhood park'. It was originally established to extend the Merri Creek corridor to the road frontage which now provides the community with formal and informal conservation and recreational open space opportunities. Council has undertaken significant plantings and constructed pedestrian/bicycle links on the land.

The aim of Creek Acquisition Study was to achieve a publicly owned linear open space corridor along its creek boundaries. The Study only identified privately owned land for acquisition. The Study did not consider the possibility that publicly owned land along the creek would be sold and so did not contain any recommendations or actions in relation to securing/acquiring open space land that was already publicly owned.

VicTrack had assessed the land as surplus to their needs through the Victorian Government's First Right of Refusal process.



Diagram 1 - Site Map of 45 Merri Parade

Land Zoning and Planning Scheme Protections

The land is zoned for public park and recreation (PPRZ) and has a number of overlays or sensitivities that apply to the Land including:

- Development Contribution Plan Overlay (DCPO)
- Environmental Significant Overlay (ESO1)
- Land Subject to Inundation Overlay (LSIO)
- Aboriginal Cultural Heritage Sensitivity

The land is also subject to various encumbrances for the purpose of drainage and sewerage and the transmission of electricity.

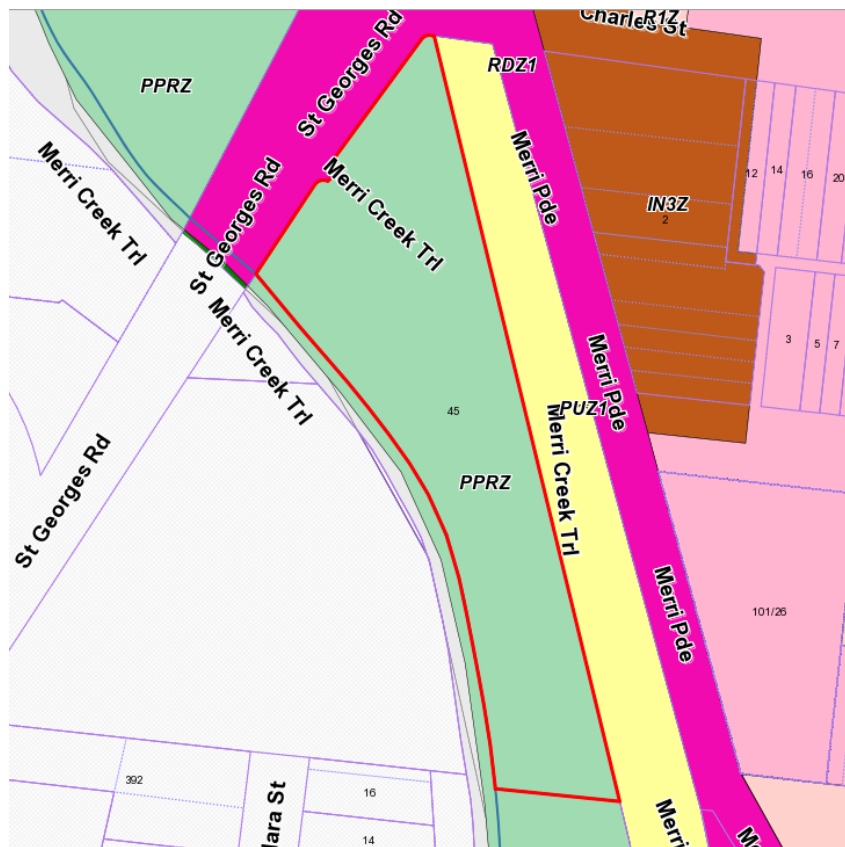


Diagram 2 – Zoning

Market Valuation

- In conjunction with VicTrack, Council provided the Valuer-General with a joint request for a valuation based on the ongoing use of the land for open space purposes.
- The current market valuation of the Land is **\$500,000**.

Decision Logic Map Assessment

Q1 – Is the property required to support an existing Council service?

YES – This land is required for two services:

- Transport - Council has a bicycle path running through the land which is part of the Merri Creek Trail.
 - Darebin Cycling Strategy identifies the path as a “Key Cycling Corridor” and notes that it is “Existing High Quality”.
 - Merri Creek Trail Review notes a path in this location.
- Open Space
 - The land forms part of Merri Creek Reserve which has been identified in Council’s Open Space Strategy as a ‘neighbourhood park’ with a primary use of conservation parkland. It is part of a cluster of parcels of land that adjoin the Merri Creek corridor.
 - The Open Space Strategy notes there are opportunities to further improve the quality of open space in the Northcote precinct including accessing VicTrack land.
 - The Open Space Strategy notes a need to review “land ownership in the creek corridors to ensure there is a continuous ecological and recreation corridor”.
 - The Creek Acquisition Study did not identify the need to acquire this land as it was publicly owned. The Creek Acquisition Study did not consider the possibility that publicly owned land along the creek would be sold in the future.
 - The Merri Creek and Environs Strategy identifies the Land as part of a major linkage space for its green corridor.

Q2 – What is the property’s performance against Key Performance Criteria?

At this stage a formal set of performance measures have not been developed for the performance indicators outlined in the Property Asset Management Strategy. The development of such indicators will require gathering of performance data on all of Council’s land holdings in order to establish appropriate benchmarks.

Additionally, the performance indicators assume that a method of converting an assessment of community benefit and natural environmental benefits to a dollar value has been established in order to fairly assess the benefit provided across a number of property assets within a given class of property assets. Such measures are also yet to be developed. Notwithstanding this, a preliminary assessment of the land has identified the following:

Item	Performance Indicator	Measure	Comment
Financial	Maintenance Expenditure	\$5,000 p.a. \$0.71/m ² p.a.	Maintenance costs for path maintenance and parkland maintenance including grass mowing and weed control.
	Capital Works Expenditure	\$0	No capital works required at this stage.
Utilisation	Usage	Medium	Estimated use of the path is medium given its proximity and location being close to the City. The path could be redesigned if the land could not be secured by Council. The parkland provides an important conservation link along the Merri Creek.
Condition	Condition Rating		Works were undertaken in 2007 to repair displaced sections of path. Condition of the path is likely to be affected by ground movement and general wear and tear from traffic.
	Remaining Useful Life	20-30 years	Minor repair works are likely to be required every 5 years.
Suitability & Sufficiency	Funding required to make fit for purpose	\$0	No works are required to make land fit for purpose.
Community	Value of Community Benefits	High	Community benefit is estimated to be high based on the location and estimated levels of community use.
Environment	Value of Natural Environmental Benefits	High	Environmental benefit estimated to be high based on the size of the land and its relationship to the creek.

MEDIUM – Based on average cost of maintenance, medium usage and high environmental benefit, the land has been assessed as having a ‘medium’ level of performance.

Q4 – Does the property require investment to support Council’s current or future service needs?

NO – At this stage no further capital investment would be required to develop this land to support current service requirements.

HOLD POINT – MAINTAIN

After undertaking a review of the property using the Decision Logic Map, it is clear that the land is required for public purposes and provides ongoing strategic value.

6.4 SURPLUS STATE GOVERNMENT LAND – 48 RONA STREET, RESERVOIR (MELBOURNE WATER)

Author: Manager Assets and Properties

Reviewed By: Director Assets and Business Services

Report Background

This report provides Council with an update on negotiations with Melbourne Water with regard to surplus Melbourne Water land at 48 Rona Street, Reservoir which has been offered to Council through the State Government's First Right of Refusal process.

Previous Council Resolution

At its meeting held on 15 October 2015, Council resolved that:

"The Chief Executive write to the Chief Executive Officer of Melbourne Water and that the Mayor write to the local Members of Parliament to request review of the offer of surplus Melbourne Water land at 48 Rona Street, Reservoir (with a view to gifting the land to Darebin City Council) which is required by Council as open space to address a strategic deficiency in playspaces within the local area."

And that:

"Council receive a report on the progress of negotiations for the gifting of land or protection of land for open space at the following sites:

a. 48 Rona Street, Reservoir"

Previous Briefing(s)

Councillor Briefing – 14 June 2016.

Council Plan Goal/Endorsed Strategy

Goal – Vibrant City and Innovative Economy

- Promote an innovative, vibrant and thriving economy with physical infrastructure that is both well maintained and appropriately regulated

Summary

Council had previously received a report outlining notification via the Victorian Government's First Right of Refusal (FROR) process that a parcel of Melbourne Water owned land in Rona Street, Reservoir had been determined to be surplus to Melbourne Water's requirements. This surplus land was offered to Council, Victorian Government departments and the Commonwealth Government on a first right of refusal basis prior to being offered for private sale to the public. No other government department registered an interest in the land.

The land was assessed using the Darebin Property Management Strategy's Decision Logic Map (**Appendices A and B**). The assessment has identified the land was located in a position which would enable Council to fill a strategic gap in the playspace network, however the residential use valuation of \$1.25M for 1,268m² of land was considered to be excessive and not value for money, particularly given Council's intent to utilise the land as open space. On the basis of this assessment Council resolved to request Melbourne Water to review their declaration of the land as surplus with a view to Melbourne Water gifting the land to Council.

Melbourne Water have subsequently advised that they are bound by the Victorian Government's land policies and guidelines, which requires them to sell surplus land at current market value. As an alternative to purchase of the land at 48 Rona Street, Melbourne Water have provided Council with an option to provide playspace in this area by offering a long-term community lease over the adjacent pipe track land (**Appendix C**) – an open space that is approximately 15m wide and 120m long (1,800m²). This area is considered to be large enough to place a playground, whilst avoiding the underground Melbourne Water pipes.

Melbourne Water have also presented an option to extend the offer of a long term community lease for the land adjacent to 48 Rona Street to the entire pipe track from railway line next to the reservoirs in the north diagonally down to Elizabeth Street in the south – spanning a distance of approximately 2.2km (refer to **Appendix D**).

Should the land at 48 Rona Street not be acquired for municipal open space, Melbourne Water has advised that it is their intention to sell the land on the open market to a private developer. Given the unusual shape of the 1,200m² site and the underlying GRZ2 zoning, it is likely that the land would become a multi-storey multi-unit development. As the land is currently zoned as PUZ1 a planning scheme amendment would be required to change the zone. It is likely that such an amendment would be made via the state government's Fast Track Government Land Service.

Recommendation

That Council:

- (1) Authorise officers to enter into a long-term community-based lease arrangement with Melbourne Water for section of the Yan Yean pipe track between Rona and Cameron Streets in Reservoir with the intention of providing neighbourhood playspace and otherwise making the land available for use by the general public.
- (2) Refer sufficient additional funding to the 2017/18 budget to allow for the increased maintenance costs of the land and playspace equipment.
- (3) Refer funding for the construction of a neighbourhood playspace within the Yan Yean pipe track between Rona and Cameron Streets in Reservoir to the 2017/18 capital works program for funding consideration.
- (4) Write to the local Members of Parliament, the Minister for Water and the Managing Director of Melbourne Water thanking them for their assistance in obtaining a positive outcome for the local community.

Introduction

Victorian Government Surplus Land Process

The Victorian Government endorsed the *Victorian Government Landholding Policy and Guidelines* in early 2015. The policy states that Victorian Government agencies must only hold land where state ownership of that land contributes directly to current or future service delivery outcomes.

The policy and guidelines require Victorian Government departments and authorities to undertake strategic assessments of their property portfolios and provide annual reporting to the Department of Treasury and Finance (DTF) on property utilisation, including identifying parcels which are considered surplus.

The *Victorian Government Landholding Policy and Guidelines* introduces amendments to the process for notification and offering surplus land to local governments which was previously contained within Government Land Monitor's *Policy and Instructions for the purchase, compulsory acquisition and sale of land*.

Under the previous process, councils were provided notification after Victorian Government departments/authorities were notified and councils were only provided with 30 days to respond. The new process features concurrent notification for local, state and federal and provides a 60 day period for response (see outline below).

- Upon declaring land surplus to agency requirements, Victorian Government agencies give notice of the surplus land to the DTF
- DTF provides email notification to Victorian Government agencies, local government and the Commonwealth Government of the surplus land
- All other Victorian Government agencies, local government and the Commonwealth Government have a period of 60 days from the date of notification by the Department of Treasury and Finance in which to submit an expression of interest to acquire the surplus land for a public or community purpose
- If an expression of interest is not received within 60 days, the disposing agency may proceed to dispose of the surplus land by public process in accordance with the Victorian Government Land Transactions Policy
- If an expression of interest is received within 60 days, the parties are required to negotiate in good faith to attempt to agree on the terms of sale within 30 days after the close of the expression of interest period (or such other period as may be agreed between the parties)
- If the terms of sale are not agreed between the parties, the disposing agency may proceed to dispose of the surplus land by public process in accordance with the Victorian Government Land Transactions Policy
- If the terms of sale are agreed between the parties, transfer of the surplus land may proceed according to the agreed terms, at a price equal to the current market value of the land as determined by the Valuer-General Victoria
- The landholding Minister may approve the sale of land for a community purpose at a price less than the current market value of the land as determined by the Valuer-General Victoria
- If more than one expression of interest is received in respect of surplus land, expressions of interest by Victorian Government agencies will take precedence over other expressions of interest.

First Right of Refusal for 48 Rona Street, Reservoir

Melbourne Water contacted Council in November 2014 about rezoning a parcel of land in Rona Street, Reservoir which was adjacent to the Yan Yean pipe track. This land was considered by Melbourne Water to be surplus to their needs and a sufficient size (1,268m²) to enable development.

Council received a First Right of Refusal (FROR) notification email from the Department of Treasury and Finance in April 2015 which contained advice that this parcel of Melbourne Water owned land was considered surplus to Victorian Government needs.

Based on a preliminary investigation of the site, with reference to applicable strategic documents, Melbourne Water was advised that Council may be interested in acquiring this land to remain as open space.

Melbourne Water arranged for a valuation to be undertaken through the office of the Valuer General Victoria (VGV). The VGV valuation was based on a residential development scenario and not Council's intended use of the land as open space. The land was valued at \$1.25M in 2015.

Issues and Discussion

Request for Review/Gifting of Land

In December 2015, a letter was sent to the Managing Director of Melbourne Water requesting the land at 48 Rona Street be gifted to Council. Council received a response from Melbourne Water's Chief Financial Officer in January 2016 advising:

“Current Government Policy dictates that if land is deemed surplus to Melbourne Water's future needs it can be sold for no less than the Valuer-General Victoria valuation. Unfortunately the land cannot be transferred to Darebin Council for \$Nil consideration.”

Lease/Licence on Alternative Sites

In reviewing the land following Council's letter in December 2015, Melbourne Water advised that they had identified an area of land that was available which may be used for a playground area that could fill in the gap in the local area's playspace provision. The area identified is directly adjacent to the surplus Melbourne Water land at 48 Rona Street and forms part of the pipe track.



Figure 1- Melbourne Water Land available for lease (shaded in yellow)

This would provide approximately 920m² of land (approx. 14m in width and 60m in length) which could be used for the construction of a playspace.

Alternatively, Council could consider leasing/licencing the whole section of pipe track between Rona Street and Cameron Street which would provide for 1,800m² of land (approx. 14m x 130m). Council's landscape architects have confirmed that a suitable playspace could be located in either of these two spaces, even after allowing for the location of underground Melbourne Water pipes.

Melbourne Water have also offered the option of Council applying for a lease/licence of the entire Yan Yean pipe track from the Melbourne Water reservoirs in High Street diagonally down to Elizabeth Street near the Merri Creek (see Figure 2). This land has been identified as the site for a proposed 'Other Cycling Route' in the Darebin Cycling Strategy 2013-2018.

It is expected that any lease/licence of this land would be under similar conditions to the existing arrangements which allow the bicycle paths along Melbourne Water pipe track reservations in Cheddar Road and St Georges Road.

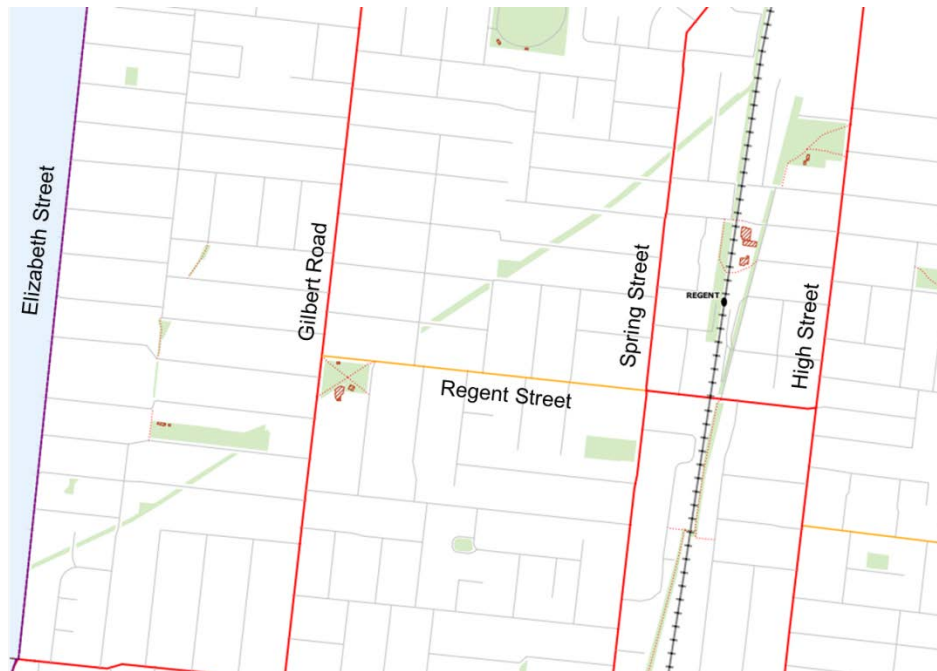


Figure 2- Yan Yean Pipe Track – Reservoir to Elizabeth Street

Property Asset Management Strategy and the Decision Logic Matrix

Council adopted a Property Asset Management Strategy (PAMS) in 2014 which seeks to enable strategic decision making and align actions relating to property assets to Council’s broader policy objectives. PAMS provides Council with a basis for achieving a sustainable property portfolio capable of generating enhanced community outcomes.

PAMS contains a Property Management Framework (Figure 1) which depicts a methodology for municipal decision making which is founded on service needs and is responsive to budgetary implications.

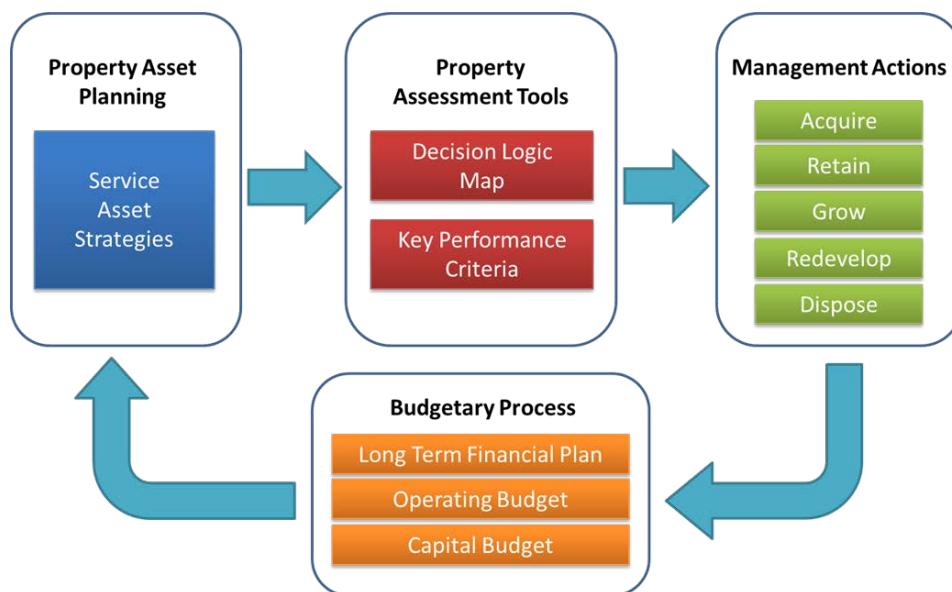


Figure 2- Property Management Framework

A vital element of the Property Asset Management Strategy is the Decision Logic Map (refer to **Appendix A**) which asks a series of key questions in order to arrive at one of four hold points – Dispose, Maintain, Grow or Redevelop as shown in Figure 3.

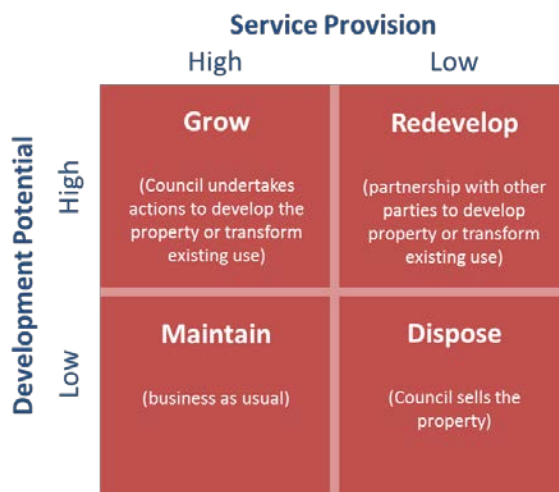


Figure 3- Decision Logic Matrix

have been assessed using service based asset strategies and the property assessment tools to arrive at an appropriate management action.

The Decision Logic Tool assessment for the three options (48 Rona and the land adjacent to 48 Rona) site is contained in **Appendices B and C**. The assessments recommend that Council consider not acquiring 48 Rona (**Dispose**) and taking a lease over the land adjacent to 48 Rona (**Grow**) noting that the land could be developed to address service requirements. The assessment process now requires input from Council to determine which of the proposed management actions would be considered appropriate.

Options for Consideration

Option 1 – Do Nothing (not recommended)

Council could resolve to take no action in relation to the offers for sale or lease for these two Melbourne Water properties.

Melbourne Water have been reasonably patient in allowing Council time to consider its offers for either the purchase of the land or the lease). Should Council, after considering this report, resolve to do nothing or fail to make a resolution on the matter, it is expected that Melbourne Water would take a lack of action to represent a lack of interest and then proceed with their plans to present the land for sale on the open market.

Lack of action could expose Council to a small measure of risk from local residents who may consider this a missed opportunity to fill a gap in the playspace network.

Option 2 – Purchase Land

Council may resolve to offer to purchase the land from Melbourne Water for use as open space.

The previous valuation (\$980,000, July 2015) is now out of date and a new valuation would need to be sought. It is likely that land in the area has increased in value over the past 12 months.

There is also a possibility that the revised valuation may be significantly lower owing to changes in Victorian Government policy regarding the valuation of government land that is to be used for community purposes. The valuation has been undertaken on a basis of Council accepting restrictions upon the title to the land which would prevent Council from ever using the land as anything other than open space (e.g. no development of the land as housing in the future).

Funds for the purchase of the land could be transferred from the Open Space Reserve without amendment to the 2016/17 budget.

Once purchased, the land could continue to provide the same level of service at a slightly increased cost (approx. \$750p.a. to weed and mow) whilst community consultation occurs to determine the cost and nature of the proposed neighbourhood playspace.

There is a risk that if Council were to purchase the land, some sections of the community may see this as inappropriate due to the land being considered already 'public land' and therefore the expenditure of public funds to preserve it would be unnecessary. There is also risk that the public would consider the expenditure of a considerable sum of public monies to secure land for a playspace when long-term leasehold on adjacent land was offered at minimal cost.

Option 3 – Accept Lease (recommended)

Council could resolve to accept Melbourne Water's offer of lease for land.

The cost of the lease is expected to be minimal (able to be covered within existing allocations) and a 20 year term would be sought.

Once leased, the land could continue to provide the same level of service at a slightly increased cost (approx. \$1,500 p.a. to weed and mow) whilst community consultation occurs to determine the cost and nature of the proposed neighbourhood playspace.

There is a risk that some members of the community may consider that Council, in only choosing to lease the land adjacent to 48 Rona Street and not purchasing 48 Rona Street, is missing an opportunity to preserve land which may have been considered by locals to be functioning as open space.

Council may look to lease the longer section of the pipe track in the future to provide for a bicycle path from the reservoirs to Elizabeth Street. It is not recommended that Council look at leasing all of this land at the moment.

Option 4 – Continue Advocacy

Council could continue its advocacy role via local politicians and the community with the intention of seeking transfer of the land at no cost to Council (and the ratepayers of Darebin).

Melbourne Water has clearly stated that they are unable to allow this under current Victorian Government policy.

Provision of the land to Council at no cost or the permanent reservation of the land as open space would require direct Ministerial involvement. Such direct intervention would be contrary to established Victorian Government policies and guidelines, be unprecedented and would likely have ramifications to other sales of government land in other municipal areas.

Financial and Resource Implications

Council is not currently responsible for maintenance of this site. Based on average costs for open space maintenance, it is expected to cost Council in the order of \$750-1,500 per annum to mow and weed spray the land depending on whether Council seeks to acquire the smaller or larger parcel. Should Council acquire either parcel, it is recommended that additional funds be referred to future budgets to ensure that service levels at other locations are not adversely affected.

Should Council resolve to acquire either site, it would be expected that a neighbourhood playspace would be installed upon the land shortly thereafter. It is expected that provision of this level of playspace, plus design and consultation would cost in the order of \$120,000.

Should Council resolve to purchase 48 Rona Street from Melbourne Water, funds for the purchase could be drawn from the Open Space Reserve. These funds, collected from developers via the Subdivision Act, are available to be spent on purchasing or improving land set aside as public open space:

“(2) The Council must use any payment towards public open space it receives under this Act or has received under section 569B(8A) of the Local Government Act 1958 but has not applied under sub-section (8C) of that section or the proceeds of any sale of public open space to—

(a) buy land for use for public recreation or public resort, as parklands or for similar purposes; or

(b) improve land already set aside, zoned or reserved (by the Council, the Crown, a planning scheme or otherwise) for use for public recreation or public resort, as parklands or for similar purposes” [Subdivision Act 1988, S 20(2)]

Provided that there are sufficient funds available, the Open Space Reserve may be drawn from by Council at any point during the financial year without requiring a revised budget to be created.

In a purchase situation, Council would not be liable for stamp duty, but would be required to pay other statutory costs associated with the transfer of land, these costs are estimated at less than \$500 and would be able to be covered with operational funding within the 2016/17 budget.

Should Council resolve to take up a lease for the land, the ongoing costs of the lease would be able to be covered within operational funding allocations. Review of the draft lease agreement by Council’s lawyers may cost in the order of \$2,500, again which could be funded through existing operational allocations.

Should Council consider deferring the acquisition of this land, whether by a year or until the end of the lease, a new valuation would be required to be undertaken, of which Council would be expected to fund at least half.

Risk Management

Risks associated with each option are discussed in the option analysis.

Policy Implications

Economic Development

There are no factors in this report which impact upon economic development.

Environmental Sustainability

There are no factors in this report which impact upon environmental sustainability.

Human Rights, Equity and Inclusion

There are no factors in this report which impact on human rights, equity and inclusion.

Other

There are no other factors which impact on this report.

Future Actions

- Lease negotiation with Melbourne Water
- Letters of thanks to Parliamentarians and the Melbourne Water Managing Director.
- Referral of operating funding to the 2017/18 budget process
- Referral of capital funding to the 2017/18 budget process
- Consultation with the local community on the proposed new playspace
- Construction of playspace in 2017/18 (subject to budget approval)

Consultation and Advocacy

- Assets and Properties
- Parks and Vegetation
- Transport
- Leisure and Public Realm
- City Development
- Finance
- Melbourne Water
- Local Members of Parliament
- Minister for Environment

Related Documents

- Decision Logic Map (**Appendix A**)
- Assessment, 48 Rona Street, Reservoir (Melbourne Water) (**Appendix B**)
- Assessment, Land adjacent to 48 Rona Street (Melbourne Water) (**Appendix C**)
- Property Asset Management Strategy, Darebin City Council, 2014
- Victorian Government Land Transactions Policy and Guidelines, Victorian Government, 2016

- Victorian Government Landholding Policy and Guidelines, Victorian Government, 2016
- Open Space Strategy, Darebin City Council, 2007
- Darebin Cycling Strategy 2013-2018, Darebin City Council, 2013

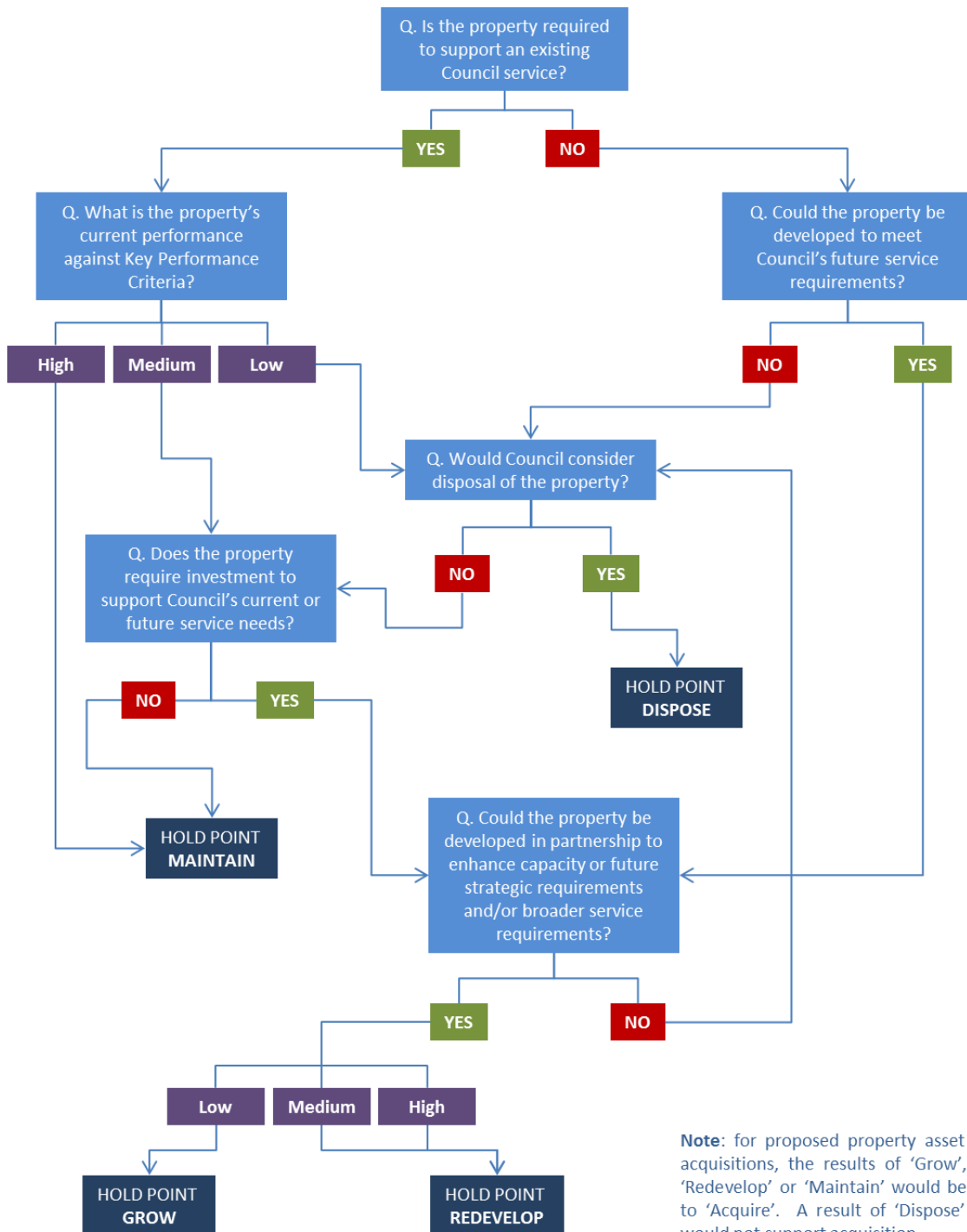
Disclosure of Interest

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The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Decision Logic Map

Property Asset Management Strategy



Note: for proposed property asset acquisitions, the results of 'Grow', 'Redevelop' or 'Maintain' would be to 'Acquire'. A result of 'Dispose' would not support acquisition.

APPENDIX B

48 Rona Street, Reservoir (Melbourne Water)

48 Rona Street is located at the western side of the municipality between Gilbert Road and High Street, Reservoir and has a total land area of approximately 934m². The land is owned by Melbourne Water who, through the State Government, have declared the land surplus to their operating requirements.



Figure B.1 – 2014 Aerial Photo – 48 Rona Street Reservoir

The site forms part of a Melbourne Water pipe track identified in Council's Open Space Strategy as 'linkage open space', providing long, relatively narrow, interconnected open space areas which can serve a variety of purposes including drainage / flood ways, visual buffers and movement corridors (for pedestrians, cyclists, etc.).

The land at 48 Rona Street, which directly adjoins the pipe track, is of a size that would be capable of providing for the development of a neighbourhood park. Furthermore, Council's Playspace Strategy (2010-2020) has identified this general area as having a gap in the provision for residences in that location having 500 metre access to play space. Please refer to Figure B.2 below for further detail.

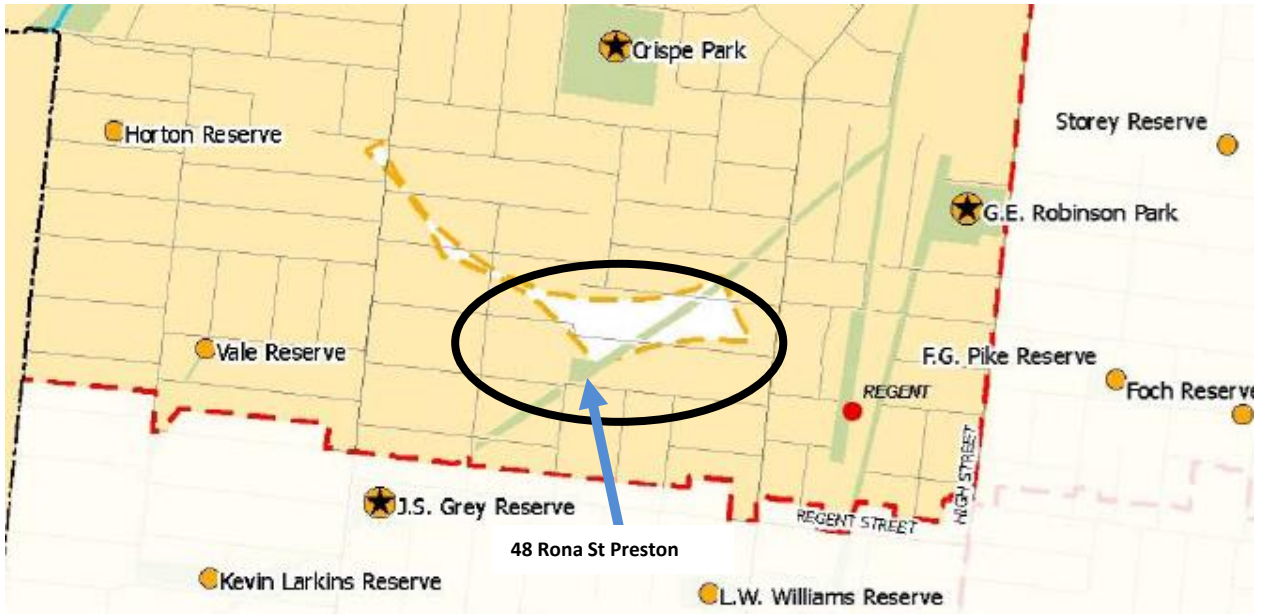


Figure B.2 – Playspace Strategy (2010-2020) – 48 Rona Street Reservoir

Land Zoning and Planning Scheme Protections

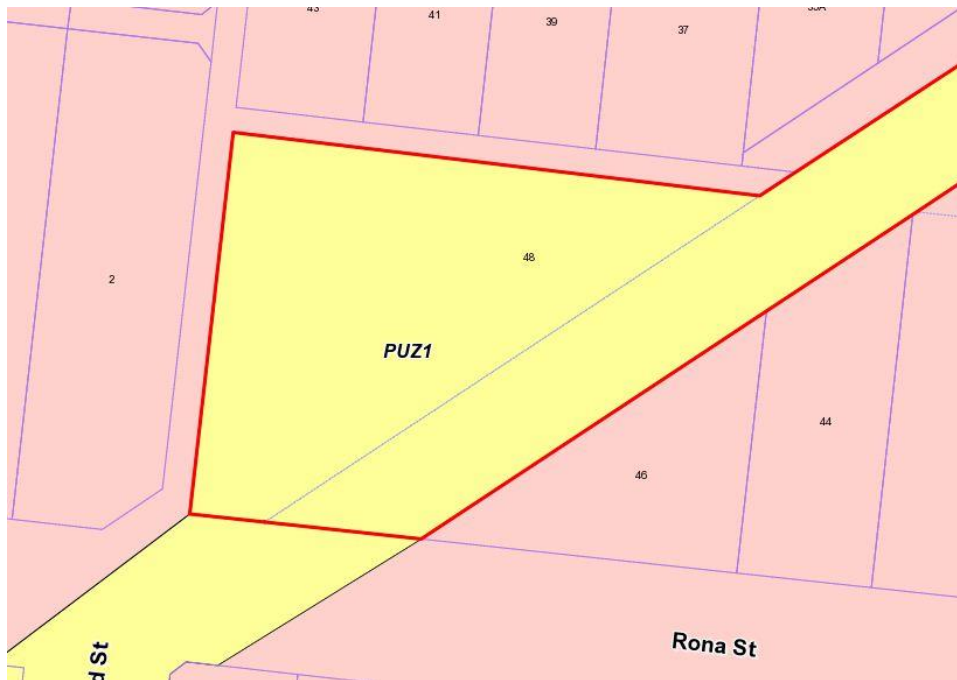


Figure B.3 – Zoning – 48 Rona Street Reservoir

Site 6 is zoned Public Use Zone 1 and is not subject to any planning overlays or easements.

Market Valuation

The most recent market valuation of the land was undertaken in July 2015. The 934m² area of land was valued at \$980,000 by the Valuer General. Earlier discussions with Melbourne Water indicated that they would not agree to the land being sold at a rate less than market value as the land has development potential.

Decision Logic Map Assessment

Q – Is the property required to support an existing Council service?

NO – the land is not required to support an existing Council service.

Q – Could the property be developed to meet Council's future service requirements?

YES – The land is required to support future needs identified in strategic plans of a Council service.

○ Open Space

- The Open Space Strategy recommends that this land be developed as a green corridor providing for residents within 500 metres walkability. This land would provide a safe link to the Reserve and extend the residential catchment for the walkability ratio.
- The Open Space Strategy supports the provision of safe road and pedestrian access to open space areas.

○ Playspace

- The Playspace Strategy identifies this area as having a gap in the provision of play space within 500 metres. This land would eliminate the gap and provide residents with play space within 500 metres.

Q – Could the property be developed in partnership to enhance capacity or future strategic requirements and/or broader service requirements?

NO – Melbourne Water have made it clear that their intention is to offer this land to the private property market if Council is not interested in purchasing the site. Melbourne Water would not be interested or capable of developing this land in partnership with Council. If the land were purchased by Council, Victorian Government land policy and guidelines would prevent Council from developing the land in a commercial partnership. Notwithstanding this, the land is of insufficient size to be developed in partnership in a meaningful way that would both attract investment and deliver sufficient area for a neighbourhood playspace.

Q – Would Council consider non-acquisition of the property?

MAYBE – Melbourne Water have offered a long term community-based lease for the land directly adjacent to the subject site

HOLD POINT – DISPOSE

After undertaking a review of the property using the Decision Logic Map, it is clear that whilst the land could be acquired and developed for municipal purposes, a low/no cost alternative has been offered by Melbourne Water which would meet the identified strategic needs of the Council for the provision of a neighbourhood level play space in this area.

Land Adjacent to 48 Rona Street, Reservoir (Melbourne Water)

The land adjacent to 48 Rona Street is located at the western side of the municipality between Gilbert Road and High Street, Reservoir and has a total land area of approximately 1,900m². The land is owned by Melbourne Water have identified this location as being available to Council for community use.



Figure C.1 – 2016 Aerial Photo – Land adjacent to 48 Rona Street Reservoir

The site forms part of a Melbourne Water pipe track identified in Council's Open Space Strategy as 'linkage open space', providing long, relatively narrow, interconnected open space areas which can serve a variety of purposes including drainage/flood ways, visual buffers and movement corridors (for pedestrians, cyclists, etc.).

Council's Playspace Strategy (2010-2020) has identified this general area as having a gap in the provision for residences in that location having 500 metre access to play space. Please refer to Figure C.2 below for further detail. The land adjacent to 48 Rona Street is sufficiently large enough to allow for the installation of a neighbourhood park.



Figure C.2 – Playspace Strategy (2010-2020) – 48 Rona Street Reservoir

Land Zoning and Planning Scheme Protections



Figure C.3 – Zoning – Land adjacent to 48 Rona Street Reservoir

The site is zoned Public Use Zone (PUZ1) and is not subject to any planning overlays or easements.

Market Valuation

Should Council decide to agree to Melbourne Water's offer of a lease for this land, it is expected that the lease costs would be of a relatively minor nature.

Decision Logic Map Assessment

Q – Is the property required to support an existing Council service?

NO – the land is not required to support an existing Council service.

Q – Could the property be developed to meet Council's future service requirements?

YES – The land is required to support future needs identified in strategic plans of a Council service.

○ Open Space

- The Open Space Strategy recommends that this land be developed as a green corridor providing for residents within 500 metres walkability. This land would provide a safe link to the Reserve and extend the residential catchment for the walkability ratio.
- The Open Space Strategy supports the provision of safe road and pedestrian access to open space areas.

○ Playspace

- The Playspace Strategy identifies this area as having a gap in the provision of playspace within 500 metres. This land would eliminate the gap and provide residents with playspace within 500 metres.

Q – Could the property be developed in partnership to enhance capacity or future strategic requirements and/or broader service requirements?

NO – Melbourne Water have made it clear that their intention is to offer this land to the private property market if Council is not interested in purchasing the site. Melbourne Water would not be interested or capable of developing this land in partnership with Council. If the land were purchased by Council, Victorian Government land policy and guidelines would prevent Council from developing the land in a commercial partnership. Notwithstanding this, the land is of insufficient size to be developed in partnership in a meaningful way that would both attract investment and deliver sufficient area for a neighbourhood playspace.

Q4 – Does the property require investment to support Council's current or future service needs?

YES – Capital investment would be required to develop this land to support future service requirements.

HOLD POINT – GROW

After undertaking a review of the property using the Decision Logic Map, it is clear that the land is required for Council purposes with an appropriate level of investment.

6.5 PLANNING COMMITTEE CHARTER

Author: Manager City Development

Reviewed By: Director Assets and Business Services

Report Background

During 2016, Council's Planning Committee meetings saw an increase in applications that are considered procedural in nature. Traditionally the Planning Committee was established to provide an opportunity for Councillors to review the more significant or controversial planning applications lodged for consideration in the City of Darebin.

This was enabled through officers of Council having delegation to consider all planning applications where 4 or less objections have been received. As described in **Appendix A** the current Planning Committee Charter amongst other criteria is in place to allow the Planning Committee comprising all Councillors to consider planning applications where 5 or more objections have been received. Up until the start of 2016 this proved to be an adequate filter for determining the more significant applications of public interest.

The following statistics show the number of items considered by the Planning Committee during the term of this Council.

- 2013 – 83 applications
- 2014 – 81 applications
- 2015 – 82 applications
- 2016 (to 14 June) – 94 applications

The processing of this increased number of applications, and increased objections has resulted in increased officer workload.

Previous Council Resolution

At its special meeting held on 9 November 2015, Council resolved:

That:

(1) *Council, pursuant to section 86 of the Local Government Act 1989 establish the following Special Committees for the 2015/2016 Council year:*

- *Planning Committee*
- *Hearing of Submissions Committee*
- *Bundoora Homestead Board of Management*

with the purpose, membership, scope of activity and delegated authority as detailed in the respective Committee Charters included in this report.

.....'

Council further resolved that the Planning Committee meet twice monthly and be comprised of all Councillors.

Previous Briefing(s)

Councillors were briefed on this issue at a workshop held on 3 March 2016.

Council Plan Goal/Endorsed Strategy

Open and Accountable Democracy: Provide a ‘whole of organisation’ response in the way we make decisions, develop policy and deliver programs and services; have a clear and transparent rationale for decisions and govern in a transparent and accountable manner in accordance with our Charter of Good Governance.

Summary

This report recommends that the Planning Committee consider to ensure that the more procedural applications be considered under delegation by Council officers.

This is achieved by amending the charter of the Planning Committee. The changes proposed to the Planning Committee Charter propose to maintain the requirement for 5 objections, and add a further requirement that these objections must be received from persons owning or residing at property within 200 metres of the property that is the subject of the application.

Recommendation

That Council amend the Planning Committee Charter to ensure that the delegation requirement for 5 objections or more be further clarified to require the 5 objections to be received from land owners or residents of properties located within 200 metres of the subject property.

Introduction

Decisions by Council as a responsible authority under the Planning and Environment Act (1987) are required to be delivered in a timely and efficient manner, with the Act specifying 60 days as being the time in which a decision is to be made. To facilitate the delivery of the timely assessment of planning applications instruments of delegation are established to ensure more procedural applications are considered by professional staff in preference to the full Council being immersed in operational decision making.

Council’s Planning Committee Charter has been established to ensure that planning applications of public interest are provided the opportunity to be considered by elected representatives as opposed to professional officers. This currently works through the following triggers:

- (1) *To consider and determine the following matters:*
 - (a) *Planning applications which receive five or more objections¹ .*
 - (b) *Planning applications which fail to meet the objectives of adopted Council policy.*
 - (c) *Planning applications which, in the opinion of the Director Corporate and Planning Services in consultation with the Chairperson of the Planning Committee, raise major policy implications and ought to be referred to the Committee for determination.*
 - (d) *Any other applications for major developments or changes of use which, in the opinion of the Director Corporate and Planning Services in consultation with the Chairperson of the Planning Committee, ought to be referred to the Committee for determination.*

¹ For the purpose of this Charter, multiple objections from the same property address are counted as a single objection as is a petition or letter with multiple signatories.

- (e) *Minor amendments to Development Plans which in the opinion of the Director Corporate and Planning Services in consultation with the Chairperson of the Planning Committee, can be determined by the Committee.*

It is important to note that this criteria allows any Councillor through the Chair of the Planning Committee to 'call-up' any application perceived to be of public interest to be decided by the Planning Committee.

Issues and Discussion

Throughout 2016 the Planning Committee has seen a transformation in the predominant type of application that it has been required to decide upon. This has seen a shift from more complex and contentious applications to ones of a more procedural nature. This is evidenced in the following statistics.

- In 2015 25% of the applications considered were 4 or less dwellings on a lot.
- In 2016 up until the meeting of 23 May 2016 this has increased to 64%.

It is contended that there is now a move of the committee away from its prior focus of applications of significance or public interest. During 2016 there have been a range of impacts associated with a two and half time increase in the matters needed to be reported to the Planning Committee.

- A significant workload increase due to the reporting requirements involving Planning administration, professional planning staff, management and Governance staff. The cumulative cost of this additional resource effort including increased stationary, copying and mailing expenses for 2016 will be between \$80,000 and \$100,000 above budget forecasts.
- Council's performance indicators and measures for the time taken to make planning decisions have decreased. This has seen the compliance with the 60 days statutory period reduce from 60% compliance to 50% compliance.
- This delay increases the risk of failure to make a decision appeals at VCAT where Council can be held liable for costs. It is noted that the number of failure appeals to date in 2016 is 3 times higher than for same period in 2015.

There is a way forward to ensure the focus of the Planning Committee is realigned to focus on the more significant planning applications. In assessing the increase in objections received during 2016 there is a discernable increase in objections being received from residents who reside a considerable distance from the land subject of the application.

Whilst these are legally valid objections, when considered against the criteria of Section 57 (2) they fail to adequately demonstrate how the person would be affected if a permit was granted. Typically the effect of a permit being granted is best demonstrated through an impact on the amenity of the person's place of residence or business. This is difficult to adequately demonstrate where the land that is subject of the objection is located a kilometre or more from the objector's residence.

The interests of the community and purpose of the Planning Committee would be best served in considering applications where objectors are largely comprised of residents whose amenity is potentially affected by the granting of the planning permit.

To achieve this it is suggested that the Planning Committee Charter be amended to maintain consideration of application where there are 5 or more objections with the additional requirement being that the 5 objections originate from land owners or occupiers from property within 200 metres of the subject property. This will serve to restore a better balance in the applications that are considered by the Planning Committee.

In making this change the Council should note that any Councillor through the chair of the Planning Committee can request any planning application to be brought before the committee for a decision. This call-up option enables planning applications of interest where there are less than 5 objections to be considered by the Planning Committee.

Options for Consideration

Do Nothing

This option is not recommended as documented in this report.

Amend the Planning Committee as recommended

As detailed in this report.

Financial and Resource Implications

As mentioned in this report the increased reporting obligations to the Planning Committee through 2016 for an annual period is likely to cost up to \$100,000. This includes additional overtime for both Planning and Governance staff in addition to increased copying, postage and stationary costs.

Through the delay in considering planning applications that require reporting to the Planning Committee, Council is risking an increase in appeals to VCAT for failing to make a decision. VCAT regulations have been recently amended to award costs against Council when it fails to make a decision within 60 days. There is no budget to reimburse applicants for failure appeals at VCAT.

This will be ongoing cost above and beyond current and future budgets.

Risk Management

The additional workload imposed on staff through increased reporting commitments to the Planning Committee creates workplace related stress and reputational risk due to the increased processing time for planning applications.

Policy Implications

Economic Development

The increased time taken to consider planning applications that are more procedural in nature has an impact on the investment and project costs for many mum and dad investors who comprise the majority of Darebin's planning applicants.

Environmental Sustainability

The increase in photocopying and the growth in the size of agendas by two and half times is counter to an approach seeking to minimise paper and energy consumption.

Human Rights, Equity and Inclusion

There are no factors in this report which impact on human rights, equity and inclusion.

Other

There are no other factors which impact on this report.

Future Actions

- Amend the Planning Committee charter as recommended.

Consultation and Advocacy

- Maddocks Lawyers
- Governance Staff.

Related Documents

- Planning Committee Charter 2015/2016 (**Appendix A**)
- *Planning and Environment Act (1987)*
- Legal advice from Maddocks
- Presentation to Councillors
- Instrument of delegation to officers under the *Planning and Environment Act (1987)*

Disclosure of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.



Planning Committee Charter

1 Purpose

- (1) A Special Committee appointed, pursuant to section 86 of the *Local Government Act 1989*, to assist Council in decision making on urban planning matters and for dealing with planning permits under section 188 of the *Planning and Environment Act 1987*.

2 Membership

- (1) All Councillors. The Mayor of the Day is the Committee Chairperson.

3 Quorum

- (1) Five Councillors.

4 Meeting Frequency

- (1) Twice monthly, with meetings scheduled by Council.

5 Scope of Activity

- (1) To consider and determine the following matters:
 - (a) Planning applications which receive five or more objections, where the objector owns or resides at a property within 200 metres of the land subject of the planning applications or in the planning officers opinion the objector may be detrimentally affected if a permit is granted.¹
 - (b) Planning applications which fail to meet the objectives of adopted Council policy.
 - (c) Planning applications which, in the opinion of the Manager City Development in consultation and confirmed in writing with the Chairperson of the Planning Committee, raise major policy implications and ought to be referred to the Committee for determination.
 - (d) Any other applications for major developments or changes of use which, in the opinion of the Manager City Development in consultation and confirmed in writing with the Chairperson of the Planning Committee, ought to be referred to the Committee for determination.
 - (e) Minor amendments to Development Plans which in the opinion of the Manager City Development in consultation and confirmed in writing with the Chairperson of the Planning Committee, can be determined by the Committee.

¹ For the purpose of this Charter, multiple objections from the same property address are counted as a single objection as is a petition or letter with multiple signatories.

APPENDIX A

6 Reporting

- (1) The Committee reports periodically to Council on decisions made (planning permits considered) under delegated authority.
- (2) A report on the meetings and activities of the Planning Committee is to be prepared for inclusion in Council's Annual Report.

7 Delegated Authority

- (1) Full delegated authority under section 188 of the *Planning and Environment Act 1987* to determine applications with five or more objections¹.
- (2) The Committee has discretion to refer matters to Council if considered appropriate.
- (3) Where the Planning Committee has not been in a position to reach a decision on a matter, the Manager City Development , in consultation and confirmed in writing with the Chairperson of the Planning Committee, has discretion to refer the matter to a subsequent meeting of Council.

6.6 ESTABLISHMENT OF BATMAN PARK NAMING COMMITTEE

Author: Manager Children Families and Community

Reviewed By: Director Community Development

Report Background

This report seeks Council's endorsement to establish a statutory process to progress the Council resolution 19 May 2014.

Previous Council Resolution

This report is informed by three (3) previous Council resolutions:

16 December 2013:

'That Council:

- (1) Council notes and supports recent calls by Wurundjeri elders and other local Aboriginal leaders to change the name of the Federal seat of Batman, in the spirit of reconciliation.*
- (2) Council commits to working with the Wurundjeri Tribe Land and Compensation Council and the Darebin Aboriginal Advisory Committee and the Australian Electoral Commission to develop and advocate for options for consideration by the Australian Electoral Commission.*
- (3) Council receives a report on the results of consultation with the Wurundjeri Tribe Land and Compensation Council and the Darebin Aboriginal Advisory Committee and the Australian Electoral Commission, along with the process and timeframe for making a submission.*
- (4) Consultation also occur around other relevant locations such as Batman Park.'*

19 May 2014:

'That Council approves the recommended actions and timing outlined in this report relating to the renaming processes of the Batman Electorate and Batman Park.'

19 February 2016:

'That Council note the report and endorse the proposed revised plan outlined in this report to progress the proposal to change the name of the Federal Seat of Batman and Batman Park.'

Previous Briefing

12 May 2014 in relation to the Council report from the Council meeting held on 19 May 2014.

Council Plan Goal/Endorsed Strategy

Healthy and Connected Community

Darebin Aboriginal Action Plan 2012-2017

Darebin Council Place Naming Policy

Summary

This report seeks Council's endorsement to establish the Batman Park Naming Committee ('The Committee') as required under:

1. The Darebin Council Place Naming Policy; and
2. The Geographic Place Names Act 1998.

The Committee will be established at the required juncture to consider each naming proposal and make a recommendation to Council.

Council's endorsement to establish the Committee at this stage anticipates Council's positive disposition towards renaming Batman Park following a comprehensive community consultation process undertaken by Council in conjunction with the Wurundjeri Tribe Land and Compensation Council.

The composition of the Committee will provide Council with a range of community views on each naming proposal and will be supported by technical advice from Council staff.

Recommendation

That Council:

- (1) Endorse the establishment of the Batman Park Naming Committee to advise Council on a recommended name change for Batman Park.
- (2) Endorse the composition of the Batman Park Naming Committee as follows:
 - The Mayor
 - The relevant ward councillors
 - A representative from the Wurundjeri Council
 - A representative from the Darebin Aboriginal Advisory Committee
 - A representative from the local Historical Society or similar community based agency
 - An officer representative from the Property Unit
 - An officer representative from the Community Development Directorate

Introduction

In accordance with the *Geographic Place Names Act 1998*, the *Guidelines for Geographic Names 2010 (Version 2)* and Council's *Road and Place Naming Policy 2003*, Council is able to investigate and determine the naming of places with local significance including suburbs, roads, bridges, bike paths, reserves and parks within the municipality.

Requirements from the current *Guidelines for Geographic Names* of relevance at this investigation stage are:

- Identification and use of Indigenous names is subject to consultation with and an agreement by all relevant Indigenous communities, and consultation should be undertaken prior to any broader public consultation on the proposed name(s). Advice to the naming authority is provided via a consultative group of relevant Indigenous groups.
- The naming of places and features should involve the public, particularly the local community directly concerned or affected. Various means exist to consult with communities. These should be transparent and the interested public involved through processes which are meaningful and informative.

- The level and form of the consultation is left to the discretion of the responsible naming authority and can vary depending on the naming proposal.

Other guidelines focus on limiting the length of names, use of compound names and avoiding duplication of names with other locations in close proximity, for example.

Issues and Discussion

The key issue for Council is that it will need to be satisfied that the community engagement process has been sufficiently robust and inclusive to inform the renaming process and guide any future actions that may emerge around the legacy of the park following the renaming.

The community engagement strategy proposed for the renaming is much more comprehensive than the minimum requirement of Section 223 of the Local Government Act 1989 (the Act) and the Geographic Place Names Act 1998.

The key element to the community engagement is the creation of a narrative to guide the renaming of the park.

A community engagement process will commence in June 2016 to inform the submission process through advocacy and awareness raising. This process will build on previous engagement and link with key dates such as Wurundjeri Week 2016 to re-engage with communities and build a narrative around the story of the Batman Treaty in identifying the significance to Indigenous and non-Indigenous communities within Darebin. The process will also link in with the Batman Masterplan to identify opportunities. Methodologies may include story board, writing project, listening posts and cultural/information events to raise awareness and garner feedback.

The Wurundjeri Tribe Land and Compensation Council has now been approached seeking guidance in relation to naming options and engagement processes. Engagement will be contingent on receiving endorsement from Traditional Owner Groups regarding naming options.

Options for Consideration

Council could choose to establish the Batman Park Naming Committee after receiving a report on the results of consultation with the Wurundjeri Tribe Land and Compensation Council and the Darebin Aboriginal Advisory Committee.

The main disadvantage with this option is that it would extend the project timelines and perhaps diminish community momentum and energy generated through the community engagement process.

Financial and Resource Implications

The costs associated with the project will be managed within existing operational budgets.

Risk Management

The main risk has been outlined in the Issues and Discussion section.

The key issue for Council is that it will need to be satisfied that the community engagement process has been sufficiently robust and inclusive to inform the renaming process and guide any future actions that may emerge around the legacy of the park following the renaming.

Policy Implications

Economic Development

There are no economic development implications from this report.

Environmental Sustainability

There are no environmental sustainability implications from this report.

Human Rights, Equity and Inclusion

Recognition through renaming of the Federal Electorate of Batman and the Park Renaming aligns with Council's commitment to human rights, equity and inclusion commitments to reconciliation and self-determination for Traditional Owners and Aboriginal and Torres Strait Islander communities as articulated in the Darebin Aboriginal Action Plan, Community Health and Wellbeing Plan and Darebin Council Plan.

This project advances reconciliation and recognises the positive impacts on health and wellbeing that increased visibility and recognition will have for Aboriginal communities in Darebin.

The project has applied the Equity and Inclusion Planning process in project design and implementation.

Other

There are no further policy implications from this report.

Future Actions

If the Batman Park Naming Committee is endorsed, community representatives will be sought. Council will be advised on the community representatives via the Councillor bulletin.

Consultation and Advocacy

- Property Manager Assets and Properties
- Coordinator Equity and Diversity
- Human Rights Officer

Related Documents

- Council Minutes – 16 December 2013, 19 May 2014 and 15 February 2016

Disclosure of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

6.7 ARTS STRATEGY 2014-2020 - YEAR 2 PROGRESS REPORT AND THE DAREBIN ARTS AMBASSADORS ADVISORY REFERENCE GROUP

Author: Manager Creative Culture

Reviewed By: Director Community Development

Report Background

1. To provide Council with a Year 2 Progress Report on the Arts Strategy 2014-2020; and
2. To seek endorsement of a renewed Terms of Reference for the Darebin Arts Ambassadors aligned to a proposal to recruit new members.

Previous Council Resolution

At its meeting on 2 December 2013, Council resolved:

'That Council adopt the Creative Darebin – Darebin Arts Strategy 2014 – 2020.'

At its meeting on 6 May 2013, Council resolved:

'That Council:

- (1) *Dissolve the Darebin Arts Forum.*
- (2) *Endorse the establishment of the Darebin Arts Ambassadors to operate under the Terms of Reference outlined in this report.'*

Previous Briefing(s)

This matter has not previously been the subject of a Council briefing.

Council Plan Goal/Endorsed Strategy

Darebin Arts Strategy 2014-2020

Darebin Council Plan 2013-2017, Goal 4 – A Thriving Creative Culture

Summary

The Arts Strategy 2014-2020 is nearing the conclusion of its second year of policy implementation. This report provides Council a progress report on the achievements of the strategy for the period 2015-2016 as well as forecasting future priorities and focus areas for the year 2016- 2017.

In addition to the progress report details of a renewed Terms of Reference for the Darebin Arts Ambassadors Reference Group and of the recruitment of new members in November 2016 are provided.

Recommendation

That Council:

- (1) Note the Arts Strategy 2014-2020 Year 2 Progress Report attached as **Appendix A** to this report.

- (2) Endorse and adopt the updated Darebin Arts Ambassadors Reference Group Terms of Reference attached as **Appendix C** to this report.
 - (3) Endorse the proposal to recruit new Ambassadors in alignment with the updated Darebin Arts Ambassadors Reference Group Terms of Reference.
-

Introduction

Arts Strategy 2014-2020 – Year Two Progress Report

Creative Darebin Arts Strategy 2014-2020 was adopted by Council on 2 December 2013.

The Year 2 Progress Report is an annual report card of the Arts Strategy 2014-2020. The report details how Council responds to arts and cultural opportunities through arts programming, infrastructure management, policy and program delivery.

Attached to this report (**Appendix A**) is a detailed report highlighting key actions and initiatives delivered in the reporting year as well as a map of the annual achievements aligned to each of the pillars of the Arts Strategy for the period 2015-2016.

A high level summary of some the highlights are noted below and include a focus on programming, infrastructure, partnerships and strategic initiatives.

Darebin Arts Ambassadors Reference Group

A renewed Terms of Reference (TOR's) for the Darebin Arts Ambassadors is required to align the direction and activities of the Group more closely with the Arts Strategy.

Attached to this report are the adopted Terms of Reference from May 2013 (**Appendix B**) and the proposed renewed Terms of Reference (**Appendix C**).

If Council resolves to endorse the updated Darebin Arts Ambassadors Terms of Reference, a proposal to recruit new members aligned to the renewed TOR's will be implemented. A further Council report will be prepared on the final membership and Terms of Reference of the Darebin Arts Ambassadors Reference Group.

Issues and Discussion

Programming Highlights:

Darebin Music Feast 2015 presented a broad program of events across three program streams:

- Local Venue Shows
- Shop Talk
- Town Hall on High

The festival also presented the following special events:

- Darebin Music Feast Songwriters' Award
- Hello Sunday at the Northcote Town Hall

Other programming highlights of the year include:

- True North Festival including People's Tours of Reservoir, the Inaugural Annual Dance Affair (May 2016), Reservoria - Olso Davis Residency (September 2015) and Edwardes Lake Park Open Air Cinema (February 2016).

- Creative Spark – Sector engagement workshop and forum series
- Darebin Community and Kite Festival at Edwardes Lake Park (March 2016)
- Homemade Food and Wine (May 2016)
- Museum of Me Part 2 (April to July 2016)
- N-SCRIBE yearly publication celebrating Darebin's literary community
- Mayor's Writing Award yearly awarded celebrating a chosen genre in the writing sector
- Public exhibitions and workshops program at the Homestead.

Infrastructure Highlights:

Northcote Town Hall

The Main Hall Static Truss installation was the start of a substantial Capital Works project to improve the functionality and technical capabilities of the space and venue.

Façade works to Northcote Town Hall also started at the beginning of 2016 and was completed in April 2016.

Darebin Arts and Entertainment Centre

Installation of new projection system, audio desk upgrade, replacement of car park lighting to energy efficient LED lights and the replacement of carpet and painting in the theatre highlight some of the key work undertaken at the venue.

Art acquisitions and Collections Management

In 2015-2016 the City of Darebin through its annual arts acquisitions program acquired a number of new significant artworks including works by Aboriginal artists. The total value of acquisitions is approximately \$50,000.

There are over 400 items in the Darebin Art Collection and many more in the heritage collection. By the end of the financial year over 100 significant items were made available to the public in a new Collection Database. It is anticipated that the full collection will be digitally catalogued and made publicly available by late 2016.

Artworks Maintained (Indoor Collection)

A range of maintenance and conservation works were completed..

Public Art Maintenance and New Works (Outdoor Collection)

- Installation commenced of the Westgarth Gateways Public Art Project – *Call and Response by Pierre Proske*. A solar powered light and sound installation inspired by the dynamics of the call of a bell bird prevalent along Darebin's creeks.
- Art in Public Spaces Commissions related to Master Plans at Donath Dole Reserve, JUMP Master Plan and Reservoir Streetscape Master Plan. Three site-specific temporary works commissioned by artists James Voller, Kirilly Anderson and Matthew De Moiser. The works are all community driven, temporary ephemeral pieces, designed to respond to the respective master plans.
- 39 Artworks audited and maintenance program delivered.
- Development of a Public Art Discovery Map for residents and visitors to be made publicly available online and in print from July 2016.

Local Arts Partnerships:

The first of five key focus areas in the Darebin Arts Strategy is Inclusivity - *Increase access and meaningful participation in the arts for priority communities*. The Arts Partnership Program recognises and supports exemplary organisations who are working with these Darebin communities. Through financial partnerships in 2015-2016 City of Darebin has supported the following groups:

- Arts Projects Australia
- Next Wave Festival
- Westside Circus
- Darebin City Brass Band
- Northern Community Church Christ
- Weave Movement Theatre
- Preston Symphony Orchestra
- Outer Urban Projects

In 2016 – 2017 a review of the Arts Partnership Program will be conducted with the intention to streamline the support and funding process using the Smarty Grants system currently being used by the Community Grants Program. A full realignment of the Arts Partnership Program towards centralising and integrating this scheme into the wider grants programs of Council is anticipated in the future.

Arts Sector Partnerships, Developments and Co-productions:

- Darebin Arts' Loud Mouth and Polyglot theatre presenting *Separation Street*. The production was awarded the *2015 Green Room Award for Innovation in Contemporary Performance for Young People*. The annual Green Room Awards are Melbourne's performing arts awards that recognise world-class performances gracing Melbourne's stages each year.
- Darebin Arts Development program supported more than ten artists and companies to engage in arts development and mentoring.
- Speakeasy (Northcote Town Hall) enabled fourteen partnerships and creative collaborations with key arts festivals, arts organisations and companies.
- Darebin Arts Presents (DAEC series) enabled sixteen co-productions and performances.
- In 2015-2016 the Homestead team has secured over \$110,000 in external funding, leveraging high profile funding partners to support key public programming at the Gallery.
- Precinct Activation and Economic Development Partnerships were enabled and included:
 - Magic Festival at Northcote Town Hall (July 2015)
 - Salami Festival at Northcote Town Hall (September 2015)

Aboriginal Arts Programs and Engagement Highlights:

- Ilbijerri Theatre Company – leading national Indigenous company had two developments of new work titled '**Which Way Home**' by Katie Beckett. Directed by Rachael Mazza. Final presentation of the work will be in August 2016.

- Hot Brown Honey – performer Juanita Duncan. Keynote large scale production as part of the Melbourne International Comedy Festival, featuring politically infused Cabaret and performance. At Northcote Town Hall in April 2016.
- Next Wave Festival May 2016 at Northcote Town Hall:
 - Misconception – Performed and Choreographed by Thomas E.S. Kelly. Performed by Taree Sansbury, Natalie Pelarek and Caleena Sansbury
 - Blaaq Catt – Performed and written by Maurial Spearim. Directed by Pauline Whyman
 - Passing – Performed and Choreographed by Amrita Hepi
- Revisioning Histories – co-curated with local Aboriginal artist Yhonnie Scarce Invitation to Indigenous and non-Indigenous artists to respond to the heritage of the Homestead and to reimagine Australia’s colonial past featuring Aboriginal artists.
- Collection purchases from Aboriginal artists Yhonnie Scarce, Megan Cope, Steaphan Paton.

Children’s Arts Programs and Schools Engagement Highlights

- \$28,000+ ticketing income created this year.
- 3000 audience members engaged with Loud Mouth venue and pop up programming across the year.
- Listies, Peter Combe, Superhero Training Academy and NGV workshops were all sold out seasons.

Strategic and Creative Sector Engagement Highlights:

- Delivery of an Economic Impact and Social Benefit Study.
- Commencement of a formal review and redesign of Public Art.
- Partnership with the Cultural Development Network regarding a national Cultural Indicators project.
- Active membership on the Municipal Association of Victoria Arts and Culture Committee.

Project Delays

There have been delays in the commencement of some strategic work including:

- The refresh of a new framework for Public Art which is underway and a report to Council on the proposed methodology and approach in refreshing the policy is scheduled for later in 2016.
- The development of a partnership between the City of Darebin and the Cultural Development Network concerning Cultural Outcomes Measures. The Cultural Development Network is leading a national project designed to standardise and measure cultural outcomes across the three tiers of Government with a clear and standardised framework in order to ensure each
- A revised evaluation framework for the Arts Strategy that aligns to and is consistent with the national schema that focus on measuring social, economic and importantly and specific to the pillars of the Arts Strategy, cultural outcomes. Cultural outcomes on arts and cultural activities have largely remained unmeasured. Creation of a performance dashboard aligned to the strategy will be a focus within 2016-2017 year aligned to the national project on cultural outcome measures.

- Developing a map of Darebin Cultural Infrastructure will be progress in 2016-2017 upon receipt of the final report on the Economic Value and Social Benefit of the Arts in Darebin report.

Future Community Engagement

Planning for a community consultation forum to mark the mid-point of the Arts Strategy implementation will commence in late 2016 with a public forum scheduled to occur in mid-2017.

The Bundoora Homestead Art Centre draft Business Plan 2015-2020 was presented to the newly established membership of the Board of Management in June 2016.

Options for Consideration

That Council endorse the Arts Strategy 2014-2020 Year 2 progress report and endorse the renewed Terms of Reference for the Darebin Arts Ambassadors aligned to a proposal to recruit new members.

Financial and Resource Implications

The actions and initiatives identified in the Arts Strategy 2014-2020 are being funded within the current operational budget. To enhance and support the key initiatives identified in the strategy, applications to external arts and community funding bodies is being leveraged.

The actions of the Arts Strategy 2014-2020 and the Darebin Arts Ambassadors Reference Group will continue to be implemented within the committed 2016-2017 budget.

Risk Management

Any risks related to the implementation and delivery of the Arts Strategy 2014-2020 have been identified through assessment and compliance with Council's risk management framework.

Policy Implications**Economic Development**

The creative and cultural industries represent a significant employer in Darebin's economy, supporting more than 2,500 jobs or nearly 5% of Darebin' employment. The industry contributes over \$400 Million in gross regional product, a contribution of 7.5% of Darebin's economic value. The live music scene contributes an estimated \$32 Million to Darebin's economy, with patronage estimated at over 700,000 audiences in 2015.

Council's own contribution to the Creative economy in Darebin is estimated at \$4.8 Million. Council's direct expenditure is \$3.38 Million and the contribution generates 45+ jobs and an economic uplift estimated at \$1.45 Million. In summary for every dollar Council invest in arts and culture 50 cents is generated in Darebin.

Environmental Sustainability

There are no direct Environmental Sustainability impacts related to this report.

Human Rights, Equity and Inclusion

The Arts Strategy 2014-2020 and the Darebin Arts Ambassadors Reference Group has an emphasis on social inclusion and engagement with Darebin's diverse communities. Work continues to ensure the implementation of policies, programs and initiatives considers all aspects of Darebin's unique and diverse community based but not limited to gender, age cultural indemnity and ability.

Other

There are no other policy implications from this report.

Future Actions

- Continue to implement the Darebin Arts Strategy 2014-2020
- Dependent on endorsement of the renewed draft Arts Ambassadors Terms of Reference, seek expressions of interest for membership.
- A further report be prepared for Council to resolve the Membership and Final Terms of Reference of the Darebin Arts Ambassadors Reference Group.

Consultation and Advocacy

The Darebin Arts Ambassadors are provided with regular reports and were formally provided a progress report in March 2016.

Related Documents

- Year 2 Progress Report – Arts Strategy 2014-2020 (**Appendix A**)
- Darebin Arts Ambassadors Terms of Reference – Adopted May 2013 (**Appendix B**)
- Renewed Arts Ambassadors Terms of Reference To be Adopted (**Appendix C**)
- Creative State 2016 – 2020 :Victorian Government Creative Industries Report
- Darebin's inaugural (draft) Tourism Strategy
- Beyond FIDO (Public Art Strategy) 2006-2015
- Art and History Collections Policy 2012-2015
- Darebin Digital Strategy 2013-2018

Disclosure of Interest

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.



Creative Darebin Arts Strategy

Year 2 Progress Report

Current Progress and Future Focus
2015-2016

May 2016

Appendix A

Darebin Arts Strategy 2014-2020

Year 2 Progress Report

About this report

This report is an annual report card of the Arts Strategy 2014-2020. The report details how Council responds to arts and cultural opportunities through arts programming, infrastructure management, policy and program delivery. It highlights the annual achievements aligned to each of the pillars of the Arts Strategy for the period 2015-2016 as well as a year to date overview of actions and initiatives delivered including the key partnerships with Aboriginal groups and arts organisations.

Darebin Arts Strategy 2014-2020

Plan on a page

Council Plan 2013-2017

The place to live.
A thriving and creative culture.

Vision Arts Strategy 2014-2020

To create the ideal
environmental conditions for
creativity and community to
thrive through the arts.

Our mission

A City where the arts have
genuine impact.

Strategic Goals

Improve social cohesion

Improve social cohesion, wellbeing
and connectedness for those who
live work, study or play.

Foster creative and artistic enterprise

Create the environment and
conditions that encourage creative +
artistic endeavour and enterprise to
proliferate in Darebin.

Build local capacity

Amplify impact of arts leadership for
artists and arts organisations who live
or work in Darebin.

Lead by example

Focus on leadership in programs,
practice and partnerships.

Great place to work & achieve

Engaged and high performing
workforce
The right people doing the right
things at the right time.

Pillars of the Strategy

4.1 INCLUSIVE

*Increase access and meaningful
participation in the arts for priority
audiences.*

4.2 ENTERPRISING

*Make Darebin the home of choice for
artists & creative industries.*

4.3 REGENERATIVE

*Develop sustainable creative places
and spaces.*

4.4 CONNECTED

*Create connections across
communities and between
generations.*

4.5 VIBRANT & VISIONARY

*Lead by example and commit to
best practice in all our work.*

* SUPPORTED WORKFORCE

*Develop a high performance, values-
led team culture.*

4.1 Inclusive - Increase access and meaningful participation in the arts for priority communities

Priority Actions

Highlights and achievements

Future

Arts Participation Initiative

New program stream established in 2014 – Arts Participation Program.

Established the Arts Partnerships Initiative in 2015. In 2015-16 eight arts partnerships focussed on priority communities supported.

New applications for partnerships in second half of 2016

Arts & Priority Communities

Free tickets to assist indigenous community to attend indigenous arts shows
 Stolen Generation Marker public art project - Preston Town Hall
 Koori Night Market & DAEC partnership in 2015
 Yhonnie Scarce co-curated exhibition at Bundoora Homestead in 2016
 2 x True North audio tours feature stories told by migrants
 Inaugural Dance Affair
 Eight productions created by and featuring indigenous writers and performers in theatre, comedy and music including partnership with Ilbijerri Theatre Co.

Museum of Me intergenerational art project between two aged care facilities and two Darebin primary schools – later 2016

Arts Partnership Initiative EOLs in later 2016

Elders Festival in planning for 2017

Disability Action Plan

Companion Card holders supported at venues
Hot Brown Honey shows AUSLAN interpreted

Tactile tour of Next Wave show *The Voices of Joan of Arc*

Next Wave festival emphasis on accessibility including programme creation and navigation, AUSLAN interpretation, and vision impaired access assistance

Homestead new initiative bid re accessibility in partnership with Arts Access Nebula project

Digital & online tools

New collection catalogue
 Digitising the Art Collection in progress

Venues website development planned
 Digitisation of artworks into database

Alignment with Digital Darebin Strategy

Development of new websites for Northcote Town Hall and Darebin Arts and Entertainment Centre and Bundoora Homestead Art Centre

Visitor Costs

Broad range of free/low cost events – festivals, families and shows, workshops, exhibitions.
 Melbourne Magic Festival – free foyer shows and low cost ticketing introduced in 2015

Encourage venue partners and hirers to incl. discounted/free ticket offers

Communications

Range of methods used – hardcopy, social media, websites, mail outs
 Marketing and Communication Plans designed and implemented across all outputs
 Darebin Brand Strategy – Streamlining to the single Darebin Arts logo and online portal
 Bundoora Homestead website development with Communications

Redevelopment of venues website planned aligned to Digital Darebin Strategy and the Communications and Marketing team.

Artist in Residence Program

Bundoora Homestead Artist in Residence program
 True North Artist in Residence – Oslo Davis
 Museum of Me is an artist in residence program. An intergenerational project between two aged care facilities and two primary schools beginning in April 2016.
 Kite Festival artist in residence in four primary schools creating kite bunting completed Feb 2016.

Look to involve school groups.
 Artist in School plan – 100 Storey Building to create a schools program

Business planning

Draft business plan completed for Bundoora Homestead
 Planning has resulted in attendance and box office figures
 DAEC review – Theatre Strategy - 2014

Continued annual planning
 Bundoora plan to be actioned
 DAEC Strategy Planning
 Programming Curatorial Framework

Festival Program

Greater emphasis on interactive Families programming at Kite festival
 Redesign of True North – Audio tours of Reservoir, participatory Inaugural Dance Affair
 HMF – Travelling Kitchen collaborations with local primary schools
 Partnership with Reservoir High School

Access & engagement plans to be designed & implemented
 Elders Festival in 2017 being planned with Community and Cultural Development Officer

4.2 Enterprising *Make Darebin the home of choice for artists and creative industries*

Priority Actions	Creative Industries Business/Support	Low-cost Developments Space	Cultural Tourism	Workshop Space	Micro-loans	Artist Rights	Artist Development & Presentation	Visual Artists	Economics	Arts Ambassadors
Highlights and achievements	<p>DIY Business Seminars expanded as Creative Spark</p> <p>ArtsHub conference held at Darebin Arts & Entertainment Centre 2015</p> <p>Professional Development workshops and panels for artists at Homestead</p>	<p>Initiated the Development Program – access to space, mentorship and materials to assist artists develop their program.</p> <p>Northcote Town Hall new rehearsal rates & packages</p>	<p>Economic Development team leading this strategy with Creative Culture involved as a project partner</p>	<p>Scope Northland Urban Renewal Project</p>	<p>To be progressed Y3</p>	<p>Year 4 priority</p>	<p>Diverse programs with audiences increasing</p> <p>Artist in Residence at Homestead</p> <p>2015 initiated Development program</p> <p>Thirteen Speakeasy presentations in 2016</p> <p>Partnerships with five major festivals</p>	<p>Ongoing support for local artists</p> <p>500 entries to Darebin Art Prize</p> <p>A1 Salon introduced – open access to Darebin residents/ students/ workers</p> <p>24 exhibitions annually at DAEC and NTH for community artists</p>	<p>Local artists employed for festivals & events = priority</p> <p>Active Spaces empty shops program with Economic Development team</p>	<p>Arts Ambassador meetings and roles re-established</p>
Future	<p>Arts Connect</p> <p>Creative Spark in development for second half of 2016</p>	<p>DAEC new rehearsal rates and packages</p> <p>Advocacy at Northcote Town Hall</p>	<p>Y3 objective to identify priorities to be actioned</p>	<p>Y3 objective: Cultural infrastructure map and framework</p>	<p>Scoping study to be progressed in 2016/17</p>	<p>Year 4 priority</p>	<p>Professional development workshops at Homestead</p> <p>Artist developments at NTH 7 DAEC</p>	<p>Continuation of Darebin Art Prize, A1 Salon</p>	<p>Paying exhibiting artist fees</p>	<p>Post-2016 election - opportunity for new members</p>

4.3 Regenerative *Develop creative spaces and places*

Priority Actions	DAEC Feasibility Study	Property Developers & Public Art	'Percentage for Art'	Arts Colony Feasibility Study?	City Gateway Public Art	Arts Precinct Masterplan for Northcote	Biannual Public Art Commission	Venues Management & Improvement – major works	Asset Management
Highlights and achievements	Undertaken March 2015	Collaboration with Strategic Planning. Key consideration in the review and development of new framework for public art (commissioned)	Scope and consider with Northland Urban Renewal Project	Scope and consider with Northland Urban Renewal Project	'Call and Response' light and sound installation at Westgarth Three site-specific temporary works commissioned - artists James Voller, Kirilly Anderson & Matthew De Moiser. Community driven, ephemeral pieces, designed to respond to the masterplans	Scoped and reviewed the incompletd actions of the Masterplan	'Call and Response' installed – Westgarth 2015/16	Roof truss installed at Northcote Town Hall Acoustic isolation completed Projector installed at Northcote Town Hall Security Risk Consultation Annual client & user survey completed Homestead 10 Yr capital works plan	Asset management register improved Valuation of public art completed - \$2.7m
Future	Going to Council 2016	Year 3 priority	To be reviewed and connected to engagement with Strategic Planning including Masterplan & local renewal projects Work with City of Melbourne and other LGAs to monitor developer contribution in new developments & Masterplanning projects	Year 3 & 4 priority	Capital works long term planning- Biennial gateway project Year 4 action	2016/17 New Initiative bid Activation of the outside precinct of Northcote Town Hall with Public Realm dept	Beyond FIDO policy and program redesign Year 4 major commission	New booking system to replace Events Perfect Catering in-house Flooring, façade and painting upgrade	Ongoing maintenance schedule Valuation of indoor collection Launch of digital resource September 2016

4.4 Connected *Create connections across communities and between generations*

Priority Actions	DAEC Redesign	Darebin Digital Strategy	Schools Partnerships	Intercultural Community Arts – Migration Focus	Community Grants	Cross-Council Initiatives	Intergenerational & Inter-Cultural	Gathering Places
Highlights and achievements	<p>Furniture</p> <p>Live music</p> <p>Programming with foyer as venue</p>	<p>Bundoora Homestead – new collection catalogue</p>	<p>Partnership with Reservoir High School</p> <p>Norris Bank Primary connection made</p> <p>Artist in residence program – Kite Festival and Homemade Food and Wine</p> <p>Museum of Me school partnerships</p>	<p>True North's <i>People's Tours of Reservoir</i> audio tour with two migrants' stories</p> <p>Homemade Food & Wine Festival focus on homemade traditions in Darebin from around the world incl. <i>One Suitcase Four Stories</i>, Dining Room Tales, Meet the Makers Showcase</p> <p>Inaugural Annual Dance Affair</p> <p>Morning Music program developed to reflect more music of the communities that make up Darebin</p>	<p>Engagement in and delivery of Arts Grants and venues subsidy program</p>	<p>Darebin Community & Kite Festival</p> <p>Children's Day 2016 with Community Development team</p> <p>Pop Up Park programming with Public Realm department</p> <p>Working with Project Management Office on public art as part of Masterplans</p> <p>Reservoir Identity Study actions</p> <p>Closer working relationship with the Access Team at all festivals</p>	<p>Museum of Me first programmed with Westgarth Primary School in 2014</p> <p>2016 Museum of Me – two aged care facilities and two primary schools</p> <p>Speakeasy program frequently reflects intercultural issues and examinations</p>	<p>DAEC reception alterations, foyer use, daytime live music</p> <p>Public workshops at the Homestead i.e. life drawing</p>
Future	<p>Capital works bid – bar, lighting, reception changes, open spaces</p>	<p>Venues websites redevelopment</p> <p>Digitisation of artworks into database</p>	<p>Artist in Residence program research</p> <p>Homestead – education program in new business plan</p>	<p>Potential for Catalyst funding. Scoping to be delivered in 2016/17</p> <p>Keynote Comedy Festival show will focus on Polynesian Islander migrant experience</p>	<p>Review of Arts Partnership Initiative to align to the timing of the Community Grants and use of Smarty Grants tool</p>	<p>Cultural Awareness Training for Creative Culture Staff with a focus on ATSI and CALD priority communities</p> <p>Partnership between our Disability team and Bundoora Homestead to present Nebula project with Arts Access.</p>	<p>Elders Festival in 2017</p> <p>Exhibition focussed on Chinese art scheduled for the Homestead</p>	<p>DAEC lighting/bar upgrade to foyer Homestead café upgrade</p>

4.5 Vibrant & Visionary *Lead by example and commit to best practice principles in all our work*

Priority Actions	Evaluation Framework	Embed Cultural Impact in Council Reporting	Mid Strategy Review	Promotion of Arts and Cultural Opportunities	Professional Development	Regional Approach to Arts	Identify and Consolidate Core Program Services	Business Plans	Best Practice	Public Forums	'Great Art Experiences'
Highlights and achievements	<p>Council KPIs and strategic indicators</p> <p>Data Mapping</p> <p>Data Dashboard</p>	<p>Economic Value and Social Impact Study in progress</p>	<p>Planning for a public forum to be held in December 2017</p> <p>Focus on priority actions and relevance in the context of a new Council Plan and shifting arts ecology</p>	<p>Darebin Arts website</p> <p>6 monthly brochure</p> <p>Bi-weekly e-newsletter</p> <p>Ticketing-related contacts database est. for e-mailouts</p>	<p>Staff attendance at industry specific conferences</p> <p>Council service excellence</p> <p>Devt. of Front of House training program</p>	<p>Attendance at Face the Music conference</p> <p>Partnerships with peaks such as Music Victoria and Creative Victoria</p> <p>Response to Agent of Change rules and monitoring the legislation changes forecast through the EPA consultations on SEPPN2</p>	<p>Annual business planning</p> <p>Annual Service Planning</p> <p>10 Year Financial Plan</p> <p>True North Program Redesign</p> <p>Kite Festival refocus on families and participation</p>	<p>Completed</p> <p>Annual Council planning</p> <p>Bundoora Homestead draft business plan 2015-2020</p>	<p>Ongoing engagement in sector forums and conferences</p>	<p>Creative Spark networking</p> <p>Events community briefings – Music Feast 2016</p>	<p>Venues presentations – attendances & \$ highest ever, critical acclaim</p> <p>Homestead – 20+ exhibitions for 2015/16</p> <p>Darebin Art Prize new curation</p> <p>Intro of Artist in Residence</p> <p>Green Room Awards 2015 wins in 2016</p> <p>New truss at NTH</p> <p>Working w/world class local performance companies i.e. Circus Oz, Stephanie Lake Company</p>
Future	<p>Alignment & integration of a new evaluation framework consistent with the National Local Government Forum on Cultural Outcome.</p> <p>Partnership with Cultural Development Network.</p>	<p>Cultural Infrastructure Mapping</p>	<p>To be completed in Year 3 of Arts Strategy</p>	<p>Ongoing</p>	<p>Ongoing opportunities for training</p>	<p>Engage in sector discussion & State Government live music SEPPN2 review - EPA</p>	<p>Development of Program Strategic Plans</p>	<p>Ongoing review & reinforcement of strategy implementation in annual ongoing business planning</p>	<p>Monitor impact of Federal & State arts funding on the local creative sector</p>	<p>Music Feast 2016 briefings, sector gatherings</p> <p>Public art review consultations</p> <p>Creative Spark 2016</p>	<p>Ongoing</p>

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Arts Programming Highlights & Achievements

Darebin Music Feast 2015

Darebin Music Feast 2015 presented a broad program of events across three program streams:

- Local Venue Shows
- Shop Talk
- Town Hall on High

The festival also presented the following special events:

- Darebin Music Feast Songwriters' Award
- Hello Sunday at the Northcote Town Hall

The Darebin Music Feast featured a broad range of genres from classical to cabaret to rock. The most represented genres were: World (23); Jazz (14); Folk (14); and Indie (14). An estimated 361 hours of activity was generated.

Fourteen industry partners were involved – including Music Victoria, Songlines and The Push.

Seventy shows were presented at twenty one local venues.

As part of the Shop Talk program, thirty one workshops, seminars and conferences were presented. Many of these events were presented in partnership with peak music industry organisations including Music Victoria, APRA AMCOS and The Push. Highlights included the inaugural **Listen Conference**, an extraordinary event that saw over thirty female and gender-diverse panellists speak on issues around music and feminism across two days at Northcote Town Hall.

Other programming highlights of the year include:

- True North Festival including People's Tours of Reservoir, the Inaugural Annual Dance Affair (May 2016), Reservoiria - Olso Davis Residency (September 2015) and Edwardes Lake Park Open Air Cinema (February 2016).
- Creative Spark – Sector engagement workshop and forum series.
- Darebin Community and Kite Festival at Edwardes Lake Park (March 2016)
- Homemade Food and Wine (May 2016)
- Museum of Me Part 2 (April to July 2016)
- N-SCRIBE yearly publication celebrating Darebin's literary community.
- Mayor's Writing Award yearly awarded celebrating a chosen genre in the writing sector.
- Public Exhibitions at the Homestead:
 - Andamento
 - Ben Holgate: Northerner A Retrospective
 - Kerry Maher: Along Route 86
 - The Northcote Hysterical Society by David Wadelton
 - Fiona Cabassi – window installation
 - Lisa White: What we do - What we wish
 - Photography Meets Feminism: Australian Women Photographers 1970s - 80s
 - Britt Salt – window installation
 - Northern Support Services: Our Studio
 - Varuni Kanagaundaram: The Sangam (Confluence) of Belonging
 - Darebin Art Prize
 - Catherine Evans: Artist in Residence
 - Emily Green: Fragment – window installation
 - Teavotion Exhibition
 - Artist in Residence: Phil Ferguson
 - Nu Yishu Series: VII Thread
 - Ronnie Van Hout: Handwalk
 - Matthew Harris
 - Under Construction
 - Revisioning Histories
 - Nine Lives: Alphington Artists
 - Plus over 40 workshops, launches, talks and tours

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Infrastructure Highlights & Achievements

Northcote Town Hall

Main Hall Static Truss Installation

The Main Hall Static Truss installation was the start of a substantial Capital Works project to improve the functionality and technical capabilities of the space and venue. The design consultation period addressed all heritage requirements, operational and risk concerns while maintaining the departments Arts Strategy focus moving forward.

This infrastructure has now provided the platform for Northcote Town Hall to update its technical inventory and offer its stakeholders, artists and the wider community a more useful and modern performance space and services. These additional upgrades include:

A permanent curtain track and drape line around the perimeter of the truss installation

Modern performance and event lighting equipment

A Meyer professional portable sound system and new mixing console that can facilitate various productions in different design applications

A Barco W6 high spec projector and screen

Façade works to Northcote Town Hall also started at the beginning of 2016 and was completed in April (Darebin Arts Strategy 2014 – 2020 Continued Action 4.3 - Continue to own and manage Darebin Arts Centre; undertaking continuous improvement to provide relevant and affordable cultural services for our communities).

Darebin Arts and Entertainment Centre

Installation of new projection system 'Barco W6 high spec projector and screen' (Darebin Arts Strategy 2014 – 2020 Continued Action 4.3 - Continue to own and manage Darebin Arts and Entertainment Centre; undertaking continuous improvement to provide relevant and affordable cultural services for our communities).

Replacement of car park lighting to energy efficient LED lights.

Replacement of carpet and painting in the Theatre.

Replacement of the Masonite on the stage in the Theatre.

Audio Desk adjustment in the auditorium to bring the desk in line with OH&S standards.

New lids on the dip-traps in the orchestra pit.

Five new moving lighting fixtures to improve the lighting rig in the Theatre.

Replacement of lighting in the Grevillea room to more energy efficient LED lights.

Repair of the Communications system in the Theatre.

Lighting bridges works and catwalk upgrades in theatre complete including safety harnesses for the fall arrest system installation and inertia reel for the stage ladder.

Other

Development of a new digital catalogue of Council's art collection (indoor and outdoor) to be publicly launched in late 2016.

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Art acquisitions and Collections Management:

In 2015-2016 the City of Darebin through its annual arts acquisitions program acquired a number of new significant artworks including works by Aboriginal artists. The total value of acquisitions is approximately \$50,000.

Works acquired in 2015-2016 include:

- *Victoria's Secret* by DAMP (Darebin Art Prize winning entry)
- *N0000, N2359, N2351, N2402* by Yhonnie Scarce
- *The Blaktism* by Megan Cope
- *Like sands through the hourglass, these are the days of our lives* by Matthew Harris
- 3 x parrot and hammer sculptures (titles TBC) by Claire McCardle
- *Cognitive Dissonance #2* by Steaphan Paton
- Selection of Darebin historical photographic works donated by David Wadleton
- And commissioned a new work by local artist Daniel Crooks.

There are over 400 items in the Darebin Art Collection and many more in the heritage collection. By the end of the financial year over 100 significant items will be available to the public in a new Collection Database. It is anticipated that the full collection will be digitally catalogued and made publicly available by late 2016.

Artworks Maintained (Indoor Collection):

The total value of maintenance and conservation works completed is \$7000.

Maintenance works:

Storage and packing crates made for:

2 x Vipoo Srivilasa ceramic works

12 x Remude pottery ceramic works

Newly acquired sculpture *Victoria's Secret* by DAMP

Puppy sculpture by Nat Thomas

Portrait of Wallace by Mark Russell Gawen

Conservation works:

Conservation works completed on

1 x Vipoo ceramic work (broken section remade and replaced)

1 x Jennifer Goodman painting (marks and scratches removed)

Public Art Maintenance and New Works (Outdoor Collection)

- Installation commenced of the Westgarth Gateways Public Art Project – *Call and Response* by Pierre Proske. A solar powered light and sound installation inspired by the dynamics of the call of a bell bird prevalent along Darebin's creeks.
- Art in Public Spaces Commissions related to Master Plans at Donath Dole Reserve, JUMP Master Plan and Reservoir Streetscape Master Plan. Three site-specific temporary works commissioned by artists James Voller, Kirilly Anderson and Matthew De Moiser. The works are all community driven, temporary ephemeral pieces, designed to respond to the respective master plans.
- 39 Artworks audited and maintenance program delivered.
- Development of a Public Art Discovery Map for residents and visitors to be made publicly available online and in print from July 2016.

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Arts Sector Partnerships, Developments and Co-productions

Darebin Arts' Loud Mouth and Polyglot theatre presenting *Separation Street*. The production was awarded the 2015 Green Room Award for Innovation in Contemporary Performance for Young People. The annual Green Room Awards are Melbourne's performing arts awards that recognise world-class performances gracing Melbourne's stages each year.

Separation Street ran for 2.5 weeks at Northcote Town Hall during the 2015 September-October school holiday period. The work was initially supported by Darebin Arts with two creative developments in 2014, and was an intensive collaborative journey. The production saw over 700 participants visit Northcote Town Hall to take part in the show.

Darebin Arts Development program has supported:

- 2 x mentorship developments for artists that participated in the 2015 Darebin Music Feast
- 6 x creative developments for performance artists (access to space) across Dance, Gaming, Theatre, Ventriloquism, cabaret, music
- 1 x mentorship involves the participation of local secondary school students
- Ventriloquism development 'Catching the Reading Bug' resulted in the programming of the full performance in the Storytelling tent at the Darebin Kite & Community Festival.

Speakeasy (Northcote Town Hall):

Melbourne Fringe Festival 2015
This Is What's Happening
Bounty
Hildegard Knief
Pose Band
Homme
Double Blind - Stephanie Lake Company
Hot Brown Honey
Next Wave Festival
Misconception
Microlandscapes
The Voices of Joan of Arc
Desert Body Creep
Blaaq Catt

Precinct Activation and Economic Development Partnerships:

Magic Festival at Northcote Town Hall (July 2015)
Salami Festival at Northcote Town Hall (September 2015)

Darebin Arts Presents (DAEC series):

Emma Donovan and the Putbacks with Yirmal
Mojo Juju & Stella Angelico
Tim Rogers
Limpopo Voices of South Africa - The Boite
Pony Face plays Nebraska
Aboriginal Comedy Allstars
Morning Music – 10 performances

Bundoora Homestead Art Centre & Funding Partnerships

In 2015/2016 the Homestead team has secured over \$110,000 in external funding:

- ANZAC Centenary Major Grants – heritage \$19,000
- Copland Foundation – heritage \$50,000
- Creative Victoria – contemporary art \$12,680 plus \$12,520
- Australia Council for the Arts \$16,980

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Local Arts Partnerships

The first of five key focus areas in the Darebin Arts Strategy is Inclusivity - *Increase access and meaningful participation in the arts for priority communities*. The Arts Partnership Program recognises and supports exemplary organisations who are working with these Darebin communities. Through financial partnerships in 2015-2016 City of Darebin has supported the following groups:

- **Arts Projects Australia**
- **Next Wave Festival**
- **Westside Circus**
- **Darebin City Brass Band**
- **Northern Community Church Christ**
- **Weave Movement Theatre**
- **Preston Symphony Orchestra**
- **Outer Urban Projects**

These partners offer a range of workshops, arts projects and skills-sharing for members of the community who experience barriers of access to the arts. Reporting on the outcomes of this funding support is expected in July 2016 upon receipt of acquittal reports partners. In 2016 – 2017 a review of the Arts Partnership Program will be conducted with the intention to streamline the support and funding process using the Smarty Grants system currently being used by the Community Grants Program. A full realignment of the Arts Partnership Program towards centralising and integrating this scheme into the wider grants programs of Council is anticipated in the future.

Children's Arts Programs and Schools Engagement Highlights

- \$28,000+ ticketing income created this year.
- 3000 audience members engaged with Loud Mouth venue and pop up programming across the year.
- Co Presentation of NGV Kids on Tour workshops between NGV, Loud Mouth and Bundoora Homestead.
- Listies, Peter Combe, Superhero Training Academy and NGV workshops were all sold out seasons.
- Co Presentation of Separation Street, with Polyglot Theatre.
- Separation Street – developed with local primary school students, we also held Auslan interpreted performances within the season.
- Separation Street was awarded the 2015 Green Room Award for Innovation in Contemporary Performance for Young People.
- Working in partnership with public realm, Loud Mouth supported activating the new pop-up park in Reservoir by programming a morning of free circus performance for local families during the summer school holidays.
- Pop Up Library partnered with Loud Mouth to run free pop up superhero and comic library during the Superhero Training Academy season.
- Loud Mouth worked in collaboration with the Kite Festival producer to program key participatory programming for children and their families at the 2016 Darebin community and Kite Festival. Great feedback and estimate of 15,000 participants across the day.
- Approached by community & families department to program artistic activation content for the 2016 Darebin Children's Day.
- Development and delivery of to work placements at Darebin Arts and Entertainment Centre for a number of special needs students from the Ignition Theatre students at Melbourne Polytechnic and to foster the relationship with the school with the view to an ongoing commitment to these work placements annually. The program showcases successful inclusion of people with disabilities in the Performing Arts industry.

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Aboriginal Arts Programs and Engagement Initiatives

- **Ilbjerri Theatre Company** – leading national Indigenous company had two developments of new work titled **‘Which Way Home’** by Katie Beckett. Directed by Rachael Mazza. Final presentation of the work will be in August 2016.
- **Emma Donovan and the Putbacks and Yirmal Marika**. Performance in May 2016. Leading Aboriginal singer Emma Donovan is the new Artistic Director of Black Arm Band, supported by emerging performer Yirmal from North-East Arnhem Land.
- **Aboriginal Comedy Allstars** - Matt Ford, Shiralee Hood, Kevin Kropinyeri and Dane Simpson. Supported by the Australia Council. A touring showcase of four of the best Aboriginal comedians in the country. Performance in February 2016 at the Darebin Arts and Entertainment Centre.
- **Songlines Hip Hop Show** at Darebin Music Feast 2015 Opening Event.
- **Deadly Funny** - Darebin hosted the Victorian State Final of the Melbourne International Comedy Festival’s national indigenous comedy development program. Performance in March 2016 at Northcote Town Hall.
- **Hot Brown Honey** – performer Juanita Duncan. Keynote large scale production as part of the Melbourne International Comedy Festival, featuring politically infused Cabaret and performance. At Northcote Town Hall in April 2016.
- **Next Wave Festival May 2016** at Northcote Town Hall:
 - **Misconception** – Performed and Choreographed by Thomas E.S. Kelly. Performed by Taree Sansbury, Natalie Pelarek and Caleena Sansbury.
 - **Blaaq Catt** – Performed and written by Maurial Spearim. Directed by Pauline Whyman.
 - **Passing** – Performed and Choreographed by Amrita Hepi
- Funding support to **Songlines** for their youth arts event at the Aboriginal Advancement League in December 2015.
- **Under Construction** -Art installation and residency-based project at the Homestead included Aboriginal artist Steaphan Paton. Funded by Darebin Council and Creative Victoria ensuring all artists received artist fees.
- **Revisioning Histories** – co curated with local Aboriginal artist Yhonnie Scarce
Invitation to Indigenous and non-Indigenous artists to respond to the heritage of the Homestead and to reimagine Australia’s colonial past featuring Aboriginal artists: Megan Cope, Vicki Couzens, Nici Cumpston (SA), Dale Harding (QLD), Steaphan Paton, Steven Rhall and Yhonnie Scarce. Funded by Darebin Council, Creative Victoria and Australia Council for the Arts ensuring all artists and the Curator received appropriate fees. Launch event included Smoking Ceremony and Welcome to Country from local Wurundjeri Elder.
- Collection purchases from Aboriginal artists Yhonnie Scarce, Megan Cope, Steaphan Paton to a total value of \$29,182.

Council has a significant Aboriginal art collection comprising artworks by many artists living and working in the northern suburbs of Melbourne and other parts of Victoria. Artworks are on display in the Council facilities such as libraries, Northcote Town Hall, Darebin Arts and Entertainment Centre and other Council venues.

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Media and Engagement Highlights

- Two publications of the Darebin Arts Program July to December 2015 and January to June 2016 distribution of 8,500 copies to stakeholders and key distribution points at all Council facilities and venues. An online version of the program available on the Darebin Arts website.
- Bi-weekly Darebin Arts e-newsletter has 1300 current subscribers.
- Maintenance and upkeep of the Darebin Arts Portal with approximately 50,000 individual page views per six month period.
- Current State of Darebin Social Media followers by program include:
 - Loud Mouth: 738
 - True North: 1,864
 - Darebin Music Feast: 2,622
 - Homemade Food and Wine Festival: 760
 - N Scribe: 903
 - Creative Spark: 603
 - Speakeasy: 1,990
 - Darebin Arts and Entertainment Centre: 1719
 - Northcote Town Hall: 1207
 - Bundoora Homestead Art Centre: 2919
- Since July 2015 Bundoora Homestead Facebook likes have increased by an extraordinary 24%.
- Bundoora Homestead has attracted significant coverage in The Age, on ABC 774 and in local media for both contemporary art projects and heritage stories.
- Feature full page article in The Age on Hot Brown Honey.
- Feature article in The Age on Double Blind.
- Positive show reviews in both Age and Herald Sun on Melbourne Fringe season.
- Multiple ABC radio appearances for Darebin Arts Presents shows including Pony Face, Emma Donovan and Tim Rogers
- ABC and RRR radio appearances for Stephanie Lake and Robin Fox regarding work Double Blind.
- RRR radio appearances for Fringe and Next Wave artists.
- Museum of Me 2016 has attracted mainstream media coverage including The Age, ABC 774, Triple R Radio, Joy FM, 3PBS, Arts Hub, ABC Radio National and The Leader.
- True North festival attracted The Age (full page editorial), ABC 774, ABC Radio National, Preston Leader (front page; 24,000 views on their Facebook page).
- Darebin Music Feast delivered a wide publicity and marketing campaign during October 2015 and includes coverage across all street press, radio and local press outlets.

Darebin Arts Strategy 2014-2020

Actions and Initiatives

Strategic and Creative Sector Engagement Highlights

- Delivery of an Economic Impact and Social Benefit Study (by June 2015)
- Commencement of a formal review and redesign of Public Art (May – Sept 2016)
- Partnership with the Cultural Development Network regarding a national Cultural Indicators project.
- Delivered a report to Council on the Live Music scene in Darebin and an update on the Agent of Change and SEPPN2 legislation and consultation through the Environment Protection Authority.
- Ongoing meetings of the Arts Ambassadors on matters relating to arts in Darebin, including a refresh of the Terms of Reference aligned to the Arts Strategy 2014-2020 policy.
- Support to and collaboration with Economic Development on the draft Tourism Strategy.
- Support to and collaboration with the Equity and Inclusion unit on matters related to Aboriginal Darebin projects and strategic issues
- Research and development concerning the history and proposed future response to the Youth Mural at Ruby Thomson Reserve (draft future options paper by August 2016).
- Internal advocacy and participation in the Northlands Urban Renewal Project concerning matters of developer contributions and the development of both Public Art and local Creative Hubs that locate and support artists and arts enterprises to work and live within these renewal zones.
- Active membership on the Municipal Association of Victoria Arts and Culture Committee.
- Regular and ongoing meetings of the Bundoora Homestead Board of Management including strategic planning workshops to develop the new draft Business Plan. Recruitment of eleven new Board members was endorsed by Council in May 2016.
- Survey of Venue Hirers to track customer satisfaction at Northcote Town Hall and Darebin Arts and Entertainment Centre.
- Attendance and presentations at key sector conferences including Creative Industries Forum (Arts Centre Melbourne May 2016), Australian Performing Arts Market, LGPro Social Media Conference, VAPAC member's event No.58, VACPAC Showcase Victoria, Melbourne Music Symposium and Museums Australia Conference.

Darebin Arts Strategy 2014-2020

Statistical Snapshot 2015-2016

Visitation by Venue:	YTD 30 April 2016 (Actuals)	Projected to 30 June 2016 (Estimates)
Bundoora Homestead Arts Centre	9822	11,800
Darebin Arts and Entertainment Centre	64,023	76,800
Northcote Town Hall	59,667	69,667

Number of hires/event bookings by Venue:	YTD 30 April 2016 (Actuals)	Projected to 30 June 2016 (Estimates)
Darebin Arts and Entertainment Centre	3,549	4,232
Northcote Town Hall	2,172	2,552

Attendances at Festivals and Events	
Darebin Community and Kite Festival	16,000
Inaugural Annual Dance Affair	700
Darebin Music Feast	30,000
Edwardes Lake Park Open Air Cinema	650
Homemade Food and Wine Festival	1,500

Number of Artists Supported and/or Employed by program area	2015-2016 Direct Engagement by City of Darebin
Bundoora Homestead Arts Centre Exhibitions Program	288
Arts Programming	110
Arts Participation	1995
Public Art	8
Darebin Arts and Entertainment Centre Exhibition Space	10

Darebin Arts www.darebinarts.com.au	Statistical Overview
Jan – June 2015:	48,602 sessions by 35,166 users, with 84,682 individual page views
July – Dec 2015:	27,835 sessions by 21,296 users, with 49,125 individual page views
Age of Visitors	30% Aged 25-34 years; 28% Aged 35 – 44 years; 18% Aged 45- 55 years
New Visitors	72.2%
Male Users	33.4%
Female Users	66.6%

BOX OFFICE FINANCIAL YEAR	INSIDE CHARGES	BOOKING FEES	# TIX SOLD	GROSS \$	Number of ticketed EVENTS	Number of ticketed PERFORMANCE S	TOTAL ATTENDANCE of ticketed events
2013 - 2014	\$141,192.10	\$22,905.30	59015	\$878,633.12	200	560	58993
2014 - 2015	\$148,009.60	\$30,307.17	66486	\$1,222,496.65	258	644	66321
	4.8% increase	32.3% increase	12.6% increase	39.1% increase	28% increase	15% increase	12.4% increase
2015 - 20 May 2016	\$143,641.05	\$41,450.70	56953	\$1,076,548.78	196	500	62632

Darebin Arts Strategy 2014-2020

Future Focus – Year 3 Priorities

- Development of a new framework for Public Art
- Ongoing engagement and development of Children’s and Families programming
- Ongoing engagement and development of Aboriginal Arts programs and engagement with Aboriginal artists.
- Long term and planned approach to arts infrastructure including a partnership approach with Strategic Planning on urban renewal zones and the provision of creative hubs, co-working spaces and public art interventions.
- Develop and implement a workforce engagement plan to support internships, traineeships and employment pathways in the creative jobs at Darebin supporting the recruitment of young people, Aboriginal communities and people living with disability.
- Development of a Strategic Plan for the Darebin Arts and Entertainment Centre in the context of key major projects occurring within the precinct in the coming year.
- Homestead Draft Business Plan 2015-2020 implementation strategy to be considered upon commencement of the new Board of Management in mid-2016.
- Ongoing partnership with the Cultural Development Network and the National Local Government Forum on Cultural Outcome Measures.
- Delivery of the 20 Anniversary of the Darebin Music Feast and a focus of Darebin’s thriving live music sector and associated industries.
- Major capital works development and implementation at Northcote Town Hall and Darebin Arts and Entertainment Centre.
- Ongoing collaboration with Economic Development other Local Governments including the City of Melbourne in a partnership approach to industry growth in the Creative and Tourism sectors.

Darebin Arts Ambassadors Reference Group

Terms of Reference

Adopted 6 May 2013

Background

In April 2013 Council endorsed the establishment of the Darebin Arts Ambassadors Reference Group to advise Council on any matters relating to the arts in Darebin as well as support Council in the development of the Arts Strategy 2014-2020 and provide feedback, support and guidance for the life of the strategy.

Terms of Reference

The purpose of the Darebin Arts Ambassadors Reference Group is to:

- Advise Council on any matters relating to the arts and community in Darebin.
- Support Council in the development of the Arts Strategy 2014-2020 and provide feedback, support and guidance for the life of the strategy.
- Guide Council on best practice arts and community cultural development.
- Provide support and guidance on Council's arts programs, festivals and projects.
- To provide an avenue of community consultation regarding policy, strategies and matters pertaining to the Arts in Darebin.

Length of Term and Meeting Details

- Ten community members are appointed for a two year period with half of the positions (5) being advertised each year to ensure continuity.
- In special circumstance members may be appointed for a one year period, at the discretion of Council but the standard length of term is to be two years.
- Membership will be reviewed yearly or as required and will be appointed by Council.
- The committee is to meet three times a year.
- Members are required to attend two of three meetings per year.
- Meeting dates and times to be set by the Reference Group at start of each financial year (July - August) and can be changed by a majority vote of the committee.
- Meetings to be held at the Preston municipal offices with occasional meetings being held at the Northcote Town Hall.
- If at the end of a 12 month term any Darebin Arts Ambassadors has attended less than two of three meetings in that period, that member will be retired.
- Former members may reapply for membership.
- Councillor representation will be reviewed yearly or as required and will be appointed by Council.

Selection Criteria for Membership

Darebin Arts Ambassadors will be selected based on:

- Demonstrated knowledge of and commitment to Arts and Cultural Development.
- Understanding and interest in local government issues.
- A broad representation of the Darebin community will be sought – based on balance of gender, age range and cultural diversity.
- A broad representation of art forms including professional and amateur.

- Preference given to applicants not currently members of any other Council Advisory Committee.

Selection Process

Membership selection will occur through the following process;

- Advertisements in local media and through Council's website inviting applications from interested community members.
- Written applications will be assessed by a selection panel consisting of two Council Officers and nominated Councillors.
- Membership will be confirmed by Council resolution.
- If the membership is not filled through advertising process, Darebin Arts Ambassadors Reference Group will target potential members. If applications through this process out number positions the selection panel will determine membership.

Members' Roles and Responsibilities

- Members will also be asked to provide input to Arts and Cultural strategies and plans and to make submissions on other Council strategy documents.
- Members are encouraged to undertake and/or participate in voluntary Arts and Cultural projects that are relevant.
- Darebin Arts Ambassadors Reference Group is not a decision-making body. Council receives submissions from a wide range of stakeholders and all submissions are considered through the same processes.

Reporting and Review

- Council will be required to approve any changes to the Darebin Arts Ambassadors Reference Group Terms of Reference.
- A quorum of members may propose changes to the Darebin Arts Ambassadors Terms of Reference however Council will be required to approve the proposed changes.
- The first meeting of each financial year will include review of the Terms of Reference.

Method of Resignation

- Members will automatically resign after their membership period.
- As per above, retiring members are eligible for re-appointment.
- If a member retires during the course of their term invitations will be sent out to those people who registered interest in being members in the most recent call for members.
- If the time of the resignation aligns with the yearly membership process (June - July) the additional vacant membership position will be filled through this process.

Darebin Arts Ambassadors Reference Group Terms of Reference (DRAFT) – JULY 2016

Background

In 2013 Council endorsed the establishment of the Darebin Arts Ambassadors Reference Group to advise Council on any matters relating to the arts in Darebin.

In relation to Darebin's arts and creative culture, Council has a primary responsibility for understanding and articulating the community's values and desired future for providing opportunities for cultural learning, arts participation and creative expression. Council also plays a significant role striking a balance between contributing to and supporting an evolving and dynamic creative sector as well as effectively addressing local needs through creative initiatives and programs.

There are three primary drivers that define the role and investment of Council in delivering a comprehensive portfolio of arts and cultural initiatives, programming and infrastructure:

1. Improved social cohesion, wellbeing and connectedness through arts and creative experiences for those who live, work, study or play in the City of Darebin.
2. Contribute to an environment and make possible the conditions that encourage creative endeavour and enterprise to proliferate.
3. Set the strategic agenda for facilitating the growth of creative culture across the Northern Metropolitan region.

The creative and cultural industries represent a significant employer in Darebin's economy, supporting more than 2,500 jobs or nearly 5% of Darebin's employment. The industry contributes over \$400 Million in gross regional product, a contribution of 7.5% of Darebin's economic value. The live music scene contributes an estimated \$32 Million to Darebin's economy, with patronage estimated at over 700,000 audiences in 2015. Cementing Darebin's reputation as the hub of Northern Melbourne's vibrant arts scene will see this economic contribution grow and at least double over the next 10 years.

Coupled with this economic picture the City of Darebin places an emphasis on social inclusion and engagement with Darebin's diverse communities. The Darebin Arts Ambassadors will take into account Darebin's unique and diverse community based on and not limited to gender, age, cultural identity and ability as well as provide an invaluable advisory mechanism to support both economic growth and social sustainability.

Terms of Reference

1. Mission statement

- 1.1. To act as Council's key advisory and consultative mechanism regarding arts and cultural policy, planning, programs and infrastructure.
- 1.2. To inform and assist Council in understanding the key priorities, policies and drivers that influences the provision of and access to arts and cultural services and opportunities.

2. Statement of Purpose

- 2.1. Advise Council on matters relating to the arts and community in Darebin.
- 2.2. Support and guide Council to achieve its goal of a Thriving Creative Culture through sector engagement, community engagement and advocacy.

-
- 2.3. Support Council in the development, implementation and review of arts and cultural policy and strategy.
 - 2.4. Support and guide Council on the provision of its own arts programs, festivals, projects, infrastructure, assets and initiatives.
 - 2.5. Advocate on behalf of the creative sector on all matters pertaining to arts and culture at a local, state and national level.
 - 2.6. Engage in strategic planning and direction setting in relation to arts and cultural investment, creative spaces provision in the context of neighbourhood development and urban renewal zones.
 - 2.7. Participate in opportunities to collaborate with working groups, other advisory bodies that advance the strategic goals of Darebin City Council.
 - 2.8. It is not the purpose of the Darebin Arts Ambassadors Reference Group to become involved in day to day operational matters. Members will be encouraged to provide input to arts and cultural strategies and to make submissions on other Council strategy and policy documents. Members will also be encouraged to be actively engaged in the variety of arts and cultural programs occurring in Darebin and beyond.

3. Membership

- 3.1. Membership of the Darebin Arts Ambassadors Reference Group will be balanced in regard to age, gender and cultural background. The group will comprise of a total of 17 members. The following categories will apply.
- 3.2. Five resident participants inclusive of gender, CALD and age balance. Selection will be based on demonstrated knowledge and experience in the arts and creative sector; understanding and interest in local government; and a commitment to advancing Darebin as a thriving creative centre.
- 3.3. Five Creative Sector professionals working predominately in the arts and creative industries within Darebin.
- 3.4. Five Council Staff; Manager Creative Culture, Coordinator Arts Programming, Coordinator Arts Participation and Coordinator Arts Integration.
- 3.5. Two Councillors; Chair and Deputy Chair.

4. Term and Method of Nomination

- 4.1. Members will be appointed for a minimum of 2 years. The reference group will meet four times per year.
- 4.2. If a vacancy occurs, a public notice will be placed in local newspapers, Council and Darebin Arts websites, key social media handles and the Darebin Arts e-newsletter advising of the vacancy and seeking expressions of interest.
- 4.3. Appointments will be made by a panel of representatives from the reference group. Panel members will include the Chair (nominated Councillor), one member and one Council officer.
- 4.4. A position will be deemed to be vacant if a member fails to attend for two consecutive meetings without reasonable grounds.

5. Support

- 5.1. Any support required to enable participation in the Darebin Arts Ambassadors Reference Group will be provided by Council. This includes reimbursement of costs for travel, language interpreters and other reasonable costs.

6. Meeting times and frequency

- 6.1. Meetings to be held at a time to suit members.
- 6.2. There will be at least four meetings per year, every two months commencing in March of each year, with additional sub-group meetings as agreed by members.

7. Financial Interests and Conflict of Interest

- 7.1. Darebin Arts Ambassadors Reference Group members must disclose any financial interests to ensure there is no conflict of interest resulting from their participation in meetings.
- 7.2. If a member believes they have a conflict of interest in a matter before the Reference Group, then that member must declare their interest and not partake in any discussion or decision on the matter. The declaration will be recorded in the minutes of the meeting.

8. Decision Making Processes

- 8.1. The Darebin Arts Ambassadors Reference Group is not a decision making body of Council. It is designed to provide advice to Council of matters relating to local, state and national priorities relating to arts and culture.
- 8.2. The Darebin Arts Ambassador Reference Group membership will be diverse in both representation and opinion. Darebin City Council encourages members to work together to achieve the best possible meeting outcomes.
- 8.3. If the situation arises where consensus cannot be reached, the matter will be referred to Chairperson to recommend strategies to progress a decision.

9. Resourcing

- 9.1. Darebin City Council staff nominated by management will support the Reference Group. The nominated Council officer will prepare agenda papers for meetings.
- 9.2. Agendas and supporting material will be circulated three clear working days prior to meetings to ensure a reasonable opportunity to read the meeting papers. At all times, the nominated Council officer remains under the direction of their Manager.

10. Communication

- 10.1. The business conducted at each meeting will be recorded in the minutes and copies of the minutes will be promptly distributed to Reference Group members, Councillors and the Council's executive team.
- 10.2. Council officers are responsible for ensuring that Reference Group members are advised of:
 - Progress or outcomes of any feedback provided by the Reference Group;
 - Dates of Council meetings considering matters relevant to the work of the Reference Group; and
 - Any Council report or Council decision relevant to the Reference Group.

7. CONSIDERATION OF RESPONSES TO NOTICES OF MOTION AND GENERAL BUSINESS

7.1 BEDFORD ROAD CAR PARK,

Author: Senior Coordinator Transport Management

Reviewed By: Director Assets and Business Services

Report Background

Council has carried a Notice of Motion to investigate alternative parking restrictions and hours of operation within the car park bounded by Bedford Road and Bernard Street to the south of the shops on Broadway, Reservoir.

Previous Council Resolution

At the Council meeting of 5 October 2015, it was resolved:

'That Council resolves to consult the community, including traders and employees, in relation to current parking limits between 7 am and 9 am that are applied in the Bedford Road car park in Reservoir to allow for options for resident parking via longer time limits or resident permits.'

Previous Briefing(s)

This matter has not previously been to a Councillor briefing.

Council Plan Goal/Endorsed Strategy

Goal 1: A Vibrant City and Innovative Economy

Summary

In response to the Council resolution on 5 October 2015, Broadway traders were consulted regarding current parking restrictions. It is noted that as the car park is a facility that is provided for traders and customers in the Broadway area, surrounding residents were not consulted. Alternate on street parking is available to cater for residential demands in the area and is managed accordingly.

Council officers visited the shops along Broadway between High Street and Whitelaw Street Reservoir. The majority of responses received supported no changes to the existing car parking restrictions.

Recommendation

THAT Council note this report on the Bedford Road car park in Reservoir.

Introduction

Council has carried a Notice of Motion to investigate alternative parking restrictions and hours of operation within the car park bounded by Bedford Road and Bernard Street to the south of the shops on Broadway, Reservoir as shown in Figure 1. This report documents the various options considered, consultation undertaken and the outcomes of this consultation in relation to future parking restrictions.

Issues and Discussion

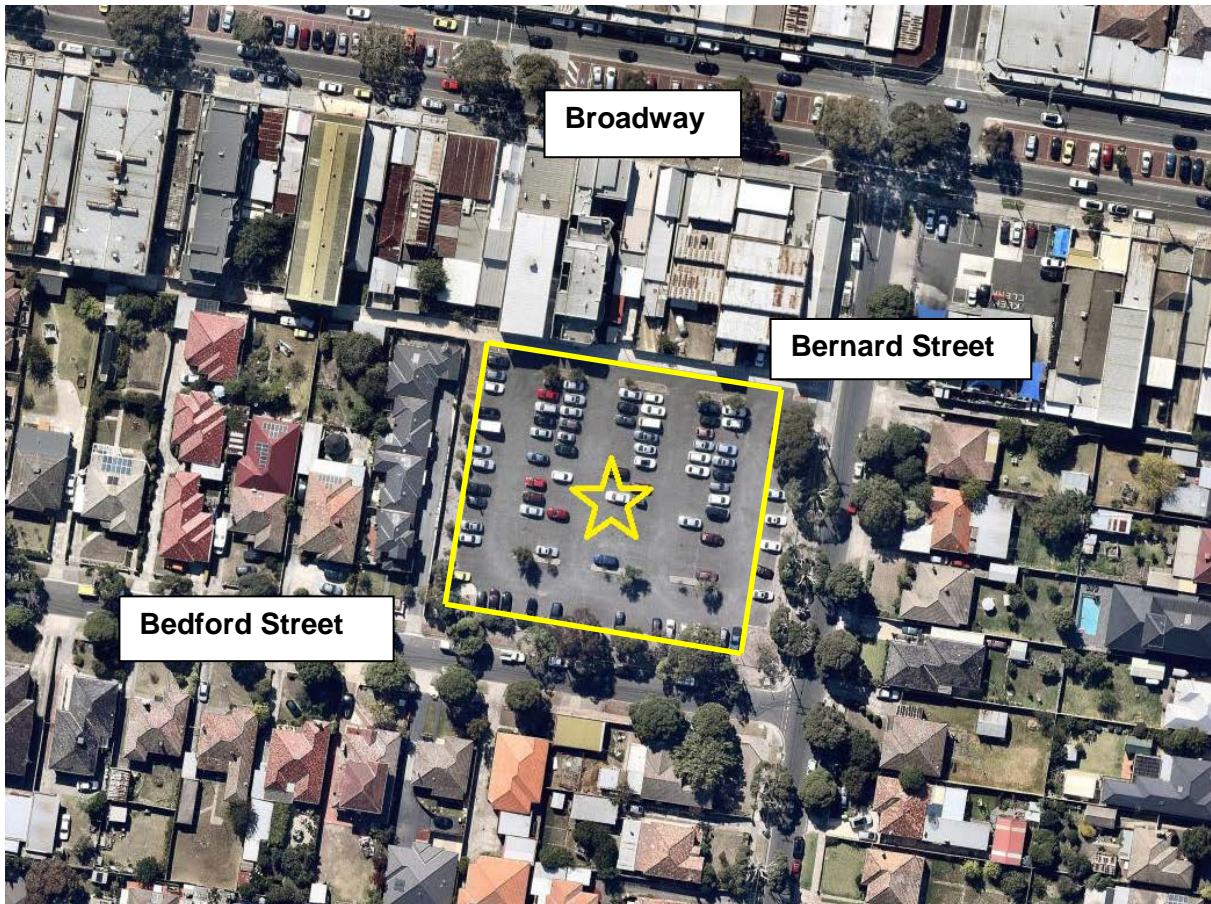


Figure 1: Bedford Street Car park

The existing car park generally has 1 hour parking restrictions (1P) that operate from Monday to Friday between 7AM – 9AM. A small section of the car park operates with 2 hour parking restrictions 8:30AM – 6:30PM Monday – Friday and 8AM – 12:30PM Saturday. The restrictions are in place to ensure that train commuters and other long term non-retail parking demands do not occupy the limited parking supply in Reservoir.

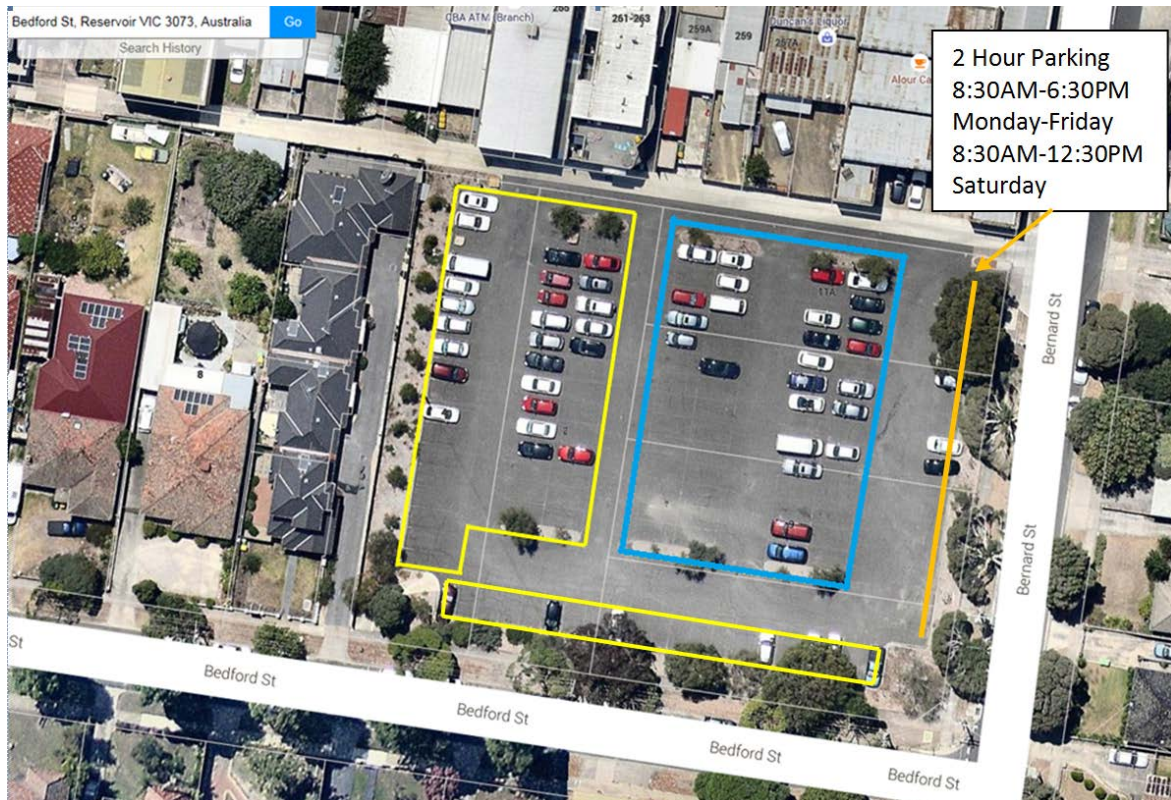


Figure 2: Proposed parking changes

Options for Consideration

In line with the Council resolution Council requested feedback from traders on the following three proposed options:

Option 1

- Monday to Friday between 8am – 11am
- Blue section - All day parking no restrictions

Option 2

- Yellow Section - 2 hour parking (2P) Monday to Friday between 7am – 11am
- Blue section - 2 hour parking (2P) Monday to Friday 9am – 5pm and 2 hour parking Saturday 8:30am-12:30pm

Option 3 - recommended

- No changes to the existing car parking restrictions

Officers visited Broadway on 8 June and 14 June 2016 to speak to traders to get feedback on the alternate parking restrictions. The majority of responses received (75%) indicated support for Option 3 with no changes to the existing car parking restrictions. On the basis of this response and to ensure that parking continues to be protected for use by the activity centre users, it is recommended that no changes to the existing restrictions be made.

Financial and Resource Implications

Nil

Risk Management

Nil

Policy Implications**Economic Development**

There are no factors in this report which impact upon economic development.

Environmental Sustainability

There are no factors in this report which impact upon environmental sustainability.

Human Rights, Equity and Inclusion

There are no factors in this report which impact on human rights, equity and inclusion.

Other

There are no other factors which impact on this report.

Future Actions

Based on the consultation undertaken with surrounding business, it is recommended that the existing parking restrictions be retained. These restrictions will ensure that this parking is protected from non-activity centre users (residents, train commuter, etc.) supporting the viability of the centre.

Consultation and Advocacy

- Transport Management
- Broadway Traders

Related Documents

Council Minutes – 5 October 2015 (21 September 2015)

Disclosure of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

8. NOTICES OF MOTION

8.1 EXTENSION OF GILBERT ROAD TRAM ROUTE 11

NOTICE OF MOTION NO. 292 CR. ANGELA VILLELLA

Take notice that at the Ordinary meeting to be held on 18 July 2016, it is my intention to move:

That the Mayor write to local state member Mr Robin Scott to commit to funding the extension of the Gilbert Road Route 11 tram to Reservoir Station Edward Street or end of Gilbert Road in the next state budget. The letter is to note the following:

- i. Previous community and council support and advocacy for the extension*
- ii. It has been a long-standing issue in the community and well over due*
- iii. Improvement in public transport for the growing diverse community to better access services is urgently required*

Notice Received: 4 July 2016

Notice Given to Councillors: 11 July 2016

Date of Meeting: 18 July 2016

8.2 ON-LINE BUDGET TOOL

NOTICE OF MOTION NO. 293 CR. BO LI

Take notice that at the Ordinary meeting to be held on 18 July 2016, it is my intention to move:

That Council commits to initiate its on-line budget tool no later than end of February 2017 so that residents will have a say prior to the 2017/2018 budget submission process and to inform the Council's draft budget.

Notice Received: 4 July 2016

Notice Given to Councillors: 11 July 2016

Date of Meeting: 18 July 2016

8.3 FORMER RUTHVEN PRIMARY SCHOOL**NOTICE OF MOTION NO.****294****CR. TIM LAURENCE**

Take notice that at the Ordinary meeting to be held on 18 July 2016, it is my intention to move:

That:

- (1) *Council notes the Promise of David Feeney MP to assist with \$1 million in funding to assist to buy the former Ruthven Primary School site and the offer of \$1 million in funding to construct a play space on the site.*
- (2) *The Mayor write to David Feeney MP to formalise how and when this promise will be delivered.*
- (3) *Council notes that the State Governments has not agreed to initial offers by council to buy the former Ruthven Primary School site based on the lowest range of offers adopted by the Council in June 2016.*
- (4) *Council noting this failure to reach agreement resolves to therefore make a final offer by council to buy the former Ruthven Primary School site based on the highest range of offers adopted by the Council in June 2016 and give the state government a one week deadline to respond.*
- (5) *Council convene a special council meeting on Tuesday 26 July 2016 to hear the response to the final offer to purchase the whole Ruthven Primary School site.*

Notice Received:**5 July 2016****Notice Given to Councillors:****11 July 2016****Date of Meeting:****18 July 2016****8.4 CLEAN GOVERNANCE ACTION - REMOVING THE 1% FROM OUR PLANNING COMMITTEE TO PROTECT THE 99% OF RESIDENTS****NOTICE OF MOTION NO.****295****CR. TIM LAURENCE**

Take notice that at the Ordinary meeting to be held on 18 July 2016, it is my intention to move:

That Council:

- (1) *Consult with the community about a change of our local laws to prevent wealthy property investor councillors who own 3 or more properties within in the City of Darebin from sitting on the Planning Committee and making decisions about planning applications.*
- (2) *Receive a further report on how many councillors this would affect and whether a quorum could be maintained if council adopted this practice for the remainder of this council term.*

Notice Received:**5 July 2016****Notice Given to Councillors:****11 July 2016****Date of Meeting:****18 July 2016**

9. URGENT BUSINESS**10. GENERAL BUSINESS****11. PETITIONS****12. REPORTS OF STANDING COMMITTEES****12.1 AUDIT COMMITTEE**

The Audit Committee is an Advisory Committee appointed, pursuant to section 139 of the *Local Government Act 1989*, to assist Council in fulfilling its responsibilities relating to internal control mechanisms and external reporting requirements.

A meeting of the Audit Committee was held on 6 June 2016. A summary report of the meeting is attached as **Appendix A** to this report. The minutes of the meeting, incorporating the reports considered by the Committee, have been circulated to Councillors.

Recommendation

That the Report of the Audit Committee meeting held on 6 June 2016 be received and the Committee Recommendations be adopted.



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SUMMARY REPORT OF THE AUDIT COMMITTEE MEETING

Held on Monday 6 JUNE 2016

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**MINUTES OF THE AUDIT COMMITTEE MEETING OF THE DAREBIN
CITY COUNCIL HELD AT DAREBIN CIVIC CENTRE, 350 HIGH
STREET, PRESTON ON MONDAY 6 JUNE 2016**

THE MEETING OPENED AT 2:31 PM

1. PRESENT

Mr Michael Said (Chairperson)
Mr Terry Richards (Independent External Member)
Cr. Vince Fontana (Mayor) (Committee Member)
Cr. Oliver Walsh (Committee Member)

Officers:

Mr Rasiah Dev – Chief Executive
Ms Jacinta Stevens – Executive Manager Corporate Governance and Performance
Mr Allan Cochrane – Chief Financial Officer
Mr Michael O’Riordan – Financial Accountant
Ms Gracie Karabinis – Corporate Risk Manager

External Auditor:

Mr Remy Szpak – Victorian Auditor-General’s Office
Mr Joel Christidis – Victorian Auditor-General’s Office

Internal Auditor:

Mr Martin Thompson – Crowe Horwath

Minutes:

Ms Melanie Nitchov – PA to Director Corporate Services

2. APOLOGIES

Mr Gavin Cator – Director Corporate Services

3. DISCLOSURES OF CONFLICTS OF INTEREST

Audit Committee members are required to disclose any conflicts of interest on any matters listed on the Agenda.

No conflicts of interest were disclosed.

4. REGISTER OF INTERESTS

Audit Committee members are asked to declare any conflicts of interest. The following record of members' disclosures will remain until amended by the member concerned.

Mr Michael Said

- Manningham City Council
- Yarra City Council
- Whitehorse City Council
- Whittlesea City Council
- Baw Baw City Council
- Colac Otway Shire Council
- Moorabool Shire Council
- Yarra Plenty Regional Library
- Chisholm Institute of TAFE

Mr Terry Richards

- None

No conflicts of interests were declared.

5. CONFIRMATION OF THE MINUTES OF THE PREVIOUS AUDIT COMMITTEE MEETING

Recommendation

That the Minutes of the Audit Committee Meeting held on 7 March 2016 be confirmed as a correct record of business transacted.

Committee Recommendation

MOVED: Cr. Vince Fontana
SECONDED: Mr Terry Richards

CARRIED

6. STANDING REPORTS

6.1 MATTERS ARISING FROM PREVIOUS MINUTES

The following are matters arising from the Audit Committee Meeting held Monday 7 March 2016:

Item 9: Audit Committee Work Plan 2016 (*Noted*)

- The VAGO Strategy referred to under External Audit in the Annual Work Plan Matrix for 7 March 2016 to be changed from 2014/15 to 2015/16.
- The Audit Committee Work Plan should only cover the Audit Committee year, finishing with the Annual Statements.

Item 12: Gifts and Hospitality Report (*Completed*)

- The Chairperson's briefing to Council on 29 March 2016 to place emphasis on Councillors completing their returns in a timely manner in line with the new Code of Conduct; following the report of the Municipal Inspectors.

Item 13: Financial Report – 6 months ending 31 December 2015 (*Noted*)

- Council should separate out asset expansion and asset upgrade in the Statement of Capital Works.

Item 14: Capital Works Program – December 2015 Performance Report (*Noted*)

- Council should be aware of the capital replacement ratio and the asset renewal ratio definition of the Victorian Auditor General and calculate the ratios for incorporation into the year-end accounts.

Item 16: Financial Reporting Developments (*Noted*)

- Council to decide if it will go for early adoption of Government Grants to Local Government, Operating Leases and Related parties.

Item 17: Corporate Risk and BCP Update (*Noted*)

- *Fraud Prevention and Control*
 - Manager Corporate Risk to follow up the administration process with People and Development for notifying staff who have already completed fraud training of the policy change, and report back to the Audit Committee.
- *Annual Strategic and Operational Risk Review Process (Appendix B)*
 - Strategic Risks to be reported to the Audit Committee every six months.
 - Governance, Risk and Corporate Performance Committee to be added to the review process. The Committee meets every two months.
- *Business Continuity Management Policy (Appendix C)*
 - Manager Corporate Risk to ensure that testing is covered in the policy.

Item 19: Governance, Risk and Corporate Performance Committee Minutes (*Noted*)

- Governance, Risk and Corporate Performance Committee members to be reminded of their obligation to arrange a proxy if they cannot attend a meeting. Proxy to report back to the Committee member on all out-workings of the meeting.
- Completeness of Minutes to be looked at to ensure that information relating to status/action, responsible officer and completion dates are included.
- Emerging risks should be listed as a standard Agenda item and appear in the Minutes.

Item 27: Internal Audit Report – City Works & Parks and Gardens (*Noted*)

- Management to review their response in regards to self-authorisation of purchase orders and provide evidence that monitoring of purchases by relevant management occurs (Finding Number 2. page 10-11 of Internal Audit Report).

Item 28: Internal Audit Report – Core Financial Functions ((User fees and charges – non statutory, Accounts Payable, Non-Infrastructure assets and related data interrogation) (*Noted*)

- Management to come back to the Audit Committee in 12 months and confirm whether they propose to continue the practice of allowing self-authorisation of purchases.
- Management to review their response to Finding No. 6, Self Authorisation of Purchases (page 24 of the Internal Audit Report).

Committee Recommendation

That the Matters Arising from the previous Audit Committee Meeting held on 7 March 2016 be noted.

MOVED: Cr. Vince Fontana
SECONDED: Mr Terry Richards

CARRIED

6.2 DECLARATION OF LEGAL COMPLIANCE BY CEO

The CEO confirms that Council is legally compliant in its operations. This is reported via the quarterly Director's Questionnaire, which requires all Directors to attest to the legal compliance of their Directorate's activities and to report any known instances of fraud, misappropriation or pending litigation.

Directors are required to confirm full compliance with contractual agreements. All issues that are disclosed are provided to the CEO.

Committee Recommendation

THAT the Audit Committee receive the Declaration of Legal Compliance by the Chief Executive.

MOVED: Mr Terry Richards

SECONDED: Cr. Vince Fontana

CARRIED

6.3 CEO REPORT

The Chief Executive Officer, Mr Dev, briefed the Audit Committee on recent important developments in the City of Darebin outlined in his report which was distributed at the commencement of the meeting by Ms Nitchov.

Rate Capping

The Director of Corporate Services presented at the Parliamentary Environment and Planning Committee - Inquiry into Rate Capping Policy on the 12 April. A copy of the council submission is attached for committee member's information.

NDIS

Council has received six briefings relating to the NDIS. The NDIS commences on the 1 July this year. Council has made a determination to expand advocacy and cease direct service to NDIS eligible clients.

Council is now preparing for this change in service delivery and it is expected that over time council will cease service delivery. Council will remain in service delivery in the short term and withdraw slowly as the client base commences using other service providers. Transition is expected to take 6 to 12 months from August 2016.

Procurement

From 2011 Darebin Council has been progressively implementing a best practice procurement system and Council has also approved a new procurement policy to reflect this.

The Local Government Investigations and Compliance Inspectorate has recently completed a review of procurement practice in local government and has commended Darebin processes, which I believe to be the best in Victorian local government. Please see the attached correspondence to this effect.

Draft Budget

Council at its 2nd May Council meeting approved the advertising of the draft 16/17 budget. Council did not apply for a variation to the rate cap and proposes to have a rate increase of 2.5%.

A Public Notice was published in The Age on 4 May 2016 and the Preston and Northcote Leaders, 10 and 11 May 2016 respectively, inviting written submissions (up until 3 June 2016) in relation to the proposed 2016/2017 Budget adopted by Council on 2 May 2016.

A copy of the Budget document was made available at Customer Service Centres (in public document folders) and on Council's website.

At the time of writing this report there had been 48 submissions received with eight wishing to be heard by Council. Mr Cochrane added that to date this has increased to 69 submissions.

Council will hear the submissions at a meeting to be held on the 9th June with the final Budget to be adopted with or without amendment at a special council meeting to be held on the 27th June.

For committee members information the following is a look at the budget at a glance:

- Budget revenue \$164.59 million
- 2.5% rate increase
- \$30.67 million capital works program (\$24.10 rates funded)
- \$6.93 million planning and development
- \$8.43 million buildings and assets
- \$11.07 million parks and gardens
- \$6.80 million environment and amenity
- \$11.86 million waste management
- \$3.47 million road maintenance
- \$8.29 million aged and disability services
- \$6.53 million family services
- \$2.78 million culture and leisure
- \$5.27 million libraries

Highlights in the proposed 2016/17 budget include:

Community and sporting infrastructure

- A new neighbourhood centre in East Preston will be commissioned at a total cost of \$0.87 million.
- Construction will start on pavilions at Mott Reserve and Robinson Reserve with a combined value of around \$2.00 million over two years.
- \$0.50 million to commence a new major project to redevelop the Northcote Aquatic and Recreation Centre, and \$0.86 million for urgent maintenance works to keep the facility open until redevelopment gets under way in 2018.
- \$0.60 million to continue preparation for a new \$13 million sporting facility with three indoor and four outdoor netball courts, increasing access to sport for women and girls. Council will also seek funding from the Federal and State Governments.

Community services

- \$8.14 million to the delivery of aged care and disability services, a 4.3% increase on the previous year.
- \$0.20 million to help our eligible service recipients transfer to the National Disability Insurance Scheme (NDIS) service.
- \$5.06 million towards family and children's services, an increase of 2.2% on the previous year.
- \$41,000 to support two new community based programs to prevent family violence through education and support for specific target groups.
- \$20,000 to continue supporting local animal rescue groups to foster and re-home abandoned and unwanted cats and dogs, helping to reduce the euthanasia rate in Darebin
- \$26,000 to continue funding the Under 50s Men's Shed

Traffic and transport

- \$0.08 million to undertake structure planning in Preston, Reservoir and Alphington to improve amenity and usage of the public space that will be opened up by the Victorian Government's railway crossing removal works.
- \$2.84 million to improve traffic management and parking in Darebin.
- \$0.60 million for bicycle path improvements on St George's Road in conjunction with Melbourne Water.

Economic development and support for businesses

- \$59,000 for free Wi-Fi along key shopping strips in Reservoir, Preston, Northcote and Fairfield.
- \$50,000 to activate shopfronts in the Preston Junction precinct and in Oakhill Village in Reservoir through the 'Active Spaces' program.
- \$30,000 for an Export Facilitation Program to help local businesses become 'export ready'.

City beautification and precinct planning

- \$0.88 million to plant 11,000 trees in the city towards our streetscape and urban forest strategy.
- \$0.85 million to continue implementing the Reservoir Streetscape Masterplan within the Edwardes Street and Broadway shopping centres.
- \$75,000 over two years to create Fairfield Village Design Guidelines, building on the 2015 Fairfield Village Action Plan.
- \$1.30 million to commence construction on flood detention and a water storage facility at John Cain Memorial Park that is being 50% funded by the State Government.

Arts and culture

- \$30,000 to continue running the successful Decibel Youth Music Centre Studio Access Program to get new, young bands off the ground.
- \$10,000 to enable special, one-off 20th anniversary events to be included in the 2016/17 Darebin Music Feast.

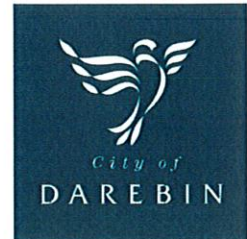
Committee Recommendation

THAT the Audit Committee note the report by the Chief Executive.

MOVED: Cr. Vince Fontana

SECONDED: Mr Terry Richards

CARRIED



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PARLIAMENTARY ENVIRONMENT AND PLANNING COMMITTEE

***Inquiry into the State Government Policy
to cap local Government Rates***

1 April 2016

1. INTRODUCTION

Darebin City Council is pleased to make a submission to the Parliamentary Environment and Planning Committee that is inquiring into the State Government Policy to cap Local Government rates.

The State Labour Government introduced legislation into Parliament to cap local council rates increases to the *Consumer Price Index* from the commencement of the 2016/17 financial year which has been set at **2.5 per cent** for the 2016/17 financial year.

Councils are able to apply to the *Essential Services Commission* (ESC) for an exemption to the cap, and Darebin City Council had previously advised the ESC that it may be making an application for a variation, however has determined not to make an application for the 2016/17 rating year.

The legislation indicates that if Councils want to levy rates with an increase above the cap then an application to the ESC is required, along with demonstration of community support for a particular project or service.

Council has undertaken an analytical review of the services it provides to the community to determine the long term costs of continuing to provide these services to the community.

If the rate cap is applied to Darebin City Council at the current proposed rates (2.5%), then by 2025 the difference between actual rate income and projected rate income (based on current annual increases as shown in the Councils Strategic Resource Plan) is approximately **\$167.35M** loss of capacity.

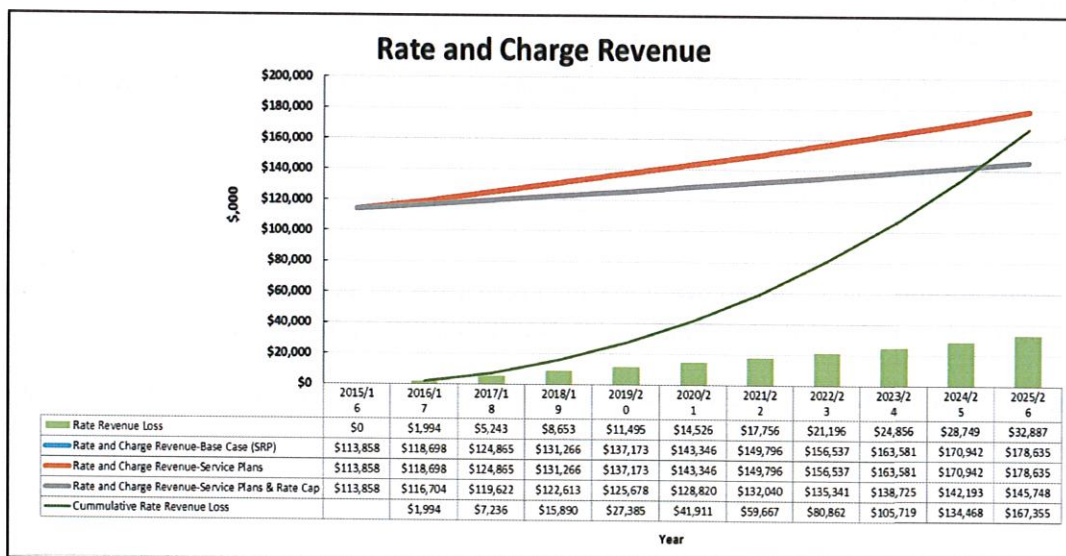


Figure 1 – Rate Capping impact

Darebin currently is in a good financial position due to its management of its finances over many years as can be shown by the following extract of audited Financial Performance Indicators for *Darebin City Council* extracted from the My Council Website – Local Government and comparison to Similar Councils and All Councils.

Indicator	Darebin 2014-2015	Similar Councils 2014 - 2015	All Councils 2014 - 2015	LGPRF Target Band (as per LG Better Practice Guide 2014- 2015)
Adjusted Underlying Surplus/deficit as a % of underlying Revenue <i>(Adjusted surplus / underlying revenue)</i>	-1.94%	7.67%	5.35%	Greater than 0%
Liquidity <i>(Current Assets / Current Liabilities)</i>	159.5%	199.4%	231.2%	120% to 200%
Unrestricted Cash/Compared to Current Liabilities	61.60%	91.39%	100.62%	50% to 100%
Indebtedness <i>(Non-current Liabilities / Own sourced revenue – excludes capital grants and measures the ability of Council to meet long term liabilities from revenues generated by Council itself)</i>	1.10%	16.4%	24.47%	20% to 60%
Asset Renewal Ratio <i>(Asset Renewal expense/ depreciation)</i>	60.28%	83.99%	75.09%	90% to 110%

This financial position will be eroded over time and Council will become unsustainable unless action is taken over the next 12 months to account for the loss in expected rate revenue.

This legislative imperative has necessitated a longer term perspective on the expenditure priorities and financial sustainability of the *Darebin City Council*.

Moving forward the Council will need to examine the following to become financially sustainable:

- Examine the reduction of services or change of delivery methods of some services;
- Potentially the lowering of levels of service on lower priority services;
- Potentially the lowering in facilities and infrastructure by re-setting intervention levels and revising Asset Management Plans;

- Continue the drive to improve the efficiency of services;
- Examine the use of loan funds for intergenerational capital works;
- Enterprise Agreement negotiations; and
- Examine alternative revenue streams.

It is an imperative into the future that the state government assist local government in meeting the challenges imposed by the legislation in the following ways:

- Increasing grant funding for major capital works
- Establishing performance targets for council services
- Stopping cost shifting onto Local Government
- Working cooperatively with Local Government to explain the impacts of the rate cap on councils' budgets.

Darebin City Council would be prepared to work with the State Government to examine more closely the impacts of the legislation on the long term operations and delivery of services to the Darebin community.

2. DAREBIN'S RESPONSE

For *Darebin City Council* to continue to fulfil its service obligations into the future Council must remain financially sustainable. Council in November 2015 commenced a *Strategic Service Planning* exercise with the assistance of the C T Management Group.

With rates capped at 2.5% Council assessed its capacity to continue to provide the current range of services at the current levels of service to its community.

The two primary reasons for undertaking this strategic Service Planning exercise were to:

- ensure Council's investment in services is achieving desired outcomes; and to
- better understand each service to allow comparative choice decisions to be made when undertaking resource adjustments across the organisation.

Three scenarios were modelled using the CT Management Group's *Long Term Financial Plan (LTFP)* and *Service Cost Evaluation Model (SCEM)* - they were:

Scenario 1	Baseline	Darebin's original 2015/16 LTFP reconciled to the 2015/16 budget and then adjusted for true starting cash position and carried forward projects and activities
Scenario 2	Service Planning	Baseline adjusted for Service Planning forward financial projections.
Scenario 3	Service Planning – Rate Cap (State Government)	Service Planning forecasts adjusted for the State Government imposed rate cap settings of 2.5% per annum.

Darebin City Council is **not** sustainable based on a "business as usual" financial model with rate capping introduced at 2.5% p.a.

The underlying operating position and cash at year end both decline at a greater and unsustainable rate under the rate cap scenario.

A strategic change in direction will be required to sustain Council's financial position into the future.

With the commencement of rate capping in 2016/17, Council needs to more aggressively find sustainable expenditure savings to return to a positive underlying operating position and prevent reaching critically low levels of cash.

The VAGO liquidity ratio reflects this situation as it deteriorates around 2019/20 and declines below prudent levels as early as 2020/21. Under the scenarios modelled (expenditure profiles are not changed) the financial position progressively deteriorates into the future.

It is unlikely that a reliance on efficiency gains will be sufficient to offset the loss of rate revenue capacity given service delivery is 85% of Council's recurrent operating Budget in 2015/16.

Council will need to review the levels of services it delivers to its community, whilst continuing to meet legislative responsibilities/mandated services, which in 2015/16 total 21% of Council's recurrent net costs.

Council will need to develop an improved 10 year capital program to better reflect capital investment's alignment with service priorities.

Council needs to confirm the annual renewal demand for all asset categories, develop a Council policy in relation to renewal funding (per asset category) and then reflect this in the long term financial plan.

With respect to new assets, Council needs to better capture the "whole of life costs" associated with new assets and ensure the operating budget funding for maintenance and operations is allocated to the operating budget.

By combining the four pieces of information together (organisation derived service importance score, community views, expected real growth factors and financial assessment of the sustainability of current business as usual model) Council understands that it needs to revise any levels of service or review the portfolio of services its provides to the community.

Ultimately Council will strive to understand what its customers' value and what outcomes they seek so as improved targeted levels of service and performance measures can be developed. It is important that the levels of service and performance indicators measure the organisation outputs as they impact on the community outcomes.

Council has completed a comprehensive review of each service and now has a net cost per service with critical service information consolidated with self-assessed service scores and growth rates defined on a service by service basis.

Council will continue to examine all its services and in doing so revenue and expenditure needs to be more transparently allocated to relevant services so the service cost is more reflective of actual resource allocation. This would then provide a better understanding of the true cost of each service.

2.1 Financial Overview

Council in its Service Planning review requested Service Managers to prepare a brief service summary (profile) and a 10 year forward cost estimate for each defined service.

The list of services and the cost estimates were to align and reconcile with Council's 2015/16 Operating Budget.

Some internal income was included in the recurrent budget estimates however depreciation was excluded. Depreciation and other recurrent and capital items not included in the Service

Manager's returns have been added to the LTFP model produced as an outcome of this project.

The collated service financial information for 2015/16 has been summarized in the table below.

Service Type	Number	Income	Expenditure	Net Cost
External Services	51	\$31,982,765	\$98,367,493	\$66,384,728
Internal Services	15	\$2,133,007	\$26,524,447	\$24,391,440
Total	66	\$34,115,772	\$124,891,940	\$90,776,168

The figures in the above table relate to service profiles and are generally cash based.

Total number of services	
Number of services where Council has a regulatory or statutory requirement to provide the service	32
Number of services operating with an annual surplus (not allowing for overhead distribution or depreciation)	3
Number of services where gross operating cost in real terms is expected to increase greater than 1% per annum over the 10 year forward forecast	0
Number of services where gross operating cost in real terms is expected to decrease at a rate greater than 1% per annum over the 10 year forward forecast	4
Number of services where net operating cost in real terms is expected to increase greater than 1% per annum over the 10 year forward forecast	3
Number of services where net operating cost in real terms is expected to decrease at a rate greater than 1% per annum over the 10 year forward forecast	4

The above table provides a summary of financial operating cost forecasts - Service level.

2.2 Service Cost Increases

The Services expected to increase their operating costs in real terms through growth by greater than 1 per cent per annum over the next 10 years are:

Service	Annualised Expenditure Growth Rate	2015/16 Budgeted Expenditure	Annualised Income Growth Rate
Zero Services			

The above table shows the services with annualised cost increases greater than 1%.

2.3 Service Cost Reductions

The services expected to decrease their operating costs in real terms by greater than 1 per cent per annum over the next 10 years are:

Service	Annualised Expenditure Growth Rate	2015/16 Budgeted Expenditure	Annualised Income Growth Rate
Council Business	-2.95%	\$1,427,379	-58.20%

Fleet Services	-1.67%	\$3,505,257	0.00%
Leisure Contracts	-1.32%	\$1,026,878	-0.32%
Disability Services	-1.08%	\$292,476	0.00%

The table above shows the services with annualised cost increases less than -1%

3. FINANCIAL MODELLING

3.1 Parameters

Council developed a financial analysis using its 2015/16 LTFP assumptions and escalation factors. Under these baseline assumptions, annual increases averaged for employee cost **4.5%**, operating grants **3.5%** and materials and contracts at **3.5%**.

Proposed capital works projects and borrowings remain at the published 2015/16 budget and 2014/15 LTFP.

Three scenarios were modelled using the CT Management Group's LTFP.

They were:

Scenario 1	Baseline	Darebin's original 2015/16 LTFP reconciled to the 2015/16 budget and then adjusted for true starting cash position and carried forward projects and activities
Scenario 2	Service Planning	Baseline adjusted for Service Planning forward financial projections.
Scenario 3	Service Planning – Rate Cap (State Government)	Service Planning forecasts adjusted for the State Government imposed rate cap settings of 2.5% per annum.

The aggregated total of the service cost 10 year profiles only increase by **\$3,540,779** expenditure in 10 years out of a total expenditure budget of **\$127,154,868** (total increase - **2.7%**).

Projected revenue shows an increase of **\$75,921** out of a total revenue of **\$33,913,953** (total increase - **0.22%**) over the forward 10 year period.

Whilst overall expenditure showed minimal movement within each service under Scenario 2 this may not reflect the true changes in demographics and priorities in the community and suggest financial modelling be reviewed in the 2017/18 financial year.

3.2 Modelling Inputs - Recurrent

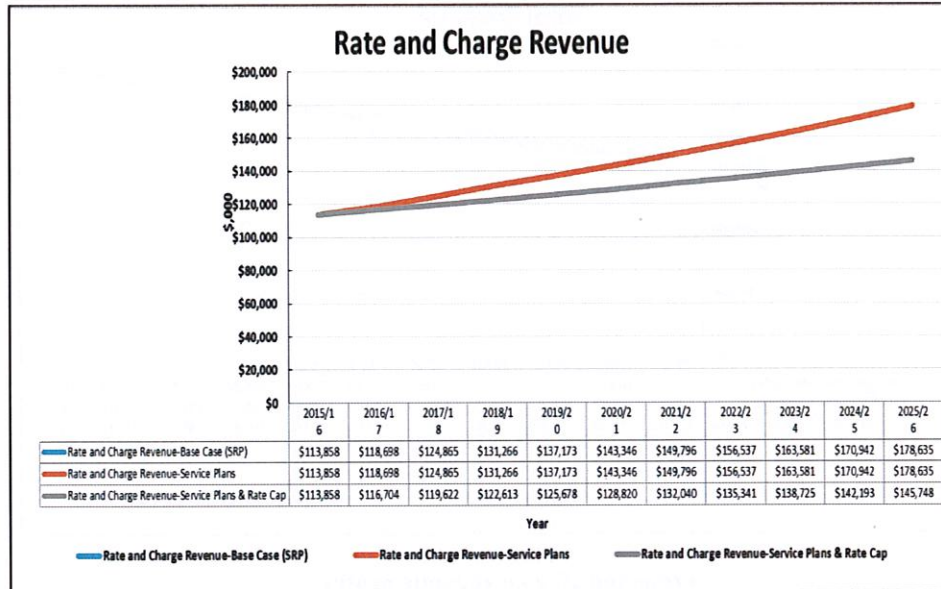
Detailed modelling was undertaken to assess the financial impact of maintaining the current levels of service for the next 10 years based on the modelling parameters.

The graphs below summarised the results. The legend on the graphs can be interpreted using the following details:

- **Base Case (SRP)** – This is the LTFP results produced by Darebin's LTFP model and shown in the 2014/15 Strategic Resource Plan.
- **Service Plans** – This is the CTMG LTFP model using the projected financial information as provided by the service managers.

- **Service Plans & Rate Cap** – This is the CTMG LTFP model using the projected financial information as provided by the service managers with the State Government rate cap assumption of 2.5% from 2016/17.

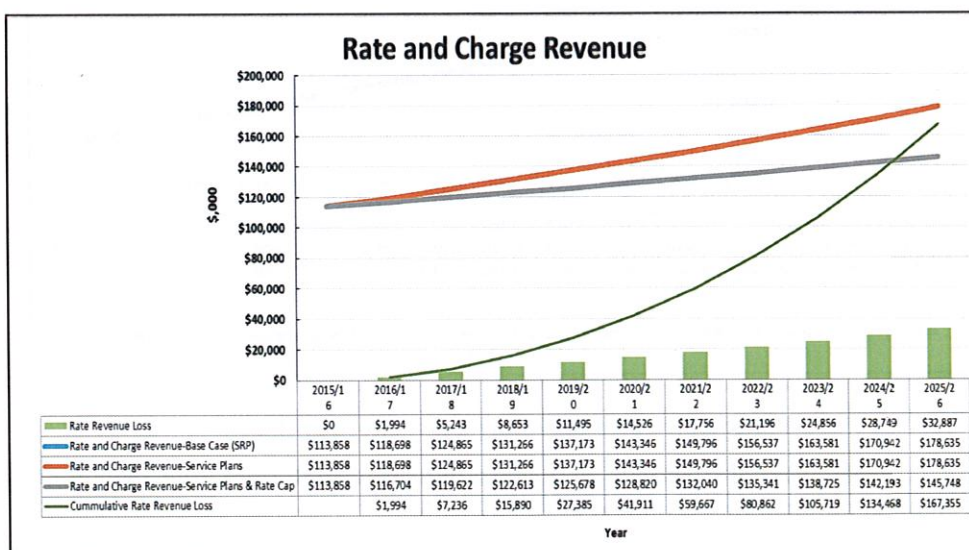
3.3 Rates and Charges



Projected 10 year Rates and Charges Revenue

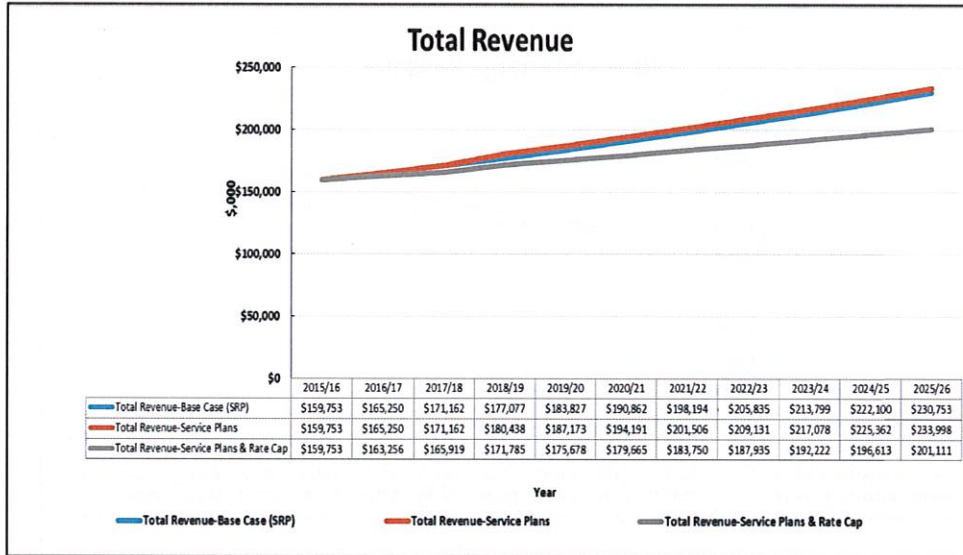
Rates and Charges revenue projections from the service planning forecasts closely align to the Base Case LTFP estimates. When rate capping is introduced Council will see a substantial reduction in rate revenue over the forward 10 years when compared against its 2015/16 forward projections.

Under Scenario 3 (State Government Rate Cap of 2.5%) Council will have a reduced rate income of **\$32,887 million** by year 10 with a cumulative estimated loss of **\$167.35 million**. The impact of these reductions can be seen more clearly in the following graphs.



Cumulative Rate Cap Impact on Rate Revenue

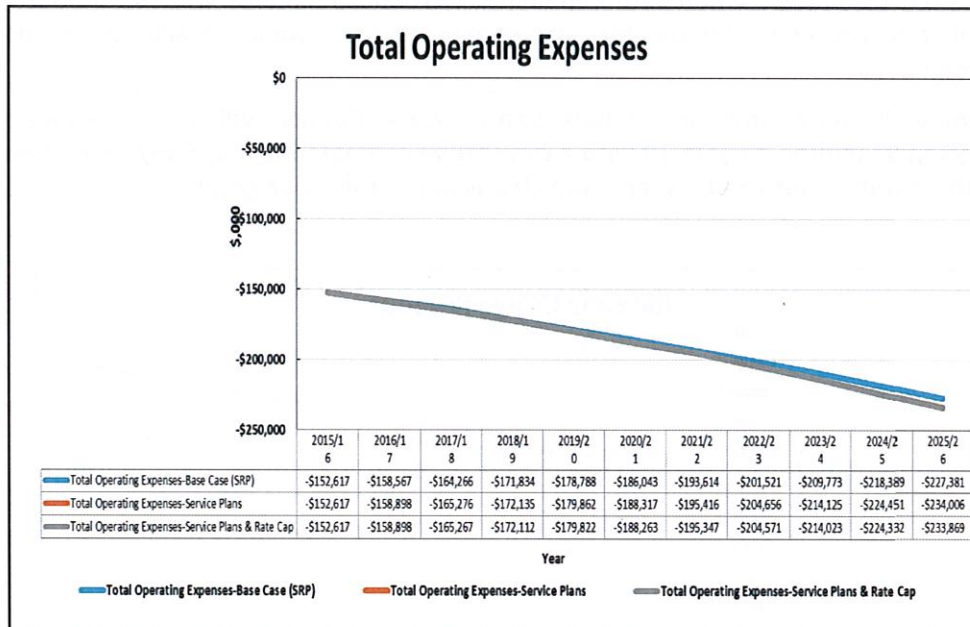
3.4 Total Revenue



Projected 10 year revenue profile

The decrease in revenue reflects the impact of rate capping over the forward 10 years.

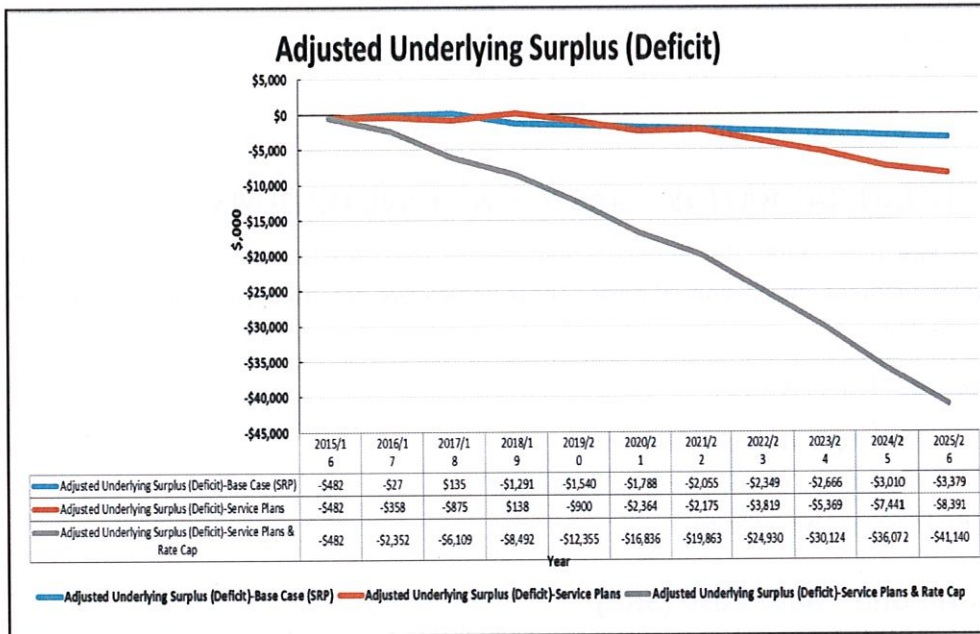
3.5 Operating Expenditure



Projected 10 year operating expenditure profile

The forward forecast from the service managers indicates that operating expenditure will remain the same in nominal terms (indexed) to 2025/26.

3.6 Adjusted Underlying Operating Position



Projected 10 year operating position profile

Forward projections of Underlying Operating position show a general decline in financial position. The decline accelerates with the impact of rate capping.

This is not a financially sustainable position for Council so a change in the expenditure profile will need to be introduced for Council to remain sustainable.

3.7 Cash and Financial Assets

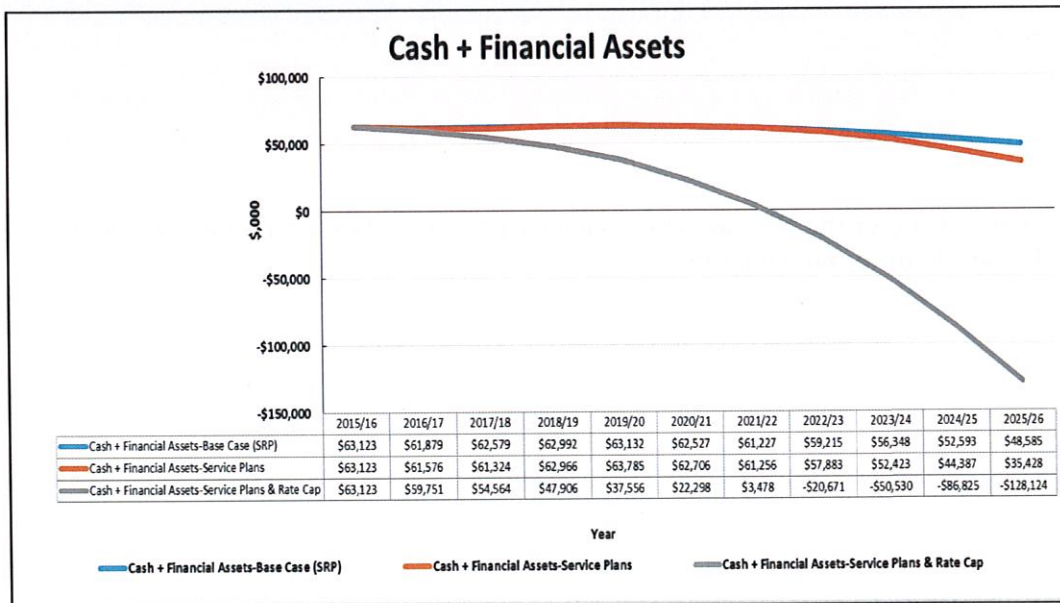


Figure 2 - Projected 10 year Cash and Financial Assets position

The forecast cash and financial assets position at year end under each scenario is shown in the graph above. In all scenarios, Council's cash position declines.

The impact of the rate cap creates a situation where Council will run out of cash and be unable to operate.

This reinforces the requirement for Council initiate action to reduce expenditure.

4. VAGO FINANCIAL RATIOS – BASED ON THREE OPTIONS

Council also examined what the impact would be on the VAGO financial indicators which are reported to parliament on an annual basis. These indicators are used to determine the financial strength of council.

These tables are coloured with

- Green being a low risk indicator
- Orange being a medium risk indicator and
- Red being a risk indicator

4.1 Scenario one - Base Case (SRP)

Period start	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25
Period end	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26
General Ratios											
Liquidity	231.4%	252.6%	255.6%	254.4%	252.7%	248.9%	242.7%	234.7%	224.4%	211.9%	199.7%
Indebtedness	1.6%	1.5%	1.4%	1.3%	1.2%	1.1%	1.0%	0.9%	0.8%	0.7%	0.7%
Self-financing	18.2%	17.3%	19.0%	18.8%	18.6%	18.4%	18.1%	17.9%	17.7%	17.5%	17.3%
Investment Gap	123.8%	126.4%	124.1%	124.8%	123.9%	124.8%	125.3%	125.7%	126.5%	127.2%	125.7%

The table above shows the forecast VAGO Financial Ratios – Base Case (SRP) which indicates financial ratios of low or medium risk

4.2 Scenario two - Service Plans included

Period start	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25
Period end	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26
General Ratios											
Liquidity	231.4%	251.4%	250.8%	254.5%	254.5%	248.5%	242.1%	229.4%	211.2%	186.3%	160.7%
Indebtedness	1.6%	1.5%	1.4%	1.3%	1.2%	1.1%	1.0%	0.9%	0.8%	0.7%	0.7%
Self-financing	18.2%	17.1%	18.5%	19.4%	18.8%	18.0%	17.9%	17.1%	16.3%	15.4%	15.0%
Investment Gap	123.8%	126.4%	124.1%	124.8%	123.9%	124.8%	125.3%	125.7%	126.5%	127.2%	125.7%

The table above shows the forecast VAGO Financial Ratios – using the Service Planning methodology which indicates financial ratios of low or medium risk.

4.3 Scenario three - Service Plans & Rate Cap (@2.5%)

Period start	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25
Period end	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26
General Ratios											
Liquidity	231.4%	245.0%	227.6%	204.5%	169.9%	121.4%	64.4%	-6.4%	-90.6%	-189.4%	-298.4%
Indebtedness	1.6%	1.5%	1.5%	1.4%	1.3%	1.2%	1.1%	1.0%	0.9%	0.8%	0.8%
Self-financing	18.2%	16.2%	16.0%	15.3%	13.4%	11.2%	9.8%	7.6%	5.3%	2.7%	0.7%
Investment Gap	123.8%	126.4%	124.1%	124.8%	123.9%	124.8%	125.3%	125.7%	126.5%	127.2%	125.7%

The table above shows the forecast of the VAGO Financial Ratios – using the 2.5% Rate Cap which indicates financial ratios of high risk in liquidity and self-financing.

5 .OBSERVATIONS

The projections derived from the Long Term Financial Plans show Council having a cautiously financial sustainable position under the business as usual model allowing for annual rate increases of **4.5%** per annum.

Applying the rate cap scenario of **2.5%** annualised rate revenue increases, a reduction of **2.0%** from the 2015/16 proposed **4.5%**.

Unless Council changes its operating and/or capital expenditure patterns, the LTFP model shows that Council will run out of cash by 2021/22.

The VAGO financial ratio of Liquidity reflects this situation as it starts to show problems around 2019/20 and goes below prudent levels as early as 2021/22.

Under the scenarios modelled (expenditure profiles are not changed) council's financial position gets progressively worse the further the model projects into the future.

With the commencement of rate capping in 2016/17 Council will need to more aggressive to find sustainable expenditure savings or alternative revenue sources to return to a positive underlying operating position and prevent it reaching critically low levels of cash.

5.1 Business as usual is unsustainable

The intent of this *Service Planning* initiative is to ensure the investment in services is targeted at the correct customer segment and is supporting the achievement of the outcomes expressed in the *Council Plan* and related strategies.

The *Service Summaries* and *Service Cost Statements* for the 10 year period were completed and reconciled to Council's Budget.

Council now has a net cost per service with critical service information consolidated with self-assessed service scores and growth rates defined on a service by service basis.

The information has been collected based on a "business as usual" model so it should now be used to inform Council's forward financial planning process.

The result of this project is that Council is **not** sustainable based on a "business as usual" model with rate capping. Modelling has shown that Council will need to review its service delivery model to become sustainable into the future.

By comparing the service's assessed importance score against its net cost to rates Council can identify the targeted group of services for a more detailed analysis.

Those services with a net cost to rates and a lower importance score should be targeted for a more detailed analysis.

The lower the score (less important) and the larger the net cost rates the greater capacity for that service to contribute a saving to Council (all other considerations being equal). Darebin's external services have been collated and graphed using this methodology. The average of the importance score has been used as the division between the left and right quadrants.

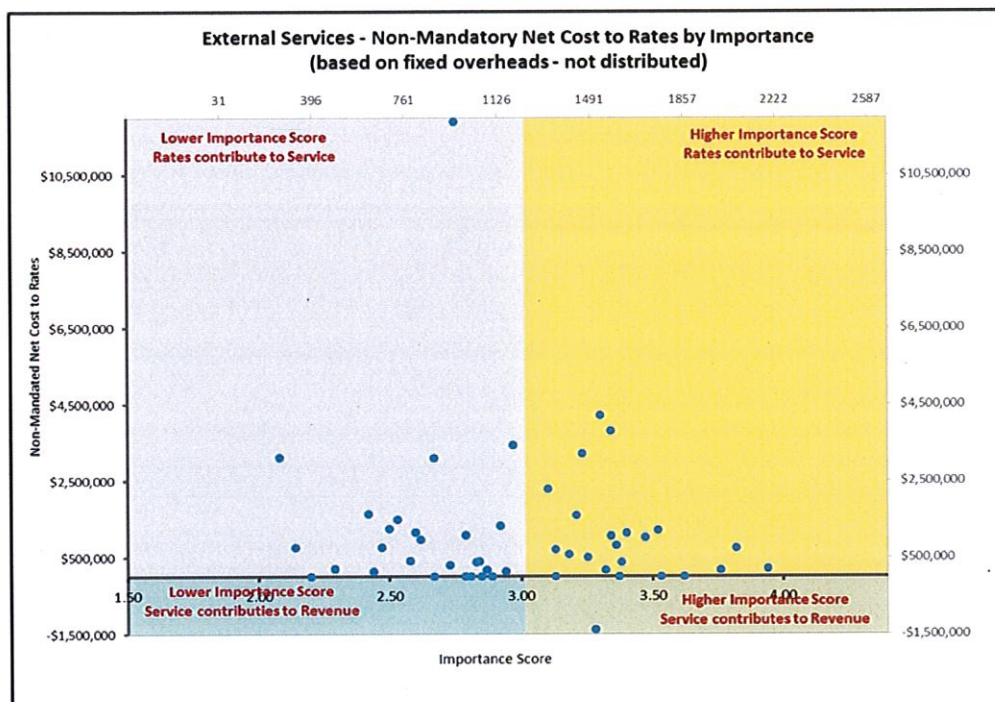
The graph is shown over page.

5.1.1 Quadrant Analysis

Council has a methodology to prioritise its services and further detailed service reviews as detailed hereunder:

- **Top left hand quadrant** - Lower importance score with a net cost to rates
- **Top right hand quadrant** - Higher importance score with a net cost to rates
- **Bottom left hand quadrant** - Lower importance score with a positive contribution to rates
- **Bottom right hand quadrant** - Higher importance score with a positive contribution to rates

The full list of Services showing their quadrant result has been developed.



Graph of Non-Mandated Service Net Cost vs Importance Score

6. CONCLUSION

Moving forward the Council will need to examine the following to become financially sustainable:

- Examine the reduction of services or change of delivery methods of some services;
- Potentially the lowering of levels of service on lower priority services;
- Potentially the lowering in facilities and infrastructure by re-setting intervention levels and revising Asset Management Plans;
- Continue the drive to improve the efficiency of services;
- Examine the use of loan funds for intergenerational capital works;
- Enterprise Agreement negotiations; and
- Examine alternative revenue streams.

It is an imperative into the future that the state government assist local government in meeting the challenges imposed by the legislation in the following ways:

- Increasing grant funding for major capital works
- Establishing performance targets for council services
- Stopping cost shifting onto Local Government
- Working cooperatively with Local Government to explain the impacts of the rate cap on councils' budgets.

Darebin City Council would be prepared to work with the State Government to examine more closely the impacts of the legislation on the long term operations and delivery of services to the Darebin community.

Anna Giuliani

From: Anna Giuliani
Sent: Wednesday, 1 June 2016 4:08 PM
To: 'denise.parvakis@lgici.vic.gov.au'; 'Inspectorate@lgici.vic.gov.au'
Cc: Jacinta Stevens
Subject: RE: LGICI Procurement Special Purpose Review [SEC=For-Official-Use-Only]
Attachments: Contracts 1 Jan to 31 March 2016.xls

Tracking:	Recipient	Delivery	Read
	'denise.parvakis@lgici.vic.gov.au'		
	'Inspectorate@lgici.vic.gov.au'		
	Jacinta Stevens	Delivered: 1/06/2016 4:08 PM	Read: 1/06/2016 4:09 PM

Good afternoon Denise

I wish to acknowledge the letter from the A/Chief Municipal Inspector, Mr. Ross Millard, dated 31 May 2016 and thank the Inspectorate for giving Council the opportunity to be part of the practical demonstration of procurement practices at Darebin.

I believe that Darebin demonstrates best practice procurement across all Local Government councils and we look forward to further demonstrating our sound procurement practices and additional internal quality assurance processes implemented over the past 2 years. I would just like to highlight two of those processes that council is proud to have implemented and are working very well:

- The establishment of the Procurement Accreditation Committee. Darebin is the only Local Government Council to establish such a Committee, it is chaired by myself with the membership made up of the executive management team and a number of managers across council. The committee reviews all procurement processes undertaken for goods, services or works that have a value of \$100,000 incl. GST or higher prior to financial delegation approval being given; and
- Monthly reporting from the procurement team to the CEO and Executive Management Team on non-complaint procurement with council's policy, compliant procurements that identify the potential for a panel to be established or centralised procurement process that could be undertaken to meet the needs of different units across Council. At the same time an additional report is provided showing contracts that are nearing their end date to ensure they are either re-tendered/quoted on in time or are varied to ensure they remain complaint.

As per Ross's letter, Tuesday 7 June 2016 from 10am is suitable for representatives from your office to attend council and I advise that Jacinta Stevens Executive Manager Corporate Governance and Performance who oversees Council's procurement activities has been nominated as Council's representative. Jacinta can be contacted on 8470 8443 or Jacinta.stevens@darebin.vic.gov.au

Attached for your information is a list of all procurement undertaken from 1 January 2016 to 31 March 2016 for values between \$5,000 and \$150,000 for the Inspectorate to randomly select a small number of files from.

Rasiah Dev
Chief Executive Officer



Local Government Investigations and Compliance Inspectorate

GPO Box 2392
Melbourne, Victoria 3001 Australia
Telephone: +61 3 9665 9555

Mr Rasiah Dev
Chief Executive Officer - Darebin City Council
By email: rasiah.dev@darebin.vic.gov.au

Dear Mr Dev

SPECIAL PURPOSE REVIEW – PROCUREMENTS BELOW STATUTORY THRESHOLDS

Thank you for your response to the review conducted by the Local Government Investigations and Compliance Inspectorate (Inspectorate) regarding the procurement practices of Victorian Councils, for contracts that are below the thresholds requiring public notices inviting tenders or expressions of interest, in accordance with section 186 of the *Local Government Act 1989*.

Upon examination of the information your office provided and the policy contained on your website, the Inspectorate has identified that your Council is demonstrating open, fair and transparent procurement practices, which allow for accountable decision making.

The Inspectorate would welcome the opportunity of a practical demonstration of your procurement practices, in order that our experience of better procurement practices can be shared with the sector in our overall Review Report.

Inspectors propose to conduct this special purpose review on Tuesday 7 June 2016 and will review a small number of procurement files to determine how the principles of the procurement policy have been applied in these matters.

In addition, Inspectors will request to be provided with information to show how Council:

- (a) undertakes aggregation audits of procurement matters, to ensure statutory thresholds requiring tendering are not exceeded; and
- (b) deals with procurement matters which it exempts from following its procurement policy, to ensure that all decisions in such matters are accountable and documented.

Inspectors will arrive at Council between 10am and 10.30am on Tuesday 7 June 2016 and the visit should take no longer than one hour. Could you please confirm by Friday 3 June 2016 by return email that this date and time suit. In addition, could you nominate a procurement representative to meet with Inspectors upon our visit and who can email by 3 June 2016, a **list of all procurements undertaken from 1 January 2016 to 31 March 2016, for values between \$5,000 and \$150,000**. Inspectors will randomly select a small number of files from this list to review during the visit. Your nominated procurement representative will be advised of the files that will be reviewed the day before our visit.

Should you have any query in relation to this letter, please do not hesitate to contact Denise Parvakis or Peter Brasher on 9665 9555.

Yours sincerely

ROSS MILLARD
A/Chief Municipal Inspector

31 May 2016

6.4 SUMMARY OF EXTERNAL REPORTS WITH POTENTIAL IMPACTS FOR COUNCIL

AUTHOR: Director Corporate Services – Gavin Cator

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

This item lists the external reports Council is aware of that have potential impacts for Council. These reports will be reviewed in due course to identify any gaps or issues Council needs to address.

The Internal Audit Progress Report provided by Crowe Horwath under the Internal Audit section of the meeting agenda also lists public sector reports of possible interest.

CONSULTATION:

Chief Financial Officer

Recommendation

That the Audit Committee notes the information in this report.

Report

In the period since the Audit Committee meeting of 7 March 2016, Council has become aware of the following external reports requiring its attention:

- VAGO: Status Review of ICT Projects and Initiatives – Phase 2 (March 2016)
- VAGO: Local Government Service Delivery: Recreational Facilities (March 2016)
- VAGO: Managing and Reporting on the Performance and Cost of Capital Projects (May 2016)
- VAGO: Responses to Performance Audit Recommendations: 2012-13 and 2013-14 (December 2015)
- DELWP: Local Government Model Financial Report Better Practice Guide 2015-16 (March 2016)
- DELWP: Local Government Model Financial Report 2015-16 (March 2016)
- DELWP: Local Government Model Financial Report – Summary of Changes 2015-16 (March 2016)

- DELWP: Local Government Better Practice Guide Planning and Reporting 2015-16 (April 2016)
- DELWP: Local Government Better Practice Guide Strategic Resource Plan 2016 (April 2016)
- DELWP: Local Government Better Practice Guide Strategic Resource Plan 2016 Summary of Changes (April 2016)
- Chartered Accountants Australia and New Zealand: Victorian City Council Model Budget 2016/2017 (March 2016)
- Chartered Accountants Australia and New Zealand: Victorian City Council Model Budget Guide 2016/2017 (March 2016)

Committee Recommendation

That the Audit Committee notes the information in this report.

MOVED: Cr. Vince Fontana

SECONDED: Mr Terry Richards

CARRIED

7. FINANCIAL REPORTS

7.1 FINANCIAL REPORT – 9 MONTHS ENDED 31 MARCH 2016

AUTHOR: Financial Accountant – Michael O’Riordan

REVIEWED BY: Director Corporate Services – Gavin Cator

SUMMARY:

A comprehensive 3rd quarter financial review has been undertaken for the nine months ended 31 March 2016 to assess the financial performance of Council year-to-date and the forecast financial position as at 30 June 2016. The outcome of the review indicates that Council has achieved a year-to-date operating surplus of \$39.76 million, which is \$6.92 million ahead of budget and capital works expenditure of \$17.71 million, which is \$6.95 million behind the budget.

The forecast actual result for the year ending 30 June 2016 is an operating surplus of \$8.21 million and capital works expenditure of \$39.83 million. The forecast underlying result for the year ending 30 June 2016 is a surplus of \$2.06 million.

All material variations have been explained in the report.

CONSULTATION:

Managers and Coordinators

Recommendation

That the contents of the “Financial Report for the six months ended 31 March 2016 included as **Appendix A** to this report be received and the year-to-date and full-year forecast actual and budget operating and capital results be received and noted.

Report

INTRODUCTION AND BACKGROUND

In compliance with the Local Government Act 1989, the attached report (Appendix A) compares the actual and budgeted operating revenues and expenses and the actual and budgeted capital revenues and expenses for the nine months ended 31 March 2016. It also compares the actual and budgeted movements in the Balance Sheet and Cash Flow Statement for that period.

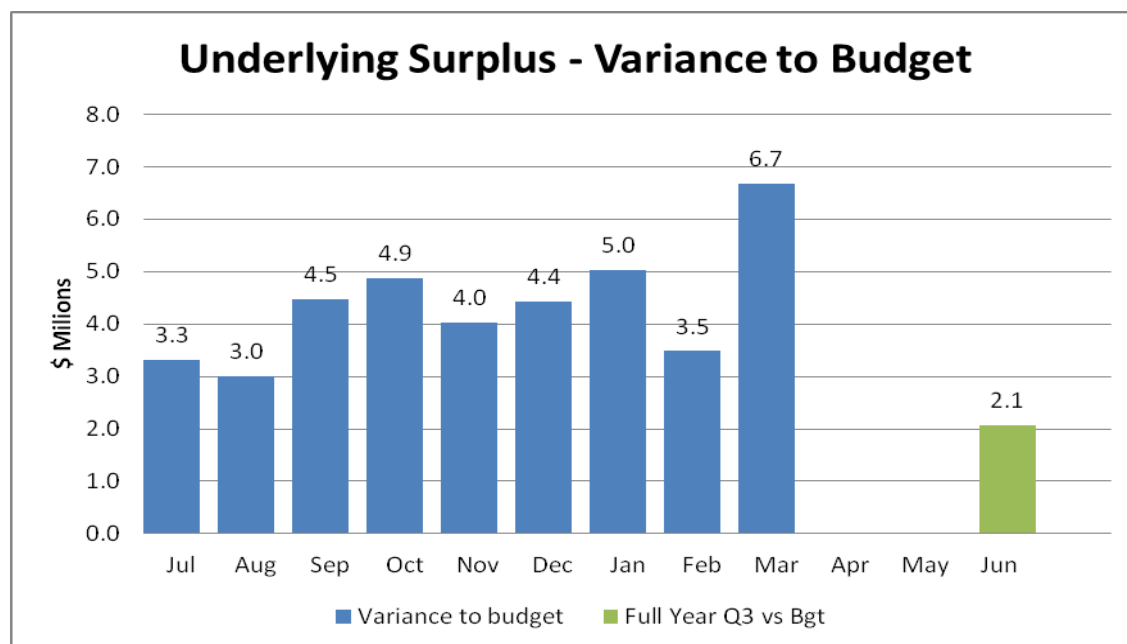
In addition, a detailed review of the estimated financial results for the year ending 30 June 2016 has been performed as part of Council's 3rd quarter review process. The outcomes of this review are included within the report as the forecast financial results.

ISSUES AND DISCUSSION

Operating Performance

For the 9 months ended 31 March 2016, Council has recorded an operating surplus of \$39.76 million. This is \$6.92 million ahead of the year to date budget. The main items contributing to this favourable variance are rates, other income, employee costs, materials and services, and depreciation and amortisation. The forecast operating result for the year ending 30 June 2016 is an operating surplus of \$8.21 million, which is \$1.33 million more than budget.

The year to date the adjusted underlying surplus is \$34.82 million, which is \$6.71 million ahead of budget. The underlying result is the net surplus for the year adjusted for capital grants and contributions and timing differences on grants received and spent. The forecast adjusted underlying surplus is \$2.06 million, which is \$1.67 million more than budget.



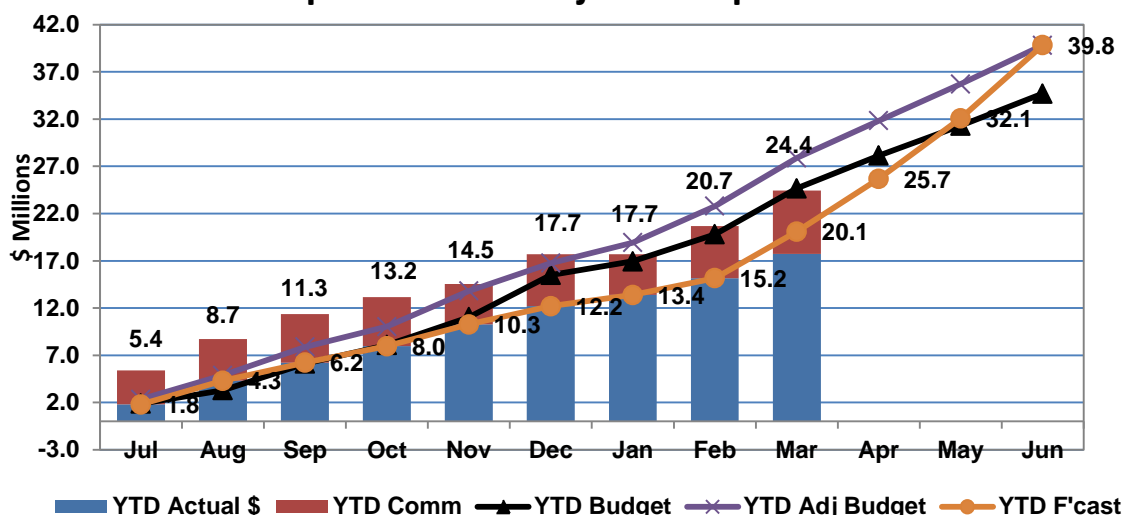
Capital Performance

For the 9 months ended 31 March 2016, Council has expended \$17.71 million on the capital works program. This is \$6.95 million behind the year to date budget. The variance is due mainly to delays in buildings works, purchase of plant and equipment, roads and transport and road safety works and parks, open space and streetscapes.

As at 31 March 2016, a further \$6.74 million has been committed by way of issued purchase orders. Commitments are not reflected in the reported capital expenditure and indicate that many projects are well advanced. The forecast total to be expended on capital works for the year ending 30 June 2016 is \$39.83 million, which is \$5.13 million more than the adopted budget. At this stage total of \$0.42 million expenditure is forecast to be carried forward into the 2016/17 year.

	YTD Budget	YTD Adj Budget	YTD Actual
% of budget expended	71%	71%	51%
% of budget expended and committed			70%

Capital Works Projects - Expenditure



Financial Position

The Financial Position as at 31 March 2016 shows a cash and investment balance of \$60.34 million which is \$26.26 million ahead of budget. The variance is due mainly to timing differences in receipt of rates, other income, payments to employees and suppliers, delay in payments for capital works and a higher opening cash and investment position compared with budget.

The cash and investment balance of \$60.34 million was sufficient to meet restricted cash and intended allocation obligations of \$27.10 million at the end of March. Restricted cash is the amount of cash holdings Council requires to meet external restrictions such as trust funds, statutory reserves and cash for intended allocations such as cash held to fund future capital works.

The net current asset position is \$65.93 million which is \$13.29 million more than budget. The net asset position of \$1.22 billion is \$0.56 million more than budget. The forecast Financial Position as at 30 June 2016 shows a cash position of \$46.04 million and net current assets of \$21.45 million.

POLICY IMPLICATIONS

Environmental Sustainability

Nil

Human Rights, Equity and Inclusion

Nil

Economic Development

Nil

Other

Nil

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

CONCLUSION

The Financial Report for the nine months ended 31 March 2016 shows that Council's year-to-date operating result is a surplus of \$39.76 million and \$17.71 million has been expended on capital works. The forecast actual result for year ending 30 June 2016 is an operating surplus of \$8.21 million and capital works expenditure of \$39.83 million. The forecast underlying result for the year ending 30 June 2016 is a surplus of \$2.06 million.

FUTURE ACTIONS

The audited financial statements for the year ending 30 June 2016 will be presented to Council following the completion of the audit by the Victorian Auditor-General.

DISCLOSURE OF INTERESTS

Section 80C of the Local Government Act 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

Nil

<p style="text-align: center;">Committee Recommendation</p>
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That the contents of the "Financial Report for the six months ended 31 March 2016" included as **Appendix A** to this report be received and the year-to-date and full-year forecast actual and budget operating and capital results be received and noted.

MOVED: Cr. Vince Fontana

SECONDED: Mr Terry Richards

CARRIED

7.2 CAPITAL WORKS PERFORMANCE REPORT – 9 MONTHS ENDED 31 MARCH 2016**AUTHOR:** Financial Accountant – Michael O’Riordan**REVIEWED BY:** Director Corporate Services – Gavin Cator**BUDGET IMPLICATIONS:** Nil**SUMMARY:**

This report has been prepared to provide the Council with details regarding the progress of the capital works program for the nine months ended 31 March 2016.

Measures were taken to increase the completion rate of the current year capital program. The capital program will be delivered in excess of 99% of budget this year.

CONSULTATION:

Executive Management Team
Managers and Coordinators

Recommendation

THAT this report on the performance of the Capital Works Program as at 31 March 2016 be received and noted.

Report**INTRODUCTION AND BACKGROUND**

A comprehensive 3rd quarter financial review has now been finalised including analysis of the actual capital works program for the nine months ended 31 March 2016. This briefing paper has been prepared to provide Council with details regarding the progress of the capital works program to date.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

FUTURE ACTIONS

Strengthening of the review process by the Capital Works Review Team and Executive Management Team and improved project status reporting will continue to ensure the program as a whole stays on target against budget.

A full year performance report on the 2015/16 capital program will be presented to Councillors at a briefing to be arranged later this year.

DISCLOSURE OF INTERESTS

Section 80C of the Local Government Act 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Committee Recommendation

THAT this report on the performance of the Capital Works Program as at 31 March 2016 be received and noted.

MOVED: Cr. Oliver Walsh
SECONDED: Cr. Vince Fontana

CARRIED

7.3 ANNUAL FINANCIAL REPORT**AUTHOR:** Financial Accountant – Michael O’Riordan**REVIEWED BY:** Chief Financial Officer – Allan Cochrane**BUDGET
IMPLICATIONS:** Nil**SUMMARY:**

This report provides the draft shell Annual Financial Report for the year ended 30 June 2016 to be presented at year-end.

CONSULTATION:

Remy Szpak – Victorian Auditor General’s Office
Local Government Model Financial Report Manual 2014/15 (DELWP)
Local Government Model Financial Report Better Practice Guide 2014/15 (DELWP)

Recommendation

THAT this report on the draft shell Annual Financial Report for the year ended 30 June 2016 be received and noted.

Report**BACKGROUND**

As part of the Local Government ‘Better practice - Financial report preparation guidelines’, the shell financial statements, incorporating all current reporting requirements, should be provided to the audit committee and external auditors for clearance prior to the commencement of preparing the financial report for year-end. The guidelines also specify the CEO / Council are briefed on how significant changes in requirements and/or accounting policies will likely impact the financial performance and position of the entity.

The preparation and timely provision of a shell financial report to the external auditors and Audit Committee allows for early identification of amendments required to the financial report, minimising the need for significant disclosure changes at year-end.

CORE ISSUES

Statutory Requirements

The Local Government Local Government Act (1989) (the act) and the Local Government (Planning and Reporting) Regulations 2014 (the regulations), requires Council to prepare an annual report in respect of each financial year. The annual report is to contain audited financial statements.

The regulations require a Council's audited financial statements are to be prepared in accordance with the Local Government Model Financial Report.

Regulations 19 and 20 in part four of the regulations state that:

- The financial statements must be prepared in accordance with the Local Government Model Financial Report
- The financial statements must contain a statement of capital work
- The financial statements must include specified other information as notes.

The review of the Local Government Model Financial Report Manual 2016 has identified other reporting / disclosure changes from the previous year. There have been some further changes incorporated to the format presented in the 2014/15 Annual Financial Report. These changes include:

Statements

- Increases flexibility to recognise gains / losses under Income or Expenses in the Comprehensive Income Statement.

Notes to the accounts

- Note 21 - Additional summary added at the beginning of Property, Infrastructure, Plant & Equipment which reconciles to the Balance Sheet.
- Note 34 - New separate Superannuation note which collates key accounting standard disclosures.
- Note 6 - Change to Grant note, better distinguishing source and type as well as improved movement reconciliation.
- Note 7 - Amended Contributions note, adding subtotals and refined guidance.
- Note 11 - Removed materials and services as a sub heading from within Materials and Services note.
- Note 13 - Included cross reference from Depreciation and Amortisation to details in note 21 and 23.
- Note 16 - Included reference from Cash and Cash Equivalents to Other Financial Assets (note 18) to assist readers in understanding complete cash and investment position.
- Note 26 - Amended Provisions note to include movement details for all provisions.
- Note 31 - Included additional guidance relating to financing facilities, in particular as it relates to credit cards.
- Note 37 - Included addition guidance on related party disclosures, in particular as it relates to the definition of 'clearly trivial'.

FINANCIAL IMPLICATIONS

Nil

FUTURE ACTIONS

As advised by Audit Committee members and external audit, to amend the draft shell Annual Financial Report in light of any required reporting requirements or disclosure changes.

Committee Recommendation

THAT this report on the draft shell Annual Financial Report for the year ended 30 June 2016 be received and noted.

MOVED: **Mr Terry Richards**

SECONDED: **Cr. Oliver Walsh**

CARRIED

7.4 2016/2017 PROPOSED BUDGET**AUTHOR:** Chief Financial Officer – Allan Cochrane**REVIEWED BY:** Director Corporate Services – Gavin Cator**BUDGET
IMPLICATIONS:** Yes**SUMMARY:**

The Council must prepare a Budget for each financial year. The Council must ensure that the Budget contains the information specified in the *Local Government Act 1989* (“the Act”) and all details required by the *Local Government (Planning and Reporting) Regulations 2014* (“the Regulations”).

As soon as practicable after the Council has prepared a Budget it must give Public Notice. Any person has the right to make a submission under section 223 of the Act on any proposal contained in the Budget. Following the completion of the statutory obligations, Council may adopt the Budget.

The Act prescribes that Council must adopt its final budget by 30 June each year. This report presents the 2016/2017 Proposed Budget as adopted by Council 2 May 2016.

CONSULTATION:

Council
Executive Management Team
Managers and Coordinators

Recommendation

That this report titled “2016/17 Proposed Budget” be received and noted.

Report**BACKGROUND**

Council is required to adopt a Budget for each financial year. However, prior to adopting the Budget in its final form Council is required to place the Proposed Budget on public display inviting submissions, and after considering all submissions the Council can then formally adopt a Budget for the financial year.

Council must prepare a Budget for each financial year. The Act together with the Regulations, stipulate the information to be included in the budget and form of those disclosures.

The Proposed Budget shown in **Appendix A** has been reviewed and is considered to satisfy all statutory requirements.

Following Council's approval for the public display of the Proposed Budget, Council must give Public Notice and provide a 28 day period for submissions to be lodged. Any person has the right to make a submission under section 223 of the Act on any proposal contained in the Proposed Budget. Council provided approval for the public display of the 2016/17 Proposed Budget at its ordinary Council meeting on 2 May 2016.

Submissions will close on Wednesday 3 June 2016 at 5:00 pm, with a meeting of the Council's Hearing of Submissions Committee to be held in the Council Chamber, Darebin Civic Centre, 350 High Street Preston at 7.00 pm on Thursday 9 June 2016 to hear those submitters who wish to be heard in support of their submissions.

Following the consideration of any submissions received, Council is then required to formally adopt the final Budget for 2016/2017.

The Act prescribes that Council must adopt its final budget by 30 June each year. It is proposed that the council will hold a Special Council meeting on 27 June 2016 to formally adopt the budget.

CORE ISSUES

Council has prepared a Budget for 2016/17 which is aligned to the vision in the Council Plan 2013-17. It seeks to maintain services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the State Government.

The 2016/2017 Proposed Budget is prepared in the context of key principles in the Council's Strategic Resource Plan that underpin long term financial planning.

These principles are:

- Maintenance of the scope and standard of ongoing services provided to the Darebin community.
- A focus on renewing community assets such as roads, footpaths, open space and buildings to ensure they are maintained at an appropriate standard to meet required service levels.
- Generation of sufficient ongoing income to fund Council services and capital works commitments over the longer term.
- Holding of sufficient cash and other and other assets in order to meet Council's payment obligations to suppliers and employees.

In addition the 2016/2017 Proposed Budget's preparation reflects the principles of Council's Charter of Good Governance:

- Transparency
- Accountability
- Equity and Inclusion
- Effectiveness and Efficiency
- Community Engagement
- Ethical Decision Making

This Budget projects a surplus of \$11.33 million for 2016/17, however, it should be noted that the adjusted underlying result is a surplus of \$6.71 million after adjusting for capital grants and contributions.

The 2016/2017 Proposed Budget presents a financially sound budget that maintains all services from the previous year. This budget is balanced and community focused. The average rate will rise by 2.5% in line with the order by the Minister for Local Government on 14 December 2015 under the Fair Go Rates System.

Key drivers of the 2016/2017 Proposed Budget:

1. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
2. To fund renewal of infrastructure and community assets
3. To cope with growth in the population of Darebin residents
4. To cope with cost shifting from the State Government
5. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant.

This will be a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations).

The Victorian State Government has introduced a new model budget which includes mandatory sections for 2016/17. The 2016/2017 Proposed Budget adheres to this model.

Council has been in discussions with the Department of Sport and Recreation relating to its agreement with Football Federation Victoria and the State Government relating to the provision of a synthetic surface for football at John Cain Park. This is being considered in the context of the mutual obligations of all parties. Currently, it appears that Football Federation Victoria is not meeting their obligations under the agreement and licence. Officers will work with Football Federation Victoria and bring a report to Council for their consideration of this matter.

Accordingly, the draft budget does not include a budget estimate of \$800,000 for these works.

Discussions will continue with the department in the coming weeks relating to this potential requirement and a council direction may be required at the adoption of the budget.

FINANCIAL IMPLICATIONS

All matters raised in this report which have a financial implication have been reflected in the 2016/2017 Proposed Budget.

FUTURE ACTIONS

- The closing date for submissions in relation to the Budget is Wednesday 3 June 2016 at 5:00 pm
- The Hearing of Submissions Committee will meet at 7:00 pm on Thursday 9 June 2016 in the Darebin Council Chamber, 350 High Street Preston to hear any submitters who, in their written submission, request to be heard in support of their submission in relation to the Budget

- Adoption of the 2016/2017 Proposed Budget in its final form at a Special meeting of Council on 27 June 2016.

RELATED DOCUMENTS

2016/2017 Proposed Budget (Appendix A)

Council Plan 2013-2017

2016/2017 Rating Strategy

2016-2020 Strategic Resource Plan

<p>Committee Recommendation</p>
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That this report titled *“2016/17 Proposed Budget”* be received and noted.

MOVED: Cr. Oliver Walsh
SECONDED: Cr. Vince Fontana

CARRIED

8. RISK MANAGEMENT

8.1 CORPORATE RISK AND BCP UPDATE

AUTHOR: Manager Corporate Risk – Gracie Karabinis

REVIEWED BY: Director Corporate Services – Gavin Cator

SUMMARY:

As a regular requirement of the Audit Committee, the Manager Corporate Risk is responsible for providing progress reports on the ongoing implementation of Council's Risk Management Framework.

This report provides an update of Council's current risk management status in relation to its Proactive Risk Management practices and performance, Operational Risk review and Business Continuity Planning.

CONSULTATION:

Executive Management Team
Strategic Risk and Insurance Advisor
Claims Administration and Support Officer
MAV Insurance
Echelon Claims Services

Recommendation

That this report is received and noted by the Audit Committee.

Report

Regular briefings to the Audit Committee of Council's Risk Management status, systems and practices have been ongoing since 2011. The commitment from the organisation has seen significant improvements in ensuring sound risk management practices are in place to protect it from corporate and operational risk exposures and defend it in potential legal proceedings.

The purpose of this report is to provide an update on the organisation's progress in relation its risk management systems and practices including Proactive Risk Management practices and performance, Operational Risk review and Business Continuity Planning.

ISSUES AND DISCUSSION

1. Fraud Prevention and Control

The revised Fraud Prevention and Control policy was endorsed by EMT and signed by the Chief Executive Officer in April 2016. A thorough consultation process was undertaken with key stakeholders across the organisation to develop the revised one page policy statement of intent and commitment.

Although over 615 employees across Council have recently completed the 'Fraud Awareness' training module (either online or face-to-face), a roll out program has now been established with Learning and Development regarding the revised policy. On Monday 16 May, an email to all Managers, Coordinators and Team Leaders will be sent from Learning and Development advising of the process to discuss the new Fraud Prevention and Control policy with their teams. Employees will be required to sign an acknowledgement form and return it to Learning and Development for record keeping by Friday, 17 June.

Employees who have not yet completed the 'Fraud Awareness' training will still be required to do so, as the learning module is much more detailed and provides a greater insight into fraud issues and prevention at work. The new policy has been incorporated into the training module and also available on the intranet.

2. Risk Management Policy

A draft Risk Management Policy has now been completed and is currently out for consultation with key stakeholders across Council. The revised policy incorporates Council's Risk Appetite, Attestation and operational changes to Council's Risk Management practices. The proposed draft policy is more refined with supporting documentation in a separate guideline. Initial feedback has been positive and will be presented at the next Governance, Risk and Corporate Performance Committee on 15 June, 2016.

3. Operational Risks

As a request of the Audit Committee, a six monthly progress report of Council's Operational Risks with a residual high risk rating is required. For 2015/16, Council currently holds three high risks and a status report is provided for your information as **Appendix One**.

In February, Corporate Risk commenced the annual review process of departmental operational risk profiles in preparation for the 2016/17 period. Corporate Risk met with each Manager to review their existing departmental risk profiles, consider new and emerging risks and align them to Council's Strategic Risks. On completion of this review, Directors were given the opportunity to analyse their directorate risk profiles and provide a final sign off. Prior to the review there were 94 operational risks and a total of three high risks. As a result of this review, there are now 88 operational risks and two risks remain high. An overview of the revised operational risk profile is attached as **Appendix Two**.

As part of this review the Annual Strategic and Operational Risk Review Process was revised to ensure that this process is in line with both the service and budget planning cycle. To further support the Process, a Risk Progress Reporting Framework has been developed to ensure progress reporting is maintained at EMT, Audit Committee and the Governance, Risk and Corporate Performance Committee. The flowchart of the Annual Strategic and Operational Risk Review Process and Risk Progress Reporting Framework is attached as **Appendix Three**.

4. Business Continuity Planning and Testing

Following consultation with the Business Continuity Committee, Governance, Risk and Corporate Performance Committee and EMT, the Business Continuity Policy was endorsed on 29 March, 2016.

The Business Continuity Committee has met three times this financial year, in line with the Business Continuity Plan. As part of the most recent meeting held in February, the Committee reviewed and discussed the Areas of Improvement identified during the desktop exercise held in October 2015. A Key Action Plan has been developed and progress report of actions is attached as **Appendix Four**. The next scheduled meeting on 17 May, 2016 will further discuss the status of actions, which has formed part of a standard agenda item for this Committee.

Council's Business Continuity Plan and practices were audited on 5 May 2016 as part of Council's Insurers, JMAPP Property Risk Audit. The final report is expected to be received by the end of May. Additional information is provided below.

5. JMAPP Property Risk Audit 2014-2016

Council participated in the insurers JMAPP Property Risk Audit on 5 May 2016. The audit is conducted on a biennial basis. This audit examined various areas attributed to effective property risk management. The audit focused on key areas such as:

- Property inspections - physical inspection of Council assets to assess the potential risk exposures and proactive inspections and maintenance records. Yanada House, Northcote Library and Northcote Aquatic and Recreation Centre (NARC) were the three sites selected by our Insurer to assess.
- Incident reporting procedures - relevant investigations/analysis conducted for all applicable losses (insurance claims) to mitigate similar future losses.
- Business Continuity- practices and documentation for Business Continuity Plans and testing of plans.

Post audit, Council will be provided with an overall percentage score reflective of the performance against the criteria of the audit questions. It is anticipated that the final report will be received by the end of May.

6. Audit Manager

Audit Manager Solutions from CAMMS Software was recently purchased to improve current efficiencies in the way the organisation manages its audits conducted both internally and externally. The Audit Manager Solution allows for the registering and tracking of any type of review activity, in an interactive and real time environment. The additional module within CAMMS is an extension to the Integrated Risk Manager module, which has been in place for almost five years.

Since our last Audit Committee meeting, key stakeholders within Council have worked with CAMMS through a number of scoping and configuration meetings to develop the system to meet Darebin's needs. The system is currently in testing phase with further modification identified prior to moving to the live system.

It was anticipated to provide a demonstration of the system at this June meeting and will aim to do so in the testing system. All efforts are being made to ensure the live system is up and running prior to the next Audit Committee meeting.

7. General Insurance and Claims Performance

An additional report has been provided to the Audit Committee titled 'Corporate Risk Statistical Analysis Report – Quarter Three' which provides a full report on the organisation's current performance in the areas of:

- Injury Management;
- Incidents and Injuries;
- Occupational Health and Safety;
- Medical and Functional Capacity Assessments, and
- General Insurance Claims Management.

This report was provided to EMT on Tuesday, 3 May 2016 and discussed at length and was well received.

POLICY IMPLICATIONS**Environmental Sustainability**

Not applicable

Human Rights, Equity and Inclusion

Not applicable

Economic Development

Not applicable

Other

The actions in this report have implications for the Risk Management Policy and Guidelines and Business Continuity Plan.

FINANCIAL AND RESOURCE IMPLICATIONS

Risk and hazards that are not well managed leave Council exposed to greater expense which has implications on the costs of insuring our business and assets.

CONCLUSION

The ongoing implementation of Council's risk management framework and the regular discussions and reporting requirements of our systems and practices embeds a proactive risk management culture across Council.

FUTURE ACTIONS

Continue to provide regular briefings to the Audit Committee of Council's progress in its Corporate Risk Management practices and Business Continuity Planning.

DISCLOSURE OF INTERESTS

Section 80C of the Local Government Act 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Director authorising this report, having made enquires with relevant members of staff, reports that no disclosable interests have been raised in relation to his report.

RELATED DOCUMENTS

Fraud Prevention and Control Policy
Fraud Prevention and Control Procedures
Operational Risk Profile Report
Business Continuity Plan
Business Continuity Management Policy
Corporate Risk Statistical Analysis Report – Quarter Three

Committee Recommendation

THAT:

- (1) This report is received and noted by the Audit Committee
- (2) The Manager Corporate Risk liaise with the Director of Corporate Services to arrange presentation of BCP and strategic and operational risks for the 2016/17 year.

MOVED: Cr. Vince Fontana
SECONDED: Cr. Terry Walsh

CARRIED

**8.2 CORPORATE RISK STATISTICAL ANALYSIS REPORT –
QUARTER THREE****AUTHOR: Manager Corporate Risk – Gracie Karabinis****REVIEWED BY: Director Corporate Services – Gavin Cator****SUMMARY:**

The attached report titled 'Corporate Risk Statistical Report – Quarter Three as at 31 March 2016' was prepared by members of the Corporate Risk Department and presented to the Executive Management Team (EMT) on Tuesday, 3 May 2016. These reports are presented to EMT on a quarterly basis to inform Senior Executives of the organisation's current performance in the areas of:

- Injury Management;
- Incidents and Injuries;
- Occupational Health and Safety;
- Medical and Functional Capacity Assessments, and
- General Insurance Claims Management.

This report provides the provisions to monitor performance, trends and improvement areas to further implement risk minimisation strategies. Prevention programs are continually established to reduce risk exposures and related insurance costs.

CONSULTATION:

Executive Management Team
Injury Management Advisor
Strategic Risk and Insurance Advisor
Health and Safety Advisors
CGU – WorkCover Agent
Echelon Claims Services
JLT

Recommendation

THAT the attached report titled 'Corporate Risk Statistical Report – Quarter Three as at 31 March 2016' be received and noted.

**Committee
Recommendation**

THAT:

- (1) The attached report titled 'Corporate Risk Statistical Report – Quarter Three as at 31 March 2016' be received and noted.
- (2) The significant improvement in Workcover be noted.

MOVED: Cr. Oliver Walsh
SECONDED: Cr. Vince Fontana

CARRIED

**8.3 GOVERNANCE, RISK AND CORPORATE
PERFORMANCE COMMITTEE MINUTES****AUTHOR: Director Corporate Services – Gavin Cator****REVIEWED BY: Chief Executive – Rasiah Dev****SUMMARY:**

At its meeting of 24 November 2014, the Audit Committee requested that the minutes of Council's Governance, Risk and Performance Committee be tabled at Audit Committee meetings.

The Governance, Risk and Performance Committee last met on 13 April 2016. The minutes of this meeting are attached to this report.

CONSULTATION:

Senior Council Officers

Recommendation

That the attached Governance, Risk and Performance Committee minutes from the meeting of 13 April 2016 be received and noted.

**Committee
Recommendation**

That the attached Governance, Risk and Performance Committee minutes from the meeting of 13 April 2016 be received and noted.

MOVED: Mr Terry Richards**SECONDED: Cr. Oliver Walsh****CARRIED**

9. INTERNAL AUDIT

9.1 INTERNAL AUDIT PROGRESS REPORT

AUTHOR: Director Corporate Services – Gavin Cator

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

The internal auditors, Crowe Horwath, have provided a report to update the Audit Committee on Council's internal audit activity since its last meeting on 7 March 2016.

CONSULTATION:

Director Corporate Services
Senior Council Officers

Recommendation

That the attached Internal Audit Progress Report prepared by Crowe Horwath be received and noted.

Committee Recommendation

That the attached Internal Audit Progress Report prepared by Crowe Horwath be received and noted.

MOVED: Cr. Oliver Walsh
SECONDED: Cr. Vince Fontana

CARRIED

9.2 INTERNAL AUDIT REPORT – FBT COMPLIANCE**AUTHOR: Director Corporate Services – Gavin Cator****REVIEWED BY: Chief Executive – Rasiah Dev****SUMMARY:**

As part of the implementation of Council's audit program, internal audit has undertaken a review of Council's Fringe Benefits Tax (FBT) processes.

The objective of the audit was to review Council's compliance with key requirements of the FBT legislation for those processes managed centrally by Finance. In particular to:

- Data integrity and returns;
- Hospitality (staff versus non-staff)
- Salary packaging; and
- Memberships

Overall the auditors found that the current controls in place over FBT compliance by Council were adequate but could benefit from further streamlining. The audit identified a range of controls that could be improved to reduce the identified weaknesses.

The auditors did not note any issues of a high risk nature.

CONSULTATION:

Director Corporate Services
Financial Accountant
Assistant Accountant
Accounts Receivable Officer
Accounts Payable Officer
Payroll Coordinator

Recommendation

That the attached report: Internal Audit – FBT Compliance prepared by the internal auditors, Crowe Horwath, be received and noted.

**Committee
Recommendation**

That the attached report: Internal Audit – FBT Compliance prepared by the internal auditors, Crowe Horwath, be received and noted.

MOVED: Mr Terry Richards
SECONDED: Cr. Oliver Walsh

CARRIED

**9.3 INTERNAL AUDIT REPORT – COMMUNITY GRANTS
PROCESS REVIEW****AUTHOR: Director Corporate Services – Gavin Cator****REVIEWED BY: Chief Executive – Rasiah Dev****SUMMARY:**

As part of the implementation of Council's audit program, internal audit has undertaken a review of Council's 2015-2016 Community Support Program (Community Grants).

The objective of the audit was to assess the level of compliance with Council's community support program policy and procedure in respect to the 2015/2016 community support program outcomes. In particular to:

- review compliance with the 2015/2016 community support program process; and
- consider and comment on any additional governance enhancements to be put in place for the 2016/17 and future years' community support process.

Overall the auditors found that Council had developed an adequately controlled program for the 2015/16 year and that the process for 2016/17 reflects a similar process to that implemented for the 2015/16 cycle.

The auditors noted that policies and procedures had been updated by Council for consistency with the adopted process and that there was good oversight of governance from the Governance, Risk and Corporate Performance Committee (GRPCPC).

The auditors did not note any issues of a high risk nature.

CONSULTATION:

Director Corporate Services
Chief Financial Officer
Community Grants Officer

Recommendation

THAT the attached report: Internal Audit – Community Grants Process Review prepared by the internal auditors, Crowe Horwath, be received and noted.

**Committee
Recommendation**

THAT the attached report: Internal Audit – Community Grants Process Review prepared by the internal auditors, Crowe Horwath, be received and noted.

MOVED: Cr. Vince Fontana

SECONDED: Mr Terry Richards

CARRIED

9.4 INTERNAL AUDIT REPORT – GIFTS AND DONATIONS FOR COUNCILLORS AND STAFF**AUTHOR:** Director Corporate Services – Gavin Cator**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

As part of the implementation of Council's audit program, internal audit has undertaken a review of gifts and donations for Councillors and staff.

The objectives of the audit were to review the adequacy of:

- Policy and procedures in relation to the disclosure of gifts and donations by Councillors (including any potential election fundraising activities) and staff
- Training and awareness-raising undertaken by Council administration
- Reporting and follow up undertaken.

Overall, the auditors found that the current controls in place over gifts and donations for councillors and staff maintained by Council are adequate.

The report notes no issues of a high risk nature.

CONSULTATION:

Manager People and Development
Council Business and Governance Officer
Director Corporate Services
Council Business Officer
Executive Manager, Corporate Governance and Performance

Recommendation

That the attached report: Gifts and Donations for Councillors and Staff, prepared by the internal auditors, Crowe Horwath, be received and noted.

**Committee
Recommendation**

That the attached report: Gifts and Donations for Councillors and Staff, prepared by the internal auditors, Crowe Horwath, be received and noted.

MOVED: Cr. Oliver Walsh
SECONDED: Cr. Vince Fontana

CARRIED

9.5 INTERNAL AUDIT REPORT – STRATEGIC INTERNAL AUDIT PLAN - JULY 2016 TO JUNE 2019**AUTHOR: Director Corporate Services – Gavin Cator****REVIEWED BY: Chief Executive – Rasiah Dev****SUMMARY:**

The Strategic Audit Plan prepared by Crowe Horwath is submitted for the Audit Committee to review. The plan, which covers the period from July 2016 until June 2019, includes a detailed program for the 2016 audit year.

The Strategic Audit Plan also addresses potential audit topics for 2017/18 and 2018/19 which are indicative only and should be considered by the Audit Committee for ongoing relevance prior to the commencement of the 2017/2018 audit year.

CONSULTATION:

Director Corporate Services
Senior Council Officers

Recommendation

That the attached Strategic Audit Plan July 2016 to June 2019 prepared by the internal auditors Crowe Horwath be reviewed to ensure its ongoing currency.

Committee Recommendation**That:**

- (1) The attached Strategic Audit Plan July 2016 to June 2019 prepared by the internal auditors Crowe Horwath be reviewed to ensure its ongoing currency.
- (2) Follow up of past recommendations be replaced with a substitute project that will be developed in due course.
- (3) It be noted that the Chief Executive and Executive Management Team were involved and consulted prior to finalisation of the Strategic Audit Plan.
- (4) A process of customer feedback on each internal audit be implemented, through the completion of a simple survey, and Memorandums of Audit Planning to be amended to advise audit participants of the feedback process on each internal audit project going forward in the 2016/17 year.

MOVED: Mr Terry Richards**SECONDED: Cr. Oliver Walsh****CARRIED**

**9.6 FOLLOW-UP OF SELECTED HIGHER RISK MATTERS
RAISED IN PRIOR INTERNAL AUDIT REPORTS****AUTHOR:** Director Corporate Services – Gavin Cator**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

This draft report was received on 12 May 2016 from Crowe Horwath.

Comments made by Crowe Horwath have been circulated to relevant Directors and Managers for comment.

Once this is complete, the report will be provided to Audit Committee members.

CONSULTATION:

Manager City Works

Fleet Manager

Coordinator Corporate Information/Acting Chief Information Officer

Coordinator Procurement and Contracting

Manager Aged Disability

Financial Accountant

Manager Corporate Risk

Recommendation

THAT the attached report: Internal Audit – Follow Up of Selected High Risk Matters, prepared by the internal auditors, Crowe Horwath, be received and noted.

**Committee
Recommendation**

THAT the attached report: Internal Audit – Follow Up of Selected High Risk Matters, prepared by the internal auditors, Crowe Horwath, be received and noted.

MOVED: Cr. Vince Fontana**SECONDED:** Mr Terry Richards**CARRIED**

9.7 MEMORANDUMS OF AUDIT PLANNING FOR UPCOMING AUDITS**AUTHOR:** Director Corporate Services – Gavin Cator**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

As part of the implementation of Council's audit program for 2016, Crowe Horwath has prepared memorandums of audit planning (MAPs) for two upcoming audits:

- *Human Resources Practices*
- *Governance Review*

These MAPs have been signed off by management.

CONSULTATION:

Executive Management Team

Recommendation

That the attached MAPs: Human Resources Practices and Governance Review prepared by the internal auditors, Crowe Horwath, be received and noted.

Committee Recommendation

That the attached MAPs: Human Resources Practices and Governance Review prepared by the internal auditors, Crowe Horwath, be received and noted.

MOVED: Cr. Oliver Walsh

SECONDED: Cr. Vince Fontana

CARRIED

9.8 OUTSTANDING INTERNAL AUDIT ACTIONS**AUTHOR: Director Corporate Services – Gavin Cator****REVIEWED BY: Chief Executive – Rasiah Dev****SUMMARY:**

This report provides an update towards implementing recommendations made in previous internal audit reports since the Audit Committee meeting held on the 7th December 2015.

Please note that this report was deferred at the 7th March 2016 meeting.

Since the December meeting the following audits were added to the outstanding list, although no discussion was held at the 7 March meeting.

- Information Technology General Controls
- Information Technology Strategy Review
- Core Financial Functions
- Risk Management Framework (Annual Review of a selected Department – Assets and Properties)
- Councillor Expense Claims

42 actions drawn from six 2015/16 reports above have been added to the status report since the last Audit Committee meeting. This has decreased the total number of outstanding actions to 53.

In the same period, 34 actions have been completed (including three high risk action) and there are currently 43 actions remaining. Of the remaining actions only six are high risk, 16 rated as medium risk and 21 are rated as low risk. In the attached report the completed actions are highlighted in green.

Since the 7th March report the following internal audits have been completed but have not been added to the outstanding list:

- FBT Compliance
- Community Grants Process Review
- Gifts and Donations for Councillors and Staff

These reports will add five medium risks and three low risk items to the outstanding list.

In addition, the “Follow up of selected Higher Risk matters raised in prior Internal Audit reports” was completed.

Recommendation

That the Audit Committee receives and notes the report

**Committee
Recommendation**

That the Audit Committee receives and notes the report.

MOVED: Mr Terry Richards

SECONDED: Cr. Oliver Walsh

CARRIED

10. PROCUREMENT

10.1 PROCUREMENT NON-CONFORMANCE REPORT

AUTHOR: Coordinator Procurement and Contracting – Russell Lynch

REVIEWED BY: Executive Manager Corporate Governance and Performance
– Jacinta Stevens

SUMMARY:

Section 186 '*Restriction on power to enter into contracts*' of the *Local Government Act 1989* covers Council's obligations when entering into contracts.

This report seeks to inform the Audit Committee of goods and services or works that have not partially or fully complied with the requirements specified under the Local Government Act or Council's Procurement Policy.

CONSULTATION:

Chief Executive
Executive Management Team

Recommendation

That the Non Conformance Report as at 1 May 2016 attached at **Appendix A** to this report be received and noted.

Report

INTRODUCTION AND BACKGROUND

In accordance with section 186 of the *Local Government Act 1989* ('the Act') there is a requirement for Council to undertake procurement in an open and transparent manner and to publicly advertised for good and services (G&S) or works above \$150,000 incl. GST (G&S) or \$200,000 incl. GST (works).

ISSUES AND DISCUSSION

Since October 2013 the Procurement and Contracting team have been recording and reporting to the Executive Management Team any non-compliant procurement practices across Council.

To significantly minimise the risk around any non-compliance the Chief Executive gave approval to centralise all procurement and contracting across Council, where the value is equal to or greater than \$5,000 incl. GST. This included the requirement for the Procurement and Contracts team to either undertake or assist Business Unit in the undertaking of all procurement steps up to and including contract execution.

The centralisation of procurement and contracting does not include the ongoing management of contract deliverables for engagements over \$150,000 incl. GST, which continues to be undertaken by the relevant Business Unit.

To monitor the procurement non-compliance a new report commenced on the effective date of the centralisation of procurement and contracting processes.

It should be noted that there are no longer any breaches under S186 of the Local Government Act, which are purchases that require open public tendering or engagement through established panel arrangements. Council does acknowledge there are some minor breaches in relation to the procurement policy which falls under s186A (4) of the Local Government Act. Such breaches pertain to officers not following processes such as not referring procurements through Procurement Accreditation Committee (PAC) prior to obtaining sign off by the financial delegate. The Procurement team are working with the CEO and Executive Management Team in rectifying these minor breaches so as to be fully compliant with the procurement policy.

POLICY IMPLICATIONS

The report will continue to be prepared in accordance with the procurement policy.

FINANCIAL AND RESOURCE IMPLICATIONS

There are no financial or resource implications with this report.

CONCLUSION

That the attached S186 report be noted and received.

FUTURE ACTIONS

Continue to monitor and report non-compliance to the Executive Management Team.

DISCLOSURE OF INTERESTS

Section 80C of the Local Government Act 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

Local Government Act 1989
Procurement Policy

Committee Recommendation

That:

- (1) The Non Conformance Report as at 1 May 2016 attached at Appendix A to this report be received and noted.
- (2) The significant improvement in Non-Conformance over the last 18-24 months be noted.
- (3) The report from the Local Government Investigations and Compliance Inspectorate in terms of procurement be noted (refer Chief Executive's Report, Item 6.3).

MOVED: **Mr Mike Said**
SECONDED: **Mr Terry Richards**

CARRIED

11. GOVERNANCE

11.1 GIFTS AND HOSPITALITY

AUTHOR: Governance and Council Business Officer – Jody Brodribb

DIRECTOR: Executive Manager Corporate Governance and Performance
– Jacinta Stevens

SUMMARY:

This report provides the quarterly summary on gifts and hospitality declared and declined by Councillors and officers for the period 1 January 2016 to 31 March 2016. In addition it also reports on the cumulative value of gifts and hospitality for Councillors and officers whereby they have received gifts or hospitality from the same person or organisation.

Recommendation

THAT the Audit Committee:

- (1) Receive and note the Summary of Councillor gifts and hospitality, attached to this report as **Appendix A**, declared or declined for the period 1 January 2016 to 31 March 2016.
- (2) Receive and note the Summary of Officers gifts and hospitality, attached to this report as **Appendix B**, declared or declined for the period 1 January 2016 to 31 March 2016.
- (3) Note the cumulative summaries of gifts and/or hospitality received by Councillors and officers to 31 March 2016 attached as **Appendix C**.

Report

INTRODUCTION AND BACKGROUND

Darebin City Council is committed to being open and transparent in its operations to minimise the risk of being placed in a compromising position that may have an adverse effect on its public endeavours and the promotion of trust within the community.

In accordance with the provisions of the *Local Government Act 1989*, Councillors and officers have an obligation to act impartially and with integrity including avoiding conflicts of interest. This is particularly important in the context of receiving gifts or benefits from another person or organisation.

ISSUES AND DISCUSSION

The City of Darebin *Gifts and Hospitality Policy 2014* was developed to provide direction to Councillors and staff regarding their obligations in receiving or declining gifts or benefits.

Further, section 10 of the *Councillor Code of Conduct* and section 5.3 of the *Excellence in Governance - Employee Code of Conduct* also outline these obligations, including the requirement to complete the 'Councillor Gifts Registration Form' and 'Staff Gifts Registration Form' upon receipt or declining of any gifts and/or hospitality.

Council maintains the 'Councillor Gifts and Hospitality Register' and 'Staff Gifts and Hospitality Register' to record the acceptance (or otherwise) and declining (since 2014) of gifts made or offered to Councillors and staff. Copies of the Councillor and Staff registers are attached as **Appendix A** and **Appendix B** respectively to this report.

The cumulative summaries in **Appendix C** show only those Councillors and Council officers who have received a gift and / or hospitality from the same organisation or person on more than one occasion.

POLICY IMPLICATIONS

Environmental Sustainability

Nil

Social Inclusion and Diversity

Nil

Other

Nil

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

FUTURE ACTIONS

Quarterly reports of Councillor and staff gifts and hospitality will be provided to the Audit Committee.

DISCLOSURE OF INTERESTS

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Director authorising this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

- Councillor Gifts and Hospitality Register 1 January 2016 to 31 March 2016 (**Appendix A**)
- Staff Gifts and Hospitality Register 1 January 2016 to 31 March 2016 (**Appendix B**)
- Cumulative summary of Gifts and Hospitality to 31 March 2016 (**Appendix C**)
- *Gifts and Hospitality Policy*
- *Councillor Code of Conduct 2013*
- *Excellence in Governance - Employee Code of Conduct 2013*
- *Local Government Act 1989*

Committee Recommendation

THAT the Audit Committee:

- (1) Receive and note the Summary of Councillor gifts and hospitality, attached to this report as **Appendix A**, declared or declined for the period 1 January 2016 to 31 March 2016.
- (2) Receive and note the Summary of Officers gifts and hospitality, attached to this report as **Appendix B**, declared or declined for the period 1 January 2016 to 31 March 2016.
- (3) Note the cumulative summaries of gifts and/or hospitality received by Councillors and officers to 31 March 2016 attached as **Appendix C**.
- (4) Change the reporting cycle of Gifts and Hospitality to a six monthly basis effective the 2016/17 Audit Committee work year.

MOVED: Cr. Oliver Walsh
SECONDED: Cr. Vince Fontana

CARRIED

11.2 LOCAL GOVERNMENT PERFORMANCE FRAMEWORK IMPLEMENTATION REPORT - UPDATE

AUTHOR: Coordinator Performance Support – Jim Barrett

REVIEWED BY: Executive Manager Corporate Governance and Performance – Jacinta Stevens

SUMMARY:

This report provides an update on the auditable indicators of the Local Government Performance Framework.

Recommendation

That the Audit Committee receive and note the contents of this report.

Report

INTRODUCTION AND BACKGROUND

The State Government has established a suite of performance measures that will be compulsory for every Victorian council to report against. Called the 'Local Government Performance Framework' (LGPRF), the indicators are now part of the Local Government Act and became effective from 1 July 2014.

The City of Darebin completed the first year of live data collection over 2014-15 and the results were published in the Annual Report as well as the 'Know Your Council' website.

This report is part of the regular reporting cycle whereby Local Government Performance Framework (LGPRF) results are presented to the Audit Committee in the lead up to the annual data collection period.

ISSUES AND DISCUSSION

The attached mid-year results attached as **Appendix A** are compared against Darebin's results from last year as well as 'similar' councils. There are 22 'similar' councils to Darebin that are deemed by the state government to be situated within Metropolitan Melbourne but not on the 'fringe' of the city.

Council will be in a healthy position to report on the LGPRF accurately at the end of the financial year. As the financial year draws to a close, Council needs to prepare for the arrival of the auditors in July / August.

In preparation for the first year of data collection, Darebin participated as a pilot site for the LGPRF.

All indicators have been loaded into Interplan (Business Planning and reporting software) with data collected quarterly

- To improve accountability, Interplan indicators are allocated to Managers and linked to department Business Plans
- Councils midyear LGPRF data has been reported to the Executive
- The latest updated Workbook has been passed on to all relevant staff
- Members of the Performance Support team attended the LGPro Corporate Planners' Network meeting to exchange views / experiences
- Performance Support staff are members of Yammer (to communicate with Department of Environment, Land, Water and Planning staff), and LGPro Forum (to communicate with peers)
- Members of VAGO have done checks on auditable Service Indicators in February and June 2016

Data collection process:

To assist with the visit of the auditors, the following processes are in place:

- Standardised word templates for each indicator have been prepared noting indicator definitions and prompting officers to supply appropriate proof of calculations
- Both auditable and non-auditable indicators will be treated similarly and there will be a focus on using the correct data base for all indicators
- Managers will need to sign off on every result
- 'Cost' measures will now need to be signed off by Business Accountants as well as Managers
- A formal policy spelling out the process of data collection has been sent out to all relevant staff
- All relevant managers and data collection staff will be spoken to in the lead up to collection

Primary areas of concern:

- LB1 Library Collection Usage – Spydus was upgraded in December 2015 so e-books borrowing will not be counted as part of 'active user' before that date.
- MC1, MC4 and MC5 are all dependent on the CDIS data base that has been rolled out across all Councils by the state government. This software is not running correctly and may not be fixed by the end of the financial year. Please note we have reported data for MC1 because we suspect that may be quite reliable.

POLICY IMPLICATIONS**Environmental Sustainability**

One of the measures within the LGPRF addresses the issue of environmental stability specifically. This is:

- WC5 Kerbside collection waste diverted from landfill

Social Inclusion and Diversity

Two of the indicators deal with issues of equity and inclusion they are:

- MC4 Participation in Maternal and Child Health service by Aboriginal children
- MC5 Participation Home and Community Care Service by Culturally and Linguistically Diverse (CALD) people

Economic Development

There are no Economic Development impacts related to this report.

FINANCIAL AND RESOURCE IMPLICATIONS

Data collection is estimated to take 126 hours in total staff time which equates to about \$ 5,040 in salary costs.

FUTURE ACTIONS

The following actions are scheduled:

- Closely monitor and ensure that software issues for MCH are resolved swiftly
- Meet with all necessary staff during June to ensure preparations are being adhered to and understood
- Collection of data for Performance Statement will occur in July
- Quarterly collection of Indicator information will continue in Interplan
- Benchmarking and networking amongst Councils will continue (attendance at Corporate Planners Meeting on 19 May is planned)

DISCLOSURE OF INTERESTS

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Director authorising this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

- Local Government Performance Reporting Framework – Indicator Workbook 2015/2016 (version 2.0)
- Local Government Amendment (Performance Reporting and Accountability) Act 2014
- Government (Planning and Reporting) Regulations 2014 (the regulations)

**Committee
Recommendation**

That the Audit Committee receive and note the contents of this report.

MOVED: Mr Terry Richards

SECONDED: Cr. Oliver Walsh

CARRIED

11.3 COUNCILLOR CODE OF CONDUCT

AUTHOR: Acting Executive Governance Support Officer – Marisa Schiavello

REVIEWED BY Executive Manager Corporate Governance and Performance – Jacinta Stevens

SUMMARY:

This report provides a status update on the development of the Councillor Code of Conduct.

Recommendation

THAT the Audit Committee:

- (1) Note a draft Councillor Code of Conduct has been developed and circulated to the Mayor and Councillors for comment attached at **Appendix A**.
- (2) Note the *Local Government Amendment (Improved Governance) Act 2015* requires the Councillor Code of Conduct to be adopted by 4 July 2016.
- (3) Note that in accordance with section 76C of the *Local Government Act 1989* a Special Council meeting solely for the purpose of adopting the Councillor Code of Conduct has been scheduled for 21 June 2016.

Report**INTRODUCTION AND BACKGROUND**

The *Local Government Amendment (Improved Governance) Act 2015* (the Act) was passed last year by Parliament. The Act contains substantial reforms to the councillor conduct framework and the governance requirements for councils. The majority of the Act came into force on 18 November 2015 with the remainder of the sections with the exception of sections 13 and 56, came into effect on 1 March 2016.

ISSUES AND DISCUSSION

The requirement for the Councillor Code of Conduct (the Code) to be reviewed and any necessary amendments came into effect on 1 March 2016. Section 76C of the Act requires those amendments to be made within 4 months after the commencement of the section, being 4 July 2016.

One of the major changes to the Code relates to the Dispute Resolution process and the inclusion of an independent Arbiter to make findings of any alleged contravention of the Code.

In January 2016, a panel of three independent Arbiters were engaged for a three year period to fulfil the requirements of the Act. Each of the Arbiters who are experts in the field of dispute resolution and mediation assisted with the development of the draft Code currently out for consideration by Councillors. A strategic briefing has been scheduled for 24 May 2016 to discuss any questions and to take on board any comments and suggestions councillors may have.

To ensure there is consistency with any complaint lodged, an application form was developed to ensure all relevant information is provided.

In accordance with section 76C(6A) Councillors must within one month of the Code being adopted make a declaration that they will abide by the Code. This declaration has been included on the last page of the Code whereby each Councillor must sign and date the Code and have it witnessed by the Chief Executive.

POLICY IMPLICATIONS

Environmental Sustainability

Nil

Social Inclusion and Diversity

Nil

Other

Nil

FINANCIAL AND RESOURCE IMPLICATIONS

Nil

FUTURE ACTIONS

- Briefing with Councillors
- Special Council Meeting, 21 June 2016

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DISCLOSURE OF INTERESTS

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Director authorising this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

- *Local Government Amendment (Good Governance) Act 2015*
- *Local Government Act 1989*
- Draft Councillor Code of Conduct

Committee Recommendation

THAT the Audit Committee:

- (1) Note a draft Councillor Code of Conduct has been developed and circulated to the Mayor and Councillors for comment attached at **Appendix A**.
- (2) Note the *Local Government Amendment (Improved Governance) Act 2015* requires the Councillor Code of Conduct to be adopted by 4 July 2016.
- (3) Note that in accordance with section 76C of the *Local Government Act 1989* a Special Council meeting solely for the purpose of adopting the Councillor Code of Conduct has been scheduled for 28 June 2016.

MOVED: **Mr Terry Richards**

SECONDED: **Cr. Oliver Walsh**

CARRIED

12. CONFIDENTIAL

12.1 COUNCILLOR SUPPORT AND EXPENSES REPORT

AUTHOR: Council Business and Governance Officer – Jody Brodribb

REVIEW: Executive Manager Corporate Governance and Performance – Jacinta Stevens

SUMMARY:

This report provides the summary of expenses and reimbursements made by Councillors for the period 1 January 2016 to 31 March 2016.

Recommendation

THAT the Audit Committee:

- (1) Receive and note the Summary of Councillor expenses and reimbursements attached as **Appendix A** for the period 1 January 2016 to 31 March 2016.
- (2) Receive and note the summary of officer mobile phone expenses and reimbursements including cumulative amounts attached as **Appendix B** to this report for the billing period 1 January 2016 to 31 March 2016.
- (3) Note Councillor expenses and reimbursement summaries plus cab charge and mobile phone declarations for the next quarter will be published on Council's webpage in the last week of August 2016.
- (4) Note the amendments made to the Travel and Communications Equipment and Services sections of the *Councillor Support and Expenses Policy 2013 (amended March 2016)* (**Appendix C**).

Report

INTRODUCTION AND BACKGROUND

Appropriate support must be provided to enable Councillors to effectively carry out their duties. This support includes the provision and maintenance of equipment and means of communication such as internet access and telephone calls. Such support is paid for directly by Council, with budget provision made for these expenses. Additionally, Councillors may incur costs and then seek reimbursement from Council for items such as travel or attendance at conferences or functions in an official capacity.

Section 75B of the *Local Government Act 1989* (the Act) requires a Council to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors and members of Council Committees.

The *Councillor Support and Expenses Policy 2013* (the Policy) provides that a report on Councillor expenses by category will be prepared, circulated to all Councillors and submitted to each (quarterly) meeting of Council's Audit Committee.

ISSUES AND DISCUSSION

Policy Framework

The Policy provides clarity regarding the resources, facilities and support to be provided to Councillors and the entitlements for Councillors who have out-of-pocket expenses incurred while performing their duties as a Councillor either reimbursed or paid directly by the Council.

Reimbursements are provided in line with the provisions of the Act, that is, when they are requested in writing and are established as reasonable and bona fide out-of-pocket expenses incurred while performing duties as a Councillor. Guidance as to the interpretation of 'Duties as a Councillor' is included in the policy.

Expenses

The Quarterly Summary of Councillor Expenses for the period 1 January 2016 to 31 March 2016 includes expenses related to travel, training, conferences and telephone and internet services. Where a Councillor has reimbursed costs to Council for personal use of telephones this is also captured in the schedule.

Requests for reimbursement are accompanied by tax invoices. Where possible, attendance at training and conferences are paid directly by Council through electronic funds transfer or use of the corporate credit card. Payments are made in line with purchasing policy and guidelines.

Information about telephone and internet expenses is made available to Councillors monthly in the form of the itemised account. Councillors are reminded to identify and reimburse Council for personal use, if applicable.

It should be noted that at the Ordinary Meeting of Council of 21 October 2013, Council resolved that effective 1 November 2013 Councillor expenses and reimbursements are to be listed on Council's website to promote transparency. Further, at the same meeting of Council it was resolved that expenses and reimbursements for the current financial year would be reported in Council's annual report.

Outstanding Monies

It should be noted that Cr Walsh has an amount of \$163.40 owing to Council for non-Council related cab use.

In line with the *Councillor Support and Expenses Policy 2013 (Appendix C)* amended and adopted by Council on 21 March 2016, Cr Walsh had until 4 April 2016 to reimburse Council. This has not occurred therefore no cab charge vouchers have been provided to Cr Walsh.

Reporting

The *Councillor Support and Expenses Policy 2013* provides that a report on Councillor expenses by category will be prepared and submitted to each (quarterly) meeting of Council's Audit Committee.

The report presents the overall expenditure for Darebin's nine Councillors, divided into a number of expense categories. To assist in interpretation, the report presents data for the most recent quarter and the three previous quarters.

At the Council meeting of 5 November 2014 Council resolved to amend the Councillor Support and Expense policy to allow Councillors to submit declarations electronically as well as in hard copy. It should be noted to comply fully with the Minister's request the declarations in whatever form they are submitted must be signed by the individual Councillor.

To enhance transparency in relation to reimbursements associated with telephone and cab charge expenses the information will be published quarterly on Council's website within one week of reporting the information to Council's Audit Committee.

In addition to the above any outstanding monies owed to Council for non-Council related calls or taxi trips will be made available on Council's website.

A copy of the amended Councillor and Support Expense Policy is attached in **Appendix C**.

Councillor Mobile Phone and Cab Charge Declarations

Table 1 below outlines the telephone declarations for 2015/2016 to 31 March 2016 with the due date and the actual date the declaration was received by the Governance unit from each Councillor.

Table 2 below outlines the Cab Charge usage declarations for 2015/2016 to 31 March 2016 with the due date and the actual date the declaration was received by the Governance unit from each Councillor.

Both tables are being reported in line with the *Councillor Support and Expenses Policy 2013*.

Council Officer Communication Equipment

The new process came into effect on 1 June 2014. Since then all officers who are issued with a Council mobile phone have received individual bills. Attached at **Appendix B** is list of each officer, by directorate, and their total bill amount for 2015/2016. An additional column has also been included to show what reimbursements have been made to Council for non-council related business. On a monthly basis the Finance team will run a report on reimbursements made by officers which will be included in the attached spreadsheet.

Table 1 below outlines the telephone declarations due date and the actual date the declaration was received by the Governance unit from each Councillor.

COUNCILLORS DECLARATION OF PERSONAL CALLS 2015/2016

Invoice Period	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Declarations Due Date	26 Aug 15	18 Sep 15	23 Oct 15	19 Nov 15	21 Dec 15	21 Jan 16	24 Feb 16	24 Mar 16	21 Apr 16			
Cr. Greco	14 Sep 15	28 Sep 15	14 Oct 15	16 Nov 15	8 Dec 15	20 Jan 16	16 Feb 16	21 Mar 16	18 Apr 16			
Cr. Fontana	14 Aug 15	8 Sep 15	9 Oct 15	10 Nov 15	7 Dec 15	14 Jan 16	10 Feb 16	10 Mar 16	18 Apr 16			
Cr. Laurence	18 Aug 15	25 Sep 15	14 Oct 15	6 Nov 15	7 Dec 15	20 Jan 16	12 Feb 16	21 Mar 16	15 Apr 16			
Cr. Li	18 Aug 15	7 Sep 15	14 Oct 15	17 Nov 15	7 Dec 15	2 Feb 16	16 Feb 16	21 Mar 16	18 Apr 16			
Cr. McCarthy	17 Aug 15	15 Sep 15	8 Oct 15	17 Nov 15	7 Dec 15	11 Jan 16	19 Feb 16	29 Mar 16	7 Apr 16			
Cr. Tsitas	16 Sep 15	16 Sep 15	8 Oct 15	20 Jan 16	7 Dec 15	20 Jan 16	15 Feb 16	22 Mar 16				
Cr. Villella	17 Aug 15	28 Sep 15	17 Nov 15	17 Nov 15	7 Dec 15	2 Feb 16	31 Mar 16	31 Mar 16	18 Apr 16			
Cr. Walsh	27 Nov 15		7 Dec 15	4 Dec 15	23 Mar 16	22 Mar 16	22 Mar 16	23 Mar 16				
Cr. Williams	17 Aug 15	21 Sep 15	30 Oct 15	23 Nov 15	7 Dec 15	14 Jan 16	15 Feb 16	22 Mar 16	13 Apr 16			

Councillor sent account for Month and Declaration due

Table 2 below outlines the Cab Charge usage declarations due date and the actual date the declaration was received by the Governance unit from each Councillor.

COUNCILLORS DECLARATION OF CAB CHARGE USAGE 2015/2016

Invoice Period	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Declarations Due Date	9 Sep 15	9 Sep 15	7 Oct 15	11 Nov 15	1 Dec 15	30 Dec 15	3 Feb 16	24 Feb 16	25 Mar 16			
Cr. Laurence	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C			
Cr. Li	N/C	3 Sep 15	14 Oct 15	N/C	23 Nov 15	2 Feb 16	27 Jan 16	N/C	21 Mar 16			
Cr. Tsitas	N/C	N/C	N/C	28 Oct 15	19 Nov 15	N/C	N/C	N/C	N/C			
Cr. Walsh		19 Nov 15	19 Nov 15	26 Nov 15	19 Nov 15	22 Mar 16	22 Mar 16	22 Mar 16	22 Mar 16			
Cr. Williams	N/C	N/C	N/C	N/C	23 Nov 15	N/C	N/C	N/C	N/C			
Cr. Villella	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C	N/C			

Councillor sent account for Month and Declaration due

N/C – Nil Cab Charge expenses incurred for the month

NOTE: Crs Greco, Fontana, and McCarthy have not incurred any Cab Charge expenses during 2015/2016 to 31 March 2016.

POLICY IMPLICATIONS

Environmental Sustainability

Nil

Social Inclusion and Diversity

Nil

Other

This report is provided in accordance with the *Councillor Support and Expenses Policy 2013* and the *Communication and Equipment Policy 2014*.

FINANCIAL AND RESOURCE IMPLICATIONS

Expenditure and reimbursements fall within the existing operating budget.

FUTURE ACTIONS

- Quarterly reports of Councillor expenses will be provided to the Audit Committee
- Each councillor will receive a copy of their expenses for the quarter
- Quarterly expenses and reimbursements will be published on the Darebin website

DISCLOSURE OF INTERESTS

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Director authorising this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

- *Councillor Support and Expenses Policy 2013* (**Appendix C**)
- *Communication and Equipment Policy 2014*
- Summary of Councillor expenses and reimbursements (**Appendix A**)
- Summary of Officers mobile charges and reimbursements (**Appendix B**)

<p style="text-align: center;">Committee Recommendation</p>
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THAT the Audit Committee:

- (1) Receive and note the Summary of Councillor expenses and reimbursements attached as **Appendix A** for the period 1 January 2016 to 31 March 2016.
- (2) Receive and note the summary of officer mobile phone expenses and reimbursements including cumulative amounts attached as **Appendix B** to this report for the billing period 1 January 2016 to 31 March 2016.
- (3) Note Councillor expenses and reimbursement summaries plus cab charge and mobile phone declarations for the next quarter will be published on Council's webpage in the last week of August 2016.
- (4) Note the amendments made to the Travel and Communications Equipment and Services sections of the *Councillor Support and Expenses Policy 2013 (amended March 2016)* (**Appendix C**).

MOVED: Mr Terry Richards

SECONDED: Cr. Oliver Walsh

CARRIED

13. OTHER BUSINESS**13.1 VAGO EXTERNAL AUDIT – INTERIM MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2016****AUTHOR:** Director Corporate Services – Gavin Cator**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

The Auditor-General has undertaken the interim phase of the financial report audit of Darebin City Council for the year ending 30 June 2016.

The interim management letter outlines deficiencies in the design and implementation of controls or other significant matters relevant to the financial reporting process during the interim phase of the audit.

CONSULTATION:

Director Corporate Services
Chief Financial Officer
Financial Accountant

Recommendation

That the attached report titled *“Darebin City Council – Interim management letter Year ending 30 June 2016”* be received and noted.

Committee Recommendation

That the attached report titled *“Darebin City Council – Interim management letter Year ending 30 June 2016”* be received and noted.

MOVED: Cr Vince Fontana**SECONDED:** Mr Terry Richards**CARRIED**

13.2 AUDITOR GENERAL'S REPORT – LOCAL GOVERNMENT: 2014-2015 AUDIT SNAPSHOT**AUTHOR:** Financial Accountant – Michael O’Riordan**REVIEWED BY:** Director Corporate Services – Gavin Cator**BUDGET
IMPLICATIONS:** Nil**SUMMARY:**

The Auditor-General released his report on the 2014/15 audit results for local government in November 2015. This Audit Committee report provides an overview of Darebin City Council’s comparative performance against the Auditor-General’s financial sustainability measures.

CONSULTATION:

Victorian Auditor-General’s Office
Executive Management Team

Recommendation

THAT this report titled “*Auditor-General’s Report – Local Government: 2014-15 Audit Snapshot*” be received and noted.

Report**BACKGROUND**

The Auditor-General released his report on the 2014/15 audit results for local government in November 2015. For the seventh year, the Auditor-General included both recommendations for the sector arising from the local government audits, as well as a financial sustainability assessment of Councils by cohort.

CORE ISSUES

Results of audits

As at 30 September 2015, clear audit opinions were issued on the financial statements and standard statements for all 79 local government councils. The 2014–15 reporting period was also the first year local councils were required to prepare information on a prescribed set of performance indicators in accordance with the Local Government Performance Reporting Framework. Clear audit opinions were also issues on all performance statements.

Internal controls

As part of the annual assessment of internal controls, the Auditor-General focussed on controls for the preparation of financial statements, the audit committee arrangements and controls over rate revenue. The Auditor-General set out a number of recommendations regarding the effectiveness of the preparation of financial statements, the audit committee arrangements and internal controls over creditors and grants within the sector.

No.	Recommendation
1.	That Local Government Victoria seeks feedback from the sector on local council views on the effectiveness of the Local Government Model Financial Report and their suggestions for improvement ahead of the 2015–16 financial year.
That local councils:	
2.	implement appropriate governance and monitoring mechanisms to ensure audit findings are addressed by management on a timely basis
3.	actively manage and monitor their rate of capital and renewal spending to at least meet the consumption of their assets
4.	annually review their landfill sites for remediation and aftercare costs and recognise a liability in accordance with the accounting standards
5.	enhance their performance reporting processes by developing performance statement preparation plans and setting performance indicator targets.
That Local Government Victoria:	
6.	refines and updates the definitions in the Local Government Better Practice Guide 2014–2015: Performance Reporting Framework Indicator Workbook to demonstrate a clearer linkage between the performance objective and the result.
That local councils:	
7.	acquit each development contribution plan by reporting publicly on the development contributions received/unspent and remaining infrastructure required
8.	include risks associated with development contributions and infrastructure asset delivery in councils' risk register—these risks need to be actively assessed and managed
9.	prepare a cash flow forecast of at least five years to better manage financial impacts of development contributions
10.	conduct an internal audit review of development contributions on a periodic basis.

All recommendations in relation to the financial reporting processes have been implemented at Darebin. Darebin is currently implementing the next developer contribution scheme; all better practice items identified will be implemented where practical.

Financial sustainability

The Auditor-General performed an analysis of all 79 Councils by local council cohort against 6 indicators of financial sustainability. A high / medium / low rating is applied to each of these indicators and an overall red / yellow / green traffic light is displayed for each local council cohort, based on a combination of the individual indicator results. The table below provides information on each of these indicators and Darebin's rating compared with the inner

metropolitan council category. The overall Darebin rating was a low risk of financial sustainability concerns. The risk rating has remained unchanged from the previous year. The financial sustainability risk indicators used have changed slightly from prior years. The changes are detailed below:

- the indicators have been calculated from the information in the published financial statements for the local councils, with no adjustments made to these figures
- the net result indicator has replaced the previous underlying result indicator
- the internal financing indicator has replaced the previous self-financing indicator

Indicator	Formula	Risk rating	Impact on overall Council traffic light	Darebin / Cohort rating
Net result %	net surplus / total revenue Underlying revenue does not include non-cash developer contributions and other one-off adjustments.	High: < -10% Med: -10% to 0% Low: >0%	'High' risk underlying result % = Overall red light ('high' risk)	Darebin 3.49% (low) Inner metro 12.14% (low)
Liquidity	Current assets / current liabilities(*) Measures the ability to pay existing liabilities in the next 12 months.	High: <0.75 Med: 0.75 - 1.0 Low: >1.0	'High' risk liquidity ratio = Overall red light ('high' risk)	Darebin 1.59 (low) Inner metro 1.99 (low)
Internal financing %	Net operating cash flows / Net capital expenditure	High: < 75% Med: 75% to 100% Low: >100%	'High' risk internal financing % = Overall yellow light ('medium' risk), if indebtedness indicator is also high	Darebin 136.3 (low) Inner metro 169.46% (low)
Indebtedness %	Non-current liabilities / own-sourced revenue Own-sourced revenue is used because it excludes capital grants, which are usually tied to specific projects.	High: >60% Medium: 40-60% Low: <40%	'High' risk indebtedness % = Overall yellow light ('medium' risk), if self-financing indicator is also high	Darebin 1.10% (low) Inner metro 16.34% (low)
Capital replacement	Capital expenditure / Depreciation Comparison of the rate of spending on infrastructure with its	High: <1.0 Medium: 1.0 – 1.5 Low: >1.5	'High' risk capital replacement = Overall yellow light	Darebin 1.28 (medium) Inner metro 1.50 (medium)

Indicator	Formula	Risk rating	Impact on overall Council traffic light	Darebin / Cohort rating
	depreciation.		(medium risk)	
Renewal gap	Capital spend (renewal & upgrade) / depreciation Comparison of the rate of spending on existing assets through renewing, restoration and replacement with its depreciation.	High: <0.5 Medium: 0.5 – 1.0 Low: >1.0	'High' risk investment gap = Overall yellow light (medium risk)	Darebin 0.90 (medium) Inner metro 1.14 (low)

Capital Replacement

The capital replacement measure compares spending on infrastructure with its depreciation. Ratios lower than 1 may indicate spending on capital works has not kept pace with the consumption of assets. Darebin's capital replacement gap ratio of 1.28 in 2015 may indicate that spending on asset renewal is insufficient. The A-G considers low risk of insufficient spending on asset renewal when the ratio is more than 1.5. Historically Darebin's ratio has been between 1 and 1.7 and is budgeted to be 1.31 as at 30 June 2016.

The inability to complete fully, the annual capital works program has adversely impacted the result of the capital replacement indicator.

FINANCIAL IMPLICATIONS

Darebin City Council was assessed as having four low risk indicators, and two medium risk indicator (2013/14: 4 low, 2 medium), with an overall low risk rating or green traffic light which was the same for the previous year.

FUTURE ACTIONS

Review Council's capital works program to ensure that it is adequately addressing the condition of assets that support the delivery of Council's services to the community.

RELATED DOCUMENTS

Local Government: 2014-15 Audit Snapshot – Victorian Auditor-General's Report, November 2015.

**Committee
Recommendation**

THAT this report titled *“Auditor-General’s Report – Local Government: 2014-15 Audit Snapshot”* be received and noted.

MOVED: **Mr Terry Richards**
SECONDED: **Cr. Vince Fontana**

CARRIED

13.3 ASSET MANAGEMENT PLAN UPDATE**AUTHOR: Manager Assets and Properties – Chris Meulblok****REVIEWED BY: Director Assets and Business Services – Steve Hamilton****SUMMARY:**

This report provides an update on the review of Council's asset management plans.

Recommendation

THAT the Audit Committee note the report.

Report**INTRODUCTION AND BACKGROUND**

Council approved a revised Asset Management Strategy at its Ordinary Meeting of 18 May 2015 to cover the period from 2015-2019. The Asset Management Strategy 2015-2019 provided Council with a comprehensive internally focused document that is closely aligned with Municipal Association of Victoria requirements and the international standard for asset management (ISO5001:2014). The Strategy provides details on the importance of asset management, scope drivers for best asset management, key stakeholders, benefits of asset management, current status of asset management and the future desired state of asset management.

The Audit Committee received a report on the status of the implementation of the Asset Management Strategy at its March 2016 meeting.

ISSUES AND DISCUSSION**Asset Management Plans**

Council has previously prepared asset management plans for the following asset classes:

- Roads (2009)
- Drainage (2007)
- Buildings (2007)
- Open Space (2010)

The Asset Management Strategy noted that all asset management plans were scheduled to be reviewed to update the 10 year long term financial forecasts and to ensure consistency with best practice and the requirements of the National Asset Management Assessment Framework (NAMAF). The strategy also included a timetable for development of asset management plans (Appendix A of the Asset Management Strategy, p.27).

Given the recent developments with regard to rate capping, it has been seen as prudent to accelerate the asset management plan development to ensure that plans for all areas can be completed by the end of the 2016 year.

The revised timetable for the review/creation of asset management plans is as follows:

Asset Class	Existing Plan?	Review status	Timeline	Comments
Roads	Yes	Draft complete	Jun 2016	Awaiting internal review prior to being presented to Council.
Stormwater	Yes	Draft underway	Jun 2016	Completion is pending receipt of updated data from internal departments.
Buildings	Yes	Review pending	Dec 2016	Review to commence in July 2016. Requires completion of building condition audits for comprehensive picture of current asset condition, future renewal requirements and maintenance backlog.
Open Space	Yes	Initialising procurement	Dec 2016	Procurement process commenced, works to start in July 2016
Fleet & Plant	No	Draft complete	Jun 2016	
IT	No	Scoping commenced	Dec 2016	To be prepared internally by the Information Services department. Scoping works and initial meetings with department representatives have occurred.
Cultural Collections	No	Initialising procurement	Dec 2016	Procurement process commenced, works to start in July 2016

POLICY IMPLICATIONS

Environmental Sustainability

There are no environmental sustainability implications directly associated with the content of this report.

Social Inclusion and Diversity

There are no social inclusion and diversity implications directly associated with the content of this report.

Other

Nil

FINANCIAL AND RESOURCE IMPLICATIONS

There are no immediate financial and resource implications directly associated with the content of this report.

FUTURE ACTIONS

Nil

DISCLOSURE OF INTERESTS

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Director authorising this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

RELATED DOCUMENTS

Darebin Asset Management Policy 2014
Darebin Asset Management Strategy 2015
Darebin Road Asset Management Plan 2009
Darebin Drainage Asset Management Plan 2007
Darebin Building Asset Management Plan 2007
Darebin Open Space Asset Management Plan 2010

Committee Recommendation

THAT the Audit Committee note the report.

MOVED: Cr. Vince Fontana
SECONDED: Mr Terry Richards

CARRIED

13.4 AUDIT COMMITTEE MEMBERSHIP**AUTHOR: Director Corporate Services – Gavin Cator****REVIEWED BY: Chief Executive – Rasiah Dev****SUMMARY:**

The Audit Committee is an Advisory Committee appointed by the Council pursuant to section 139 of the Local Government Act 1989 to assist Council in fulfilling its requirements relating to internal control mechanisms and external reporting requirements. The Committee currently comprises two Councillors and three external members, one of whom is the Chair. The external members are appointed by Council resolution.

The Council at its meeting on 5 August 2013 resolved in part to “Take up the option available and reappoint Dr Bruce Carroll for a further two year term, expiring in August 2015”.

Inadvertently the expiry date of August 2015 was missed and therefore Dr Carroll is not an appointed member of the Audit Committee. Dr Carroll was advised of this on 6 May 2016.

The Audit Committee Charter (November 2014), attached as **Appendix A** states:

- The external members are to be appointed for a three year term with an option of a further one year term by mutual consent.
- The Darebin City Council may adjust the initial period of appointment to allow for mid-term appointments and to avoid situations where all external member terms expire within close proximity of each other. This initial period of appointment must be more than one year, and no more than three years.

To enable this vacancy to be filled, advertisements have been placed in The Age newspaper on 14 May 2016, the Preston Leader on 17 May and the Northcote Leader on 18 May 2016.

Once the advertising is complete, suitably qualified applicants will be interviewed and a recommendation will be made to Council.

CONSULTATION:

Chair Internal Audit Committee

Recommendation

THAT the Audit Committee:

- (1) Receive and note the report
- (2) Write to Dr Bruce Carroll thanking him for his excellent contribution to the Audit Committee

**Committee
Recommendation**

THAT the Audit Committee:

- (1) Receive and note the report
- (2) Write to Dr Bruce Carroll thanking him for his excellent contribution to the Audit Committee

MOVED: Mr Terry Richards

SECONDED: Cr Vince Fontana

CARRIED

14. NEXT MEETING

The next meeting of the Audit Committee will be held at 2:30pm on 29 August 2016 in the Conference Room. This meeting will cover Annual Statements only.

15. IN CAMERA DISCUSSION

In accordance with the Audit Committee Charter, Item 6, Part 5(f) and Part 6(b), an opportunity is provided for the Audit Committee to meet with the internal auditor external auditor to discuss any matters that the Audit Committee or the internal auditor and/or external auditor believe should be discussed privately. Management will be required to leave the meeting during discussion of this item.

An In Camera discussion was held with the internal auditor, Mr Martin Thompson, prior to the commencement of the meeting at 2:12pm and ran until 2:28pm. The Chairperson, Mr Richards, Cr. Fontana, Cr. Walsh and Mr Thompson were in attendance.

16. CLOSE OF MEETING

The meeting closed at 4:55pm.

13. RECORDS OF ASSEMBLIES OF COUNCILLORS

13.1 ASSEMBLIES OF COUNCILLORS HELD

An Assembly of Councillors is defined in section 3 of the *Local Government Act 1989* to include Advisory Committees of Council if at least one Councillor is present or, a planned or scheduled meeting attended by at least half of the Councillors and one Council Officer that considers matters intended or likely to be the subject of a Council decision.

Written records of Assemblies of Councillors must be kept and include the names of all Councillors and members of Council staff attending, the matters considered, any conflict of interest disclosures made by a Councillor attending, and whether a Councillor who has disclosed a conflict of interest leaves the assembly.

Pursuant to section 80A (2) of the Act, these records must be, as soon as practicable, reported at an ordinary meeting of the Council and incorporated in the minutes of that meeting.

An Assembly of Councillors record was kept for:

- Darebin Interfaith Council – 22 June 2016
- Council Briefing session – 27 June 2016
- Councillor/CEO Briefing session – 4 July 2016
- Strategic Workshop – 4 July 2016

Recommendation

That the record of the Assembly of Councillors held on 22 and 27 June and 4 July 2016 be noted and incorporated in the minutes of this meeting.



ASSEMBLY OF COUNCILLORS PUBLIC RECORD

ASSEMBLY DETAILS:	Title:	Darebin Interfaith Council Committee Meeting
	Date:	Wednesday 22 June 2016
	Location:	Pearl Room, Darebin Intercultural Centre, 59a Roseberry Ave, Preston
PRESENT:	Councillors:	Cr. Gaetano Greco
	Council Staff:	Aziz Cooper
	Other:	Darebin Interfaith Committee representatives
APOLOGIES:		None

The Assembly commenced at 6 pm

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Welcome, Introductions and Apologies	No disclosures were made
2	Hosting Venue's Welcome	No disclosures were made
3	New Members Welcomed	No disclosures were made
4	2016 Victorian Interfaith Networks Conference	No disclosures were made
5	Next meeting and closure	No disclosures were made

The Assembly concluded at 7.45 pm

RECORD COMPLETED BY:	Officer Name:	Aziz Cooper
	Officer Title:	Interfaith Development Officer



ASSEMBLY OF COUNCILLORS PUBLIC RECORD

ASSEMBLY DETAILS:	Title:	Councillor Briefing Session
	Date:	Monday 27 June 2016
	Location:	Function Room, Darebin Civic Centre
PRESENT:	Councillors:	Cr. Vince Fontana (Mayor), Cr. Steven Tsitas, Cr. Gaetano Greco, Cr. Trent McCarthy, Cr. Julie Williams, Cr. Bo Li, (from 5.41 pm), Cr. Angela Vilella (from 5.49 pm), Cr. Oliver Walsh (from 5.51 pm), Cr. Tim Laurence (from 5.54 pm)
	Council Staff:	Rasih Dev, Steve Hamilton, Katrina Knox, Jacinta Stevens, Allan Cochrane (5.37-5.58 pm), Verica Jokic
	Other:	
APOLOGIES:		

The Assembly commenced at 5.37 pm

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	2016/2017 Budget	No disclosures were made.

The Assembly concluded at 5.58 pm

RECORD COMPLETED BY:	Officer Name:	Katrina Knox
	Officer Title:	Director Community Development



ASSEMBLY OF COUNCILLORS PUBLIC RECORD

ASSEMBLY DETAILS:	Title:	Councillor Briefing Session
	Date:	4 July 2016
	Location:	Function room
PRESENT:	Councillors:	Cr. Vince Fontana (Mayor), Cr. Bo Li, Cr. Trent McCarthy, Cr. Steven Tsitas, Cr. Angela Villella
	Council Staff:	Rasiah Dev
	Other:	Nil
APOLOGIES:		Cr. Gaetano Greco, Cr. Oliver Walsh, Cr. Tim Laurence, Cr. Julie Williams

The Assembly commenced at 5.30 pm

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Grade Separation Update	No disclosures were made
2	Ruthven and Lakeside Land Purchase Update	No disclosures were made
3	Council to receive detailed briefing on following policy changes <ul style="list-style-type: none"> • Cross-over • ROW / Minor Land Sale • Parking Management 	No disclosures were made
4	Major Projects Update <ul style="list-style-type: none"> • MSS / Women's Stadium • NARC Master Planning for redevelopment to commence shortly 	No disclosures were made
5	NAIDOC Week Events Update	No disclosures were made
6	Broadway Pedestrian Safety Work to commence shortly	No disclosures were made

The Assembly concluded at 6.00 pm

RECORD COMPLETED BY:	Officer Name:	Rasiah Dev
	Officer Title:	Chief Executive Officer



ASSEMBLY OF COUNCILLORS PUBLIC RECORD

ASSEMBLY DETAILS:	Title:	Councillor Strategic Workshop
	Date:	Monday 4 July 2016
	Location:	Function Room, Darebin Civic Centre
PRESENT:	Councillors:	Cr Vince Fontana, Cr Julie Williams, Cr Bo Li, Cr Angela Villella, Cr Trent McCarthy, Cr Tim Laurence (from 6.11 pm), Cr Oliver Walsh (from 6.12 pm), Cr Steven Tsitas (from 6.22 pm)
	Council Staff:	Rasiah Dev, Steve Hamilton, Gavin Cator, Katrina Knox, Darren Rudd, Nathan Moresi (to 6.35 pm)
	Other:	
APOLOGIES:		Cr Gaetano Greco (Leave of Absence)

The Assembly commenced at 6.05 pm

MATTERS CONSIDERED		DISCLOSURES AND COMMENTS
1	Parking Management Strategic Framework (Verbal)	No disclosures were made.
2	Darebin Connect (Verbal)	No disclosures were made.
3	Beautification (Verbal)	No disclosures were made.
4	Discussion on a Number of Planning Applications (Verbal)	No disclosures were made. Cr McCarthy absent from 6.46 pm to 6.50 pm. Cr Tsitas absent from 6.48 pm to 6.50 pm. Cr Walsh absent from 6.45 pm to 6.52 pm and 6.54 pm to 6.55 pm. Crs Tsitas and Villella left the meeting at 6.53 pm.

The Assembly concluded at 6.56 pm

RECORD COMPLETED BY:	Officer Name:	Katrina Knox
	Officer Title:	Director Community Development

14. REPORTS BY MAYOR AND COUNCILLORS

Recommendation

That Council note the Reports by Mayor and Councillors.

15. CONSIDERATION OF REPORTS CONSIDERED CONFIDENTIAL

Nil

16. CLOSE OF MEETING