

MINUTES

ORDINARY MEETING OF COUNCIL

Tuesday, 26 August 2014

Held at the
Barrabool Hills Baptist Church
4-46 Province Boulevard, Highton
commencing at 7.00p.m.

COUNCIL:

Cr. D. Lyons <i>Mayor</i>	(G21 Geelong Regional Alliance, Finance, Governance, Regional Cities)
Cr. T. Ansett (<i>Windermere</i>)	(Heritage, Rural Communities)
Cr. L. Ellis (<i>Coryule</i>)	(Coastal Communities, Infrastructure, Parks and Gardens)
Cr. J. Farrell (<i>Beangala</i>)	(Community Safety, Youth, Women in Community Life)
Cr. K. Fisher (<i>Corio</i>)	(Community Development, Aboriginal Affairs)
Cr. B. Harwood (<i>Kardinia</i>)	(Enterprise Geelong, Primary Industries)
Cr. M. Heagney (<i>Brownbill</i>)	(Central Geelong, Planning)
Cr. J. Irvine (<i>Austin</i>)	(Sport and Recreation)
Cr. E. Kontelj (<i>Cowie</i>)	(Aboriginal Affairs, Multicultural Affairs, Finance)
Cr. Dr. S. Kontelj (<i>Kildare</i>)	(Finance)
Cr. R. Macdonald (<i>Cheetham</i>)	(Major Projects, Knowledge Economy & Education)
Cr. R. Nelson (<i>Deakin</i>)	(Major Events, Tourism)
Cr. A. Richards (<i>Buckley</i>)	(Environment & Sustainability, Transport, Arts & Culture)

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**MINUTES OF THE ORDINARY MEETING
OF THE GREATER GEELONG CITY COUNCIL
HELD AT THE BARRABOOL HILLS BAPTIST CHURCH
4-46 PROVINCE BOULEVARD, HIGHTON
TUESDAY, 26 AUGUST 2014
COMMENCING AT 7.00 P.M.**

PRESENT: Crs B Harwood (Deputy Mayor), T Ansett, M Heagney, J Irvine, E Kontelj, S Kontelj, R Macdonald, R Nelson, A Richards

Also present: D Frost (Acting Chief Executive Officer), M Kelly (Acting General Manager Corporate Services), P Bettess (General Manager Planning and Tourism), G Van Driel (General Manager City Services), J McMahon (General Manager Community Services), S Cavanagh (Acting General Manager Projects, Recreation and Central Geelong), T Kerr (Acting Manager Administration and Governance), R Bourke (Co ordinator Governance & Legal Services), D Chiller (Co-ordinator Communication & Marketing), A Paterson (EO – Mayor)

OPENING: The Deputy Mayor declared the meeting open at 7.00pm

ACKNOWLEDGEMENTS:

Council acknowledges Wadawurrung Traditional Owners of this land and all Aboriginal and Torres Strait Islander People who are part of the Greater Geelong community today.

APOLOGIES: Crs Lyons (Mayor), Farrell, Fisher and Ellis

CONFIRMATION OF MINUTES:

Cr Ansett moved, Cr E Kontelj seconded -

That the Minutes of the Ordinary Meeting held on 12 August 2014 be confirmed and signed.

Carried.

DECLARATIONS OF CONFLICTS OF INTEREST: Nil.

QUESTION TIME:

Question Time is an opportunity for questions to be addressed to Council and while the minutes record the general content, they do not purport to be a transcript of what was said by individuals. Likewise Councillor or Officer verbal responses are in summary form only. Views expressed may not be the views of Council.

Council's practice is to provide a separate document on its website setting out questions and responses including any more detailed written responses which may be provided subsequent to the meeting.

Gwen Prosser asked the following in relation to Amendment C280:

Would Council give serious consideration to a simple solution of this problem by moving the one hectare block of public open space 30 metres to the north? This would leave 10% of the planned public open space on my property?

This solution would not only meet the landowners request for a more fair and equitable distribution, but would still satisfy the planning regulations of public open space being within 400 metres of each subdivided block.

Cr Macdonald responded the questions raised would be discussed during debate of Agenda Item 1.

Peter Bettess added that the recommendation before us tonight is that the Planning Scheme Amendment C280 be exhibited to provide for full public comment.

Kazimierz Szakiel submitted a series of comments in relation to proposed Amendment C280 – Rezoning Application for Ash Road West, Leopold.

Cr Macdonald responded that the questions would be addressed during debate of Agenda Item 1.

Cr Harwood acknowledged the comments.

Joyce Johnson asked the following –

- 1) What is the Council's agenda or stand on gas fracking, which has such a dire effect on every part of our fragile environment and food chain?

Cr Harwood responded that Councillors are currently undergoing an education process on what "fracking" means and the options available. Council needs to keep an open mind so cannot provide you a definitive answer tonight, but we are listening to community input.

- 2) Is there any more discussion or facts on the every 100 years flood plan and how much is it likely to cost ratepayers for something that may never happen?

Gary Van Driel responded that Council has a statutory obligation under the Building Regulations 2006 to designate land as liable to flooding where it reasonably knows it to be prone to flooding. Council does have a lot of questions typically raised and Gary Van Driel advised that he is more than happy to provide you with a set of those questions and answers.

Greg Oman submitted a series of infrastructure questions, but as he was not present at the meeting, were taken on notice for a written response.

Scott Jennings submitted a question in relation to the reduction in crime, but was not present at the meeting. A letter of response will be forwarded.

Jillian Ovens asked the following questions in relation to Motocross:

In the recommendations in tonight's Council report, Item 2, Motocross, it states" *"That Council call upon the State Government, Surf Coast Shire and Motorcycling Australia to redirect the investments made in McAdam Park for future Geelong Regional Motocross Infrastructure"*.

- 1) Seeing as Council is about to decide on issues on behalf of the SMCC, including the State and Surf Coast funding which the SMCC strived so hard to secure – would Council think it fair that the SMCC should be consulted on these matters prior to any resolutions being made by Council?

Cr Harwood responded the question will be addressed during debate of Agenda Item 2, but noted the concerns raised.

Cr Ansett added Breakwater was the issue – McAdam Park was never on the table.

Just a few years ago the original problem facing motorcycling in Geelong and Surf Coast regions centres around each of our two long running motorcycle clubs simply looking to secure themselves a home track. Now the situation seems to be centering around finding one piece of land for two clubs, which has been tried at McAdam Park and proven totally unsatisfactory.

- 2) What does Council consider more important – two very healthy clubs, each with their own home track to service the community, or two very unhealthy clubs having just one track to service the community?

Cr Harwood reiterated the question raised would be addressed during debate of Agenda Item 2.

Cr Richards asked for confirmation that Council had not spoken to the Motor Cycle Club about the report.

Ms Ovens responded that was correct and only learned of the report after reading tonight's agenda.

Brian Kavanagh addressed Council in relation to Motocross as follows:

If a new land assessment process is to begin, also seeking land appropriate only for smaller scale club operations is an option that all stakeholders must pursue. The Sporting Motor Cycle Club is currently considering several such sites.

- 1) In regard to Item 1 of the recommendation in the Motocross report, if a motion is put in tonight's meeting, will Council please consider an amendment using wording to the following effect: *"That Council affirm its support for the development of a Regional Motocross facility or alternatively multiple independent club level facilities operated by individual clubs within the Geelong and adjoining Councils"*.

- 2) Will Council also please consider using wording to the following effect as an amendment to Item No 3 – *“That Council request that surrounding municipalities participate in a regional land assessment to determine the feasibility of placing Motocross facilities in Geelong or surrounding municipalities”.*

Cr Harwood indicated the questions would be addressed during debate of Agenda Item 2.

Peter Ovens, Secretary of the Sporting Motor Cycle Club, as would Council be supportive and willing to immediately begin investigations into the option of a temporary riding area at the original Dandos Road site through consultation with the GMCC and Airport management and Motorcycling Australia? And if so, could Council please assure the SMCC that it will then provide a status report to MA once the Airport has given its response?

Cr Heagney advised discussions, in her role on the G21 Planning Pillar, were being held in relation to actually looking at land use, and indicated Council should work with the Motor Cycle Club on this issue.

Cr Harwood asked if there had been any consultation with GMCC.

Mr Ovens responded no - he had only learned about it recently.

PETITIONS: Nil.

1. AMENDMENT C280 - REZONING APPLICATION FOR ASH ROAD WEST, LEOPOLD

Portfolio:	Planning - Cr Heagney
Source	Planning and Tourism - City Development
General Manager:	Peter Bettess
Index Reference	Application: C280

Purpose

The purpose of this report is to seek Council approval to proceed with the preparation and exhibition of Planning Scheme Amendment C280, subject to authorisation being obtained from the Minister for Planning.

Summary

- An application has been made by St Quentin Consulting on behalf of Paisley Manor Pty Ltd, owners of the land at 90-108 Ash Road, Leopold, to rezone the land from Farming Zone to Residential 1 Zone.
- The purpose of the rezoning is to facilitate residential subdivision.
- At the request of officers, the rezoning application has been made to rezone all of the land between 90-172 Ash Road (even numbers) and 21-30 Walkers Road, Leopold (odd and even numbers). This affects ten different landowners covering approximately 25 hectares.
- The proposal is supported by the State and Local Planning Policy Framework and the Leopold Structure Plan. The area is designated for urban growth and is within the town's settlement boundary.
- A draft Outline Development Plan has been prepared for the whole area. Features of this include the provision of a minimum 10% public open space, two drainage reserves, a pocket park protecting a remnant River Red Gum, connections to the Estuary Estate to the west and continuation of a shared pathway reserve to the south.
- Subdivision of the area will yield in excess of 280 lots.
- A model template Section 173 Agreement (S173), which will form the basis for Agreements to be entered into with all land owners to formalise developer contribution arrangements, is being prepared.
- A draft Shared Infrastructure Funding Plan (SIFP) is also being prepared to guide the delivery of shared infrastructure in the area by apportioning the costs of the required shared infrastructure to each land parcel and describing the mechanisms by which the contributions levies will be collected and infrastructure delivered, including opportunity for works in-kind.
- As part of the rezoning, an accompanying new Development Plan Overlay schedule will ensure that the development proceeds in a logical manner in accordance with the agreed Outline Development Plan.
- Officers have met with the landowners of the rezoning area on 14 July 2014 to discuss the proposal in more detail, answer questions about the proposal and process and to gain their feedback on the Plan.
- Landowners are supportive of the rezoning of the area but have concerns about the distribution of open space, the valuation of land, the need for a Shared Infrastructure Funding Plan and the wording of the accompanying draft S173

Agreement, the exclusion of Walkers and Ash Roads as shared infrastructure items, and the sizing of drainage assets.

- As a way of moving forward, it is proposed to exhibit the amendment with the information and documentation prepared to date, with a view to undertaking further engagement with landowners during the consideration of submissions stage. This is expected to include the possibility of revisions to the outline development plan.

Cr Macdonald moved, Cr Heagney seconded -

That Council:

- 1) resolves to support the preparation and exhibition of Amendment C280 to the Greater Geelong Planning Scheme to:**
 - **rezone land in Ash Road west Leopold as identified in this report from Farming Zone to General Residential Zone ; and**
 - **apply a Development Plan Overlay to the land being rezoned subject to the finalisation of amendment documentation, draft Section 173 Agreement and accompanying draft Shared Infrastructure Funding Plan to Council's satisfaction.**
- 2) requests the Minister for Planning to Authorise the preparation of Amendment C280;**
- 3) resolves to exhibit the draft Section 173 Agreement accompanying the amendment documentation as outlined in this report; and**
- 4) undertakes further engagement with landowners during the consideration of submissions with a view to being flexible to consider changes to the draft Outline Development Plan.**

Carried.

Background

An application has been made by St Quentin Consulting on behalf of the owner of 90-108 Ash Road, Leopold to rezone 10 properties totalling 25ha from Farming Zone to Residential 1 together with an accompanying Development Plan Overlay. The subject land is west of Ash Road immediately south of existing residential development and to the east of the developing Estuary Estate in Leopold. The applicant's land holding comprises 5.9 hectares or approximately 23.6% of the proposed rezoning area. In pre-application meetings, officers requested the applicant to address all land on the western side of Ash Road within the town's settlement boundary in the rezoning application.

Appendix 1 shows the land subject of the rezoning application and existing zonings. The land is in ten different ownerships and is used for residential, rural living and agricultural purposes. They have been substantially cleared of native vegetation apart from a few scattered remnant trees and some intact indigenous vegetation. Appendix 2 is an aerial photo of the subject land and surrounding area.

The application has been accompanied by specialist planning, vegetation, aboriginal cultural heritage, traffic and engineering reports together with a draft outline development plan for the area.

The application was referred to a number of Council departments and external Government Departments and agencies for comment. The feedback on the application has been the basis for discussion and negotiation between officers and the applicant.

Since this application was originally submitted to Council there have been ongoing discussions and negotiations with the applicant about the draft outline development plan and delivery by the developer(s) of the necessary community infrastructure in a timely manner. In this area these arrangements have been complicated by the number of individual property owners (ten) and the need to fairly and equally apportion developer contribution costs among the individual landowners.

Identified shared infrastructure requirements include:

- Provision of 2 stormwater retarding basins
- Provision of 2 local parks, continuation of a shared pathway reserve to the south and a pocket park for remnant tree protection (minimum 10% of the overall area)
- Upgrade of the queuing right hand turn lane on the Bellarine Highway at the intersection with Ash Road.
- \$900 per dwelling community infrastructure levy.

The applicant understands that Section 173 Agreements are required to be entered into by all landowners which encapsulate these arrangements.

At the request of Council, the applicant's consultants have prepared a draft Shared Infrastructure Funding Plan (SIFP) which sets out in detail the costs of delivering the above infrastructure items and apportioning these costs equitably amongst the ten landowners. Officers reviewed these costs against industry standards and Council experience and provided input to the preparation of the final draft.

Discussion

From a strategic planning viewpoint there is strong State and Council policy justification to support this proposed rezoning.

The State Planning Policy Framework directs that Council's should ensure that a sufficient supply of land is available for residential uses and to meet forecast demand. This is to be achieved through designation of 15 years lot supply as part of Structure Plans.

Leopold's primary role has been as a commuter settlement for Geelong some 12 km to the west. The Leopold Structure Plan designates that the subject land be rezoned to Residential 1 Zone as it is within the settlement boundary. This land is accounted for in the Structure Plan calculations of a 23 year lot supply (Jan 2013). The Structure Plan also states that rezoning of the subject land should include a Development Plan Overlay to address subdivision design, water sensitive urban drainage, open space provisions, road and traffic network, landscape and visual assessments, and potentially environmental management, environmental audit, native vegetation cultural heritage and construction management plans. As part of rezoning, the Structure Plan also identifies that a Development Contributions Plan or similar mechanism should be developed to provide for physical and community infrastructure.

A draft outline development plan has been prepared by the applicant's consultants. It generally meets Council's requirements for the future development of this area. The draft outline development plan features:

- Two Drainage Reserves (one north & one south of Walkers Road)
- 10% minimum of area to be provided for open space configured as
 - a 1Ha park north of Walkers Road

- a 0.8Ha park south of Walkers Road co-located with the southern drainage basin
- Walkers Road extended to join with Estuary Boulevard
- Walkers Road widened (existing section)
- Two pedestrian access ways into Estuary Estate
- Ash Road to be upgraded
- Pocket park for one remnant indigenous tree to be retained
- Higher level internal road network
- 15m wide reserve incorporating a shared pathway along the southern boundary of the rezoning area

This will form the basis of a detailed Development Plan Overlay Schedule which will set out the planning, engineering and environmental issues to be addressed as part of the development of this land. Appendix 3 is the draft Outline Development Plan. The draft ODP ensures that the area connects well to the Estuary Estate to the west which is already substantially developed.

Negotiations with the applicant had been aimed at ensuring the drainage basins, local parks and road upgrades are provided by the developer as part of the development process and not left to Council to provide and construct at a later time. The multiple land ownerships and the owner occupier nature of the majority of landowners have necessitated the preparation of a SIFP and a draft S173 Agreement to apply to all property owners that provides the option of Council accepting monetary contributions and delivering the infrastructure. It is proposed that this draft model template be exhibited with the Amendment documentation and that owners be asked to sign individual Agreements before the Amendment is eventually approved.

If agreement can not be reached, the Development Plan Overlay contains a requirement for a S173 Agreement to be entered into as a condition on any planning permit for subdivision.

The SIFP has provision for a limited number of shared infrastructure items. There is other infrastructure that the development will be required to deliver as part of the subdivision that is not included in the SIFP, including (but not limited to) the upgrades of Walkers and Ash Road, the internal road network, intersection treatments, the drainage infrastructure (other than the basins) and street trees.

Officers briefed landowners in the area both pre-application in April 2011 and post application on 20 May 2014 to advise about the rezoning application and amendment process, provide detail about the draft development plan and to explain the development contributions approach. All the landowners attended these briefings and have been keen to learn more detail as there is interest in the area developing.

Following the latest briefing the landowners wanted the opportunity to have more engagement in the process and to seek more detailed explanations about the proposal. Officers convened 2 sessions on 14 July 2014 – one with the landowners to the north of Walkers Road and one with owners to the south of Walkers Road. There were robust discussions about the proposal and the specific areas of concern raised by landowners included:

- The distribution of open space, particularly to the north of Walkers Road;
- The valuation of land and dispute about the accuracy of the valuations;

- The need for a Shared Infrastructure Funding Plan;
- The wording and operation of the draft S173 Agreement;
- The status of the remnant tree and its retention in a pocket park;
- The exclusion of Walkers and Ash Roads upgrades as shared infrastructure items; and
- The sizing of drainage assets.

Officers recommend that Council proceeds to exhibition of the Amendment as outlined in the deferred 24 June Council report and to seek authorisation from the Minister for Planning. Changes to the draft Outline Development Plan, draft Shared Infrastructure Funding Plan and draft S173 Agreement would have considerable consequences for supporting consultant reports and require much work to be re-done at considerable time delay and expense. The size and location of open space to the north of Walkers Road meets Council's requirements of being 1Ha in size, bounded by at least 2 roads, accessible within 400 metres walking distance of residences, is a rectangular shape and sited away from the collector road (Walkers Road). For proceeding to exhibition there is no planning outcome that is being compromised by the location of open space as shown on the draft Outline Development Plan. This is not to say that the distribution as it affects existing landowners could not be reviewed. This area of open space sits across 3 current landholdings with the majority located on two smaller properties. These landowners consider this an unfair distribution and disadvantages their development potential compared with the applicant's land which is largely unaffected by the positioning of this area of open space.

The landowner affected by the location of the remnant tree to be retained has advised officers, and provided correspondence from the previous landowner that the tree was planted to provide shade for horses in the paddock. This is in contrast to the environment and arborist consultant reports which identified that this was likely a scattered indigenous tree and should be retained. This matter is being investigated further and may result in a change to the draft Outline Development Plan.

The consideration of submissions phase of the planning scheme amendment process is a formal review opportunity where comprehensive and detailed submissions will be considered. Officers have anticipated that this would be the point at which changes to the proposed amendment and accompanying draft documents such as the draft ODP and draft SIFP may be likely. This is the phase before referral to an Independent Panel. To this point officers have progressed the application with the applicant but further engagement with other landowners will be part of the process post exhibition. It is not expected that officers would report to Council to automatically refer submissions straight to an Independent Panel.

Environmental Implications

As the receiving waters for this area is Reedy Lake and Lake Connemara which is part of a RAMSAR wetland, approval from the Federal Department of Environment is required under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). The applicant has separately lodged an application with the Commonwealth with reference to potential impacts to listed RAMSAR wetlands. The assessment under that Act is progressing but no time frame for approval has been given. It is not anticipated there will be any significant implications for the rezoning as this process was similarly undertaken for the adjoining Estuary Estate a few years ago. Any conditions/requirements from a Commonwealth approval could be accommodated with the DPO Schedule prior to its adoption.

It is proposed to construct two retarding/bio retention basins in the area having regard to water sensitive urban design guidelines. The system will direct the 1 in 100 year stormwater runoff to these basins which will retard outflows and treat the water before discharging downstream.

Several remnant trees that are in poor condition will be lost as part of this development. One remnant River Red Gum is to be retained in a pocket park. Offsets for other lost native vegetation will be required offsite as part of the DPO.

The Development Plan Overlay schedule includes requirements relating to protection of remnant vegetation and management of stormwater to prevent downstream pollution.

The Leopold Structure Plan states that: *“Land on the Bellarine Peninsula including Leopold has a history of potato growing and in some cases this included the use of dieldrin and DDT. Council must be satisfied there are no contamination issues with the land in accordance with Ministerial Direction No. 1 – Potentially Contaminated Land. An Environmental Audit Overlay may be required as part of a rezoning proposal to satisfy this requirement.”*

A technique that has been used in the Jetty Road growth area in Drysdale/Clifton Springs includes a requirement in the Development Plan Overlay for the contamination issues to be addressed prior to the approval of a development plan. This technique avoids the use of an Environmental Audit Overlay as part of the rezoning process.

Financial Implications

The draft Shared Infrastructure Funding Plan (SIFP) identifies all the capital financial requirements for the provision of infrastructure across the Ash Road west growth area. The draft SIFP details the specifics of the development contributions to relevant infrastructure and spread across all properties affected by the amendment. In exceptional circumstance if developers are unable to deliver the works in-kind, development contributions will be collected by Council and works delivered by Council.

The infrastructure identified to service the subject area is only required by this area so 100% of the infrastructure costs are allocated to the subject area. A single levy of about \$214,000 per net development hectare has been calculated, yielding development contributions/infrastructure investment for the study area of approximately \$4,600,000.

The amendment will necessitate the payment of development contributions for community infrastructure of \$900 per residential lot at the statement of compliance stage for resulting subdivisions. This could be allocated to the Leopold Community Hub and development of a pavilion at the sub-regional sports ground within the neighbouring Estuary Estate. Both are projects that will service the future residents of this Ash Road area.

Policy/Legal/Statutory Implications

The Amendment is consistent with the State Planning Policy Framework and the Local Planning Policy Framework, as follows:

- State Planning Policy Framework. The Amendment implements the objectives and strategies of Clause 11 Settlement, (in particular Urban Growth Clause 11.02, Open Space Clause 11.03 and Regional Development Clause 11.05), Clause 12.01 Biodiversity, Clause 15 Built Environment & Heritage, Clause 16 Housing and Clause 19 Infrastructure.

- Local Planning Policy Framework. Clause 21.06 Settlement & Housing identifies Leopold as one of the City's designated primary urban growth areas. Clause 21.14 The Bellarine Peninsula sets out objectives and strategies for development of the Peninsula and each of the towns as contained in the adopted Structure Plans.

As this report indicates, the proposed rezoning is consistent with the adopted 2013 Leopold Structure Plan and as such is consistent with Clause 21.14 of the LPPF.

The Amendment is also consistent with a range of other environmental, infrastructure, developer contributions and open space policies contained in the MSS.

The land will be zoned General Residential Zone 1 after Amendment C300 is implemented.

Alignment to City Plan

The Amendment supports the *Growing our Economy* and *Sustainable Built and Natural Environment* strategic directions of City Plan.

The rezoning will maintain the supply of residential land in Leopold, and will facilitate investment in an area identified in Council's Municipal Strategic Statement for growth.

The Development Plan Overlay Schedule and Shared Infrastructure Funding Plan promote development of a sustainable built environment. This will be achieved by delivering a local public park, integrated management of stormwater and open space, additions to the Leopold Strategic Footpath network, development contributions for community infrastructure and retention of a remnant tree.

Officer Direct or Indirect Interest

No Council Officers have any direct or indirect interest, in accordance with Section 80 (C) of the Local Government Act to which this Amendment relates.

Risk Assessment

The amendment is accompanied by a Shared Infrastructure Funding Plan that will either have developers build and provide the infrastructure as the area develops or provide the equivalent funds to Council to provide and construct at a later time. There is a risk that developers may not deliver the infrastructure and that Council will need to undertake this.

Social Considerations

The Leopold Structure Plan, which supports this Amendment, has addressed the social implications of identifying areas for future growth.

Development of the subject land will add to the Leopold Strategic Footpath Network, provide local open space and is proximate to the sub-regional sporting facilities developed in the Estuary Estate.

A community infrastructure contribution of \$900 per residential lot will also be gained with allocation to infrastructure in the Leopold area.

Human Rights Charter

The proposal does not impact on any human rights and responsibilities set out in the Charter. Planning legislation provides for an open community consultation process enabling people to freely express their views and if necessary obtain a fair hearing before an Independent Panel.

Consultation and Communication

Engagement to date

Officers have conducted 2 briefing sessions with all of the landowners in the rezoning area – one in April 2011 prior to lodgement of the rezoning application and one in May 2014 upon receipt of the revised draft Outlined Development Plan and response to Council and external agency referral comments. Both sessions were conducted in a 'town meeting' style with presentations followed by Q and A. Post Council deferral of consideration of the rezoning application report at its 24 June 2014 meeting, officers convened sessions on 14 July 2014 with the landowners to the north and south of Walkers Road to conduct round table discussions about all aspects of the proposal and to gain feedback and views. These latest sessions were beneficial for all parties to outline their views and concerns about the proposal. As a result officers recommend this be undertaken again post exhibition during the detailed consideration of submissions phase of the amendment process.

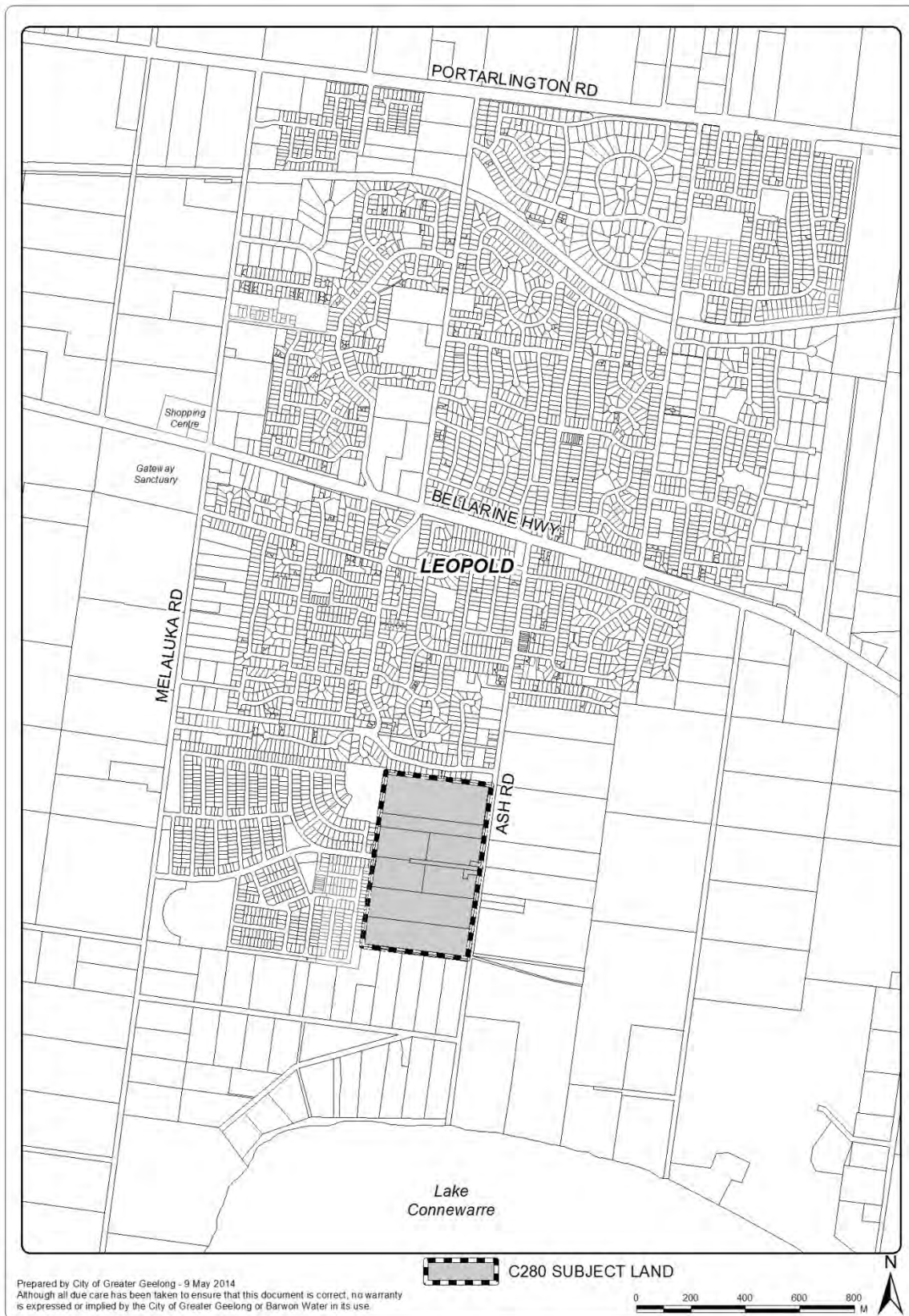
Formal exhibition of the Amendment

It is proposed that the Amendment be exhibited in accordance with the provisions of the Planning and Environment Act to provide for full public comment (and potentially referred to an Independent Panel appointed by the Minister for Planning).

It is intended that direct written notification will be provided to all properties within the area to be rezoned and to affected adjoining property owners/occupiers.

APPENDIX 1 – SUBJECT LAND

Locality Plan

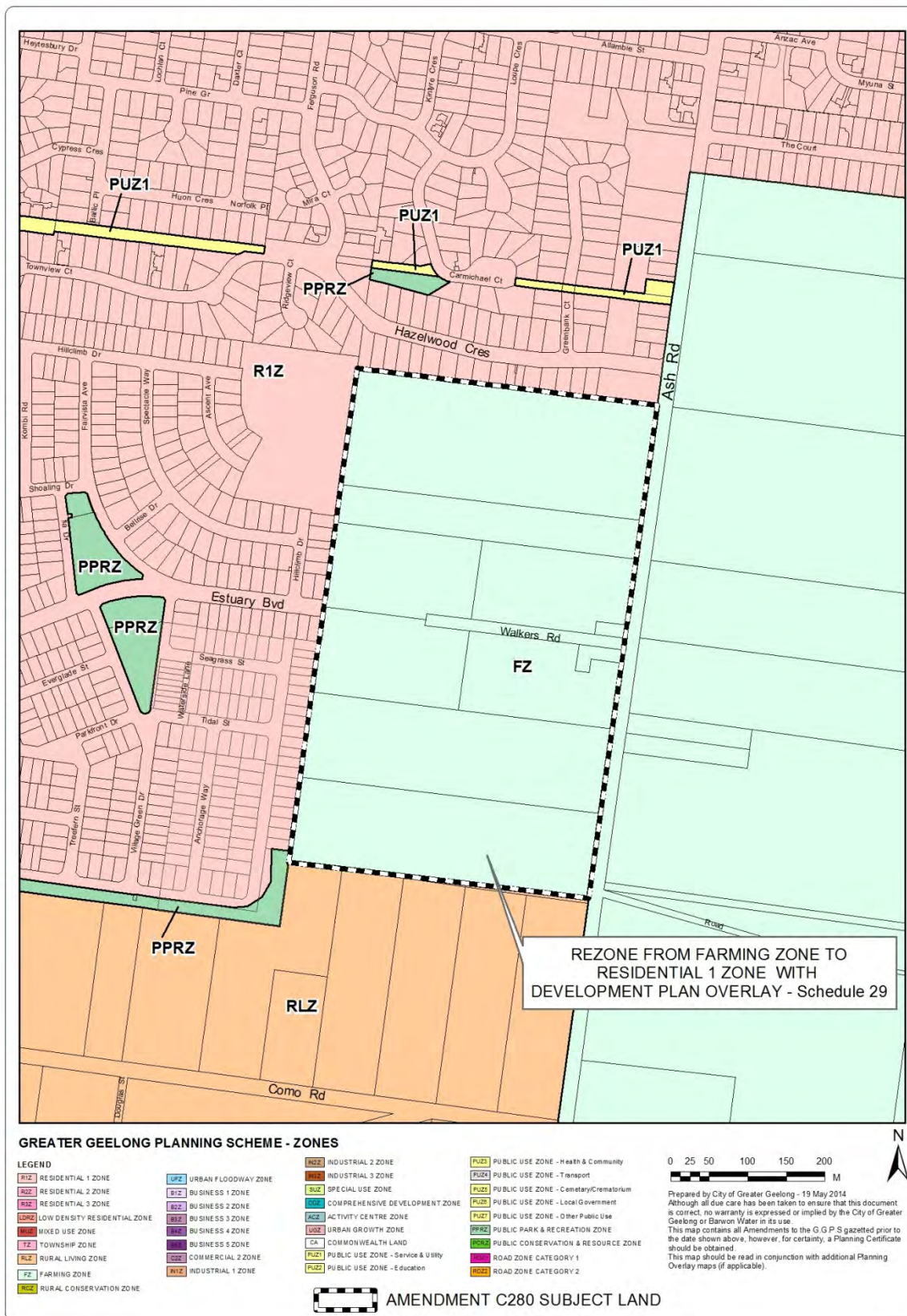


APPENDIX 1 – SUBJECT LAND

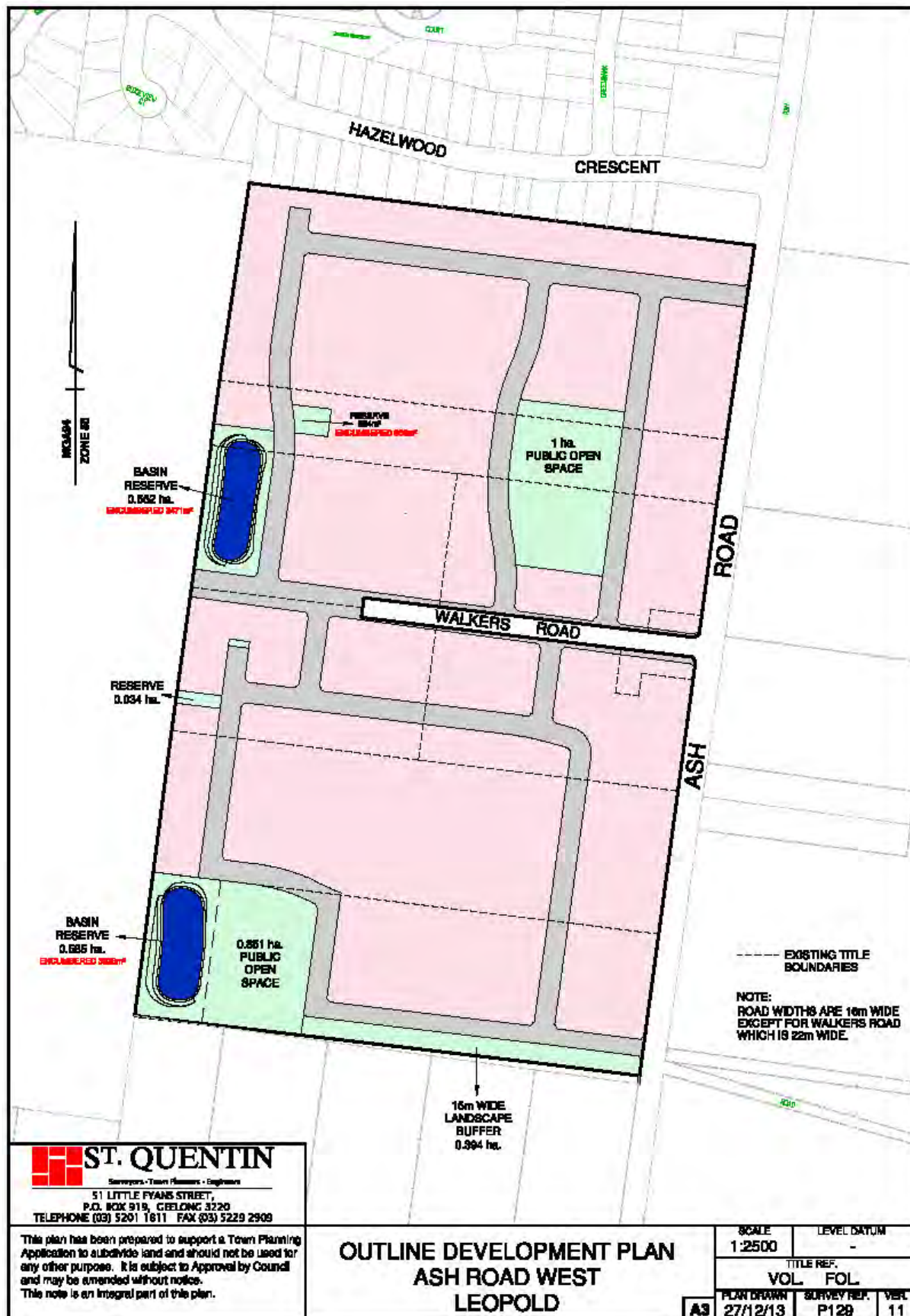
Aerial Plan



APPENDIX 2 – PROPOSED REZONING EXTENT



APPENDIX 3 – DRAFT OUTLINE DEVELOPMENT PLAN



2. MOTOCROSS

Portfolio:	Sport and Recreation – Cr Irvine
Source	Projects, Recreation and Central Geelong – Sport and Recreation
General Manager:	Paul Jane
Index Reference	Project: Geelong Motocross Relocation

Purpose

To advise Council on the current status of the McAdam Park motocross facility and recommend a future direction for the City of Greater Geelong's involvement.

Summary

- The Geelong Motocross Club's Breakwater track was closed by Council in 2006 due to continued noise complaints from nearby residents.
- The Geelong Motocross Club supported a move to McAdam Park located in the Barrabool Hills within the Surfcoast Shire.
- Motorcycling Australia, the owner and operator of the McAdam Park after a VCAT hearing, has agreed to cease motocross operating on the McAdam Park site by the 16 December 2015.
- The cessation of motocross activities on the site will see the Geelong Motocross club unable to fulfil the obligations of the City of Greater Geelong Councils' resolution dated 25 May 2010 and without a home.
- The closure of McAdam Park will leave the Geelong Region without a motocross facility.

Cr Harwood moved, Cr Irvine seconded -

That Council defer consideration of the report.

Carried.

3. YARRA STREET PIER UPDATE

Portfolio:	Major Projects – Cr Macdonald
Source	Projects, Recreation and Central Geelong
General Manager:	Paul Jane
Index Reference	Project: Yarra Street Pier Redevelopment

Purpose

To update Council on the status of the Yarra Street Pier project.

Summary

- An addendum has been produced for the business case for the Yarra Street Pier that shows increases in the economic gains for the region of \$80.1million and the creation of 430 jobs. (Attachment 1.)
- This information has been sent to all relevant State and Federal Ministers as well as to relevant Government officers.

Cr Macdonald moved, Cr S Kontelj seconded -

That Council note the improved regional benefits identified in the 2014 addendum business case for the Yarra Street Pier.

Carried.

Background

The Yarra Street Pier was badly damaged by fire in October 1988 and subsequently demolished. In more recent years the City has been actively working to replace the Pier for the following purposes:

- To enable the berthing and provisioning of Cruise Ships
- To allow the Royal Geelong Yacht Club to maintain and grow the Festival of Sails and other events through the provision of a greater area of safe harbour
- To provide casual berths for private vessels to visit Geelong
- To provide a platform protruding into Corio Bay for events to be either staged from or used as a viewing platform for water based events
- To provide all the other opportunities that can be provided by a public pier

Discussion

In June 2012 a business case was completed with the following results:

- Analysed all the options for the provision of infrastructure for the berthing needs of the City including the purchase of the Cunningham Pier and other scales and styles of pier. It clearly showed that the Yarra Street Pier as planned is the best option.
- Analysed the costs associated with construction of the Pier
- Analysed the financial benefits to the State and the Region by providing the Pier
- Provided figures on cost verses benefit of the project.

The report showed good results in terms of boost to the State and regional economy and predicted a strong growth to cruising business. Since that date Council staff and Councillors have been active in promoting the project.

Earlier this year Council officers started discussing the possibilities of a Portuguese cruise company Portuscale for their ship MV Funchal to visit Geelong and “home port” here. It was planned for a total of nine visits to Geelong where the ship would re-provision from local produce where possible. This opportunity, together with a stronger than expected increase in regional cruising, lead to the need for an update to the business case which could not anticipate such an early interest in home porting here.

In May 2014 an addendum to the business case was produced showing the changed business position.

	2012 Report	Addendum Report
Boost to Victorian Economy	\$52.4	\$80.1m
Boost to Geelong Regional Economy	\$41.40m	\$61.4
New jobs created in the State	403	522
New Jobs in Geelong Region	335	430
Cost	\$33,200,000	\$36,906,993

As was done with the 2012 report, copies of the addendum together with a simplified summary have been sent to all relevant State and Federal politicians and Government bureaucrats. Several meetings and functions have also been held with relevant politicians and bureaucrats.

Because of the passage of time since the original report the construction estimate has been updated and increased from \$33,200,000 to \$36,906,993. This growth is due to the inflation of building costs over time and also the additional cost related to the better vehicle connections from the pier to the shore to allow for the extra traffic of ship provisioning.

Environmental Implications

The environment impacts of the project have been anticipated and included in the cost program for the construction of the pier and any associated dredging.

Financial Implications

It is still planned for the City of Greater Geelong to provide \$5m of the project funding and the Royal Geelong Yacht Club to provide \$2.5m with the remainder to be funded by State and Federal Government.

Alignment to City Plan

The Yarra Street Pier is a Funding Priority Project for the City of Greater Geelong and a G21 Priority project.

Officer Direct or Indirect Interest

There are no known direct or indirect conflicts of interest relating to this project with Council officers.

Risk Assessment

A risk analysis of the project delivery is incorporated in the business case documents. The risk to Council in not gaining a new pier is 430 ongoing jobs in the region.

Social Considerations

The pier is a project that will provide an asset to all the community that wish to use it. It will have free access to the public at most times.

Human Rights Charter

The proposal does not impact on any human rights and responsibilities set out in the Charter.

Consultation and Communication

The pier is a project that has been subject to an extensive amount of consultation and public media. As a key Council priority project there would be few people who have not had a chance to make comment.



City of Greater Geelong

Yarra Street Pier Reconstruction

2014 Addendum to Project Business Case

May 2014

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Appendices

- Appendix A – Economic Impact Report
- Appendix B – Revised Cost Estimate
- Appendix C – Letter of Intent

1. Introduction

1.1 Purpose of this report

The Yarra Street Pier Reconstruction Business Case was prepared in 2011 and last published in June 2012 (the 2011 Business Case). It defined the need, considered the options available and identified an optimal implementation strategy for the preferred option for the City of Greater Geelong (CoGG) and the Victorian Government, in addressing the lack of marine infrastructure at Geelong's waterfront. This lack of marine infrastructure was found to limit the development of Geelong's maritime/waterfront activities, regional tourism and generally business activities in Geelong and the surrounding region.

The 2011 Business Case defined a project consisting of a jetty suitable for berthing cruise ships (a rebuilt Yarra Street Pier) with public berths for recreational vessels, enhancement and the provision of protection for the Royal Geelong Yacht Club (RGYC) marina, and dredging.

Whilst the need for the identified project has remained valid, further new evidence to support the benefits of the project is now available.

This report (2014 Addendum) captures and assesses the additional information, and provides up-to date economic results of the identified benefit and costs in the form of Benefit Cost Analysis and Economic Impact Assessment.

The 2014 Addendum shall be read in conjunction with the 2011 Business Case.

1.2 Context

This section of the document provides a brief overview of the project development process.

1.2.1 Process to date

CoGG developed a Waterfront Central Geelong Masterplan which outlines a planned and integrated approach to the development of the Central Geelong Waterfront. One of the Strategic Projects identified in the Central Geelong Waterfront Masterplan is the reconstruction of Yarra Street Pier.

Initial work on the reconstruction of the Yarra Street Pier focused on the development of a business case for a new cruise ship facility. In 2009, CoGG commissioned Thinc to prepare a business case on that basis.

In 2011, as part of the Investment Management Standard¹, GHD facilitated a Problem Definition Workshop with the key project stakeholders and sponsors. At this workshop, it became apparent that the drivers of the project (the problems) are broader than lack of facilities for cruise ships. Other drivers identified were:

- The lack of facilities for major events in the waterfront area;
- the increasing popularity of recreational boating, and the lack of destinations along the Geelong waterfront;
- The safety of vessels in the RGYC marina;
- The lack of public access to the waterfront; and
- An opportunity to enhance urban amenity

¹ Department of Treasury and Finance, Victoria

The 2011 Business Case was developed on the basis of the above needs and work completed to that date was incorporated to inform economic benefits of the proposed project.

1.2.2 New developments

Major Events

Major events as outlined in the 2011 Business Case have been sustained. Growth in the successful Festival of Sails has steadied, however, there is strong evidence that further expansion in the number of visiting boats is being constrained by the concern of boat owners of the potential damage to boats caused by lack of protection from north-westerly winds in the Royal Geelong Yacht Club facility.

Additional events including the wooden boat festival and world triathlon events (Ironman 70.3) have been held and/or are listed for the future. This trend would be accelerated if the required infrastructure is provided².

There is also the potential to hold future summer powered boat shows at the RGYC marina which would provide the opportunity to grow a marine based industry in Geelong, through manufacturing and maintenance support businesses.

Cruise-shipping

In the 2011 Business case, the concept of demand for cruise shipping is analysed and evidenced; however it only considers visiting cruise ships, as a complementary facility to Melbourne.

Since 2011, the cruise shipping market has continued its strong growth and the demand for Geelong as a destination is confirmed annually by visiting cruise ships. In the 2013/14 cruise season, Geelong has hosted five visits including the Seabourn Odyssey (2 visits), Seabourn Sojourn, Caledonian Sky and the Amadea. At present, visiting ships use a swing mooring and tender passengers ashore via the Royal Geelong Yacht Club.

More importantly, CoGG received a letter of intent from an established cruise shipping operator, confirming the intention to use Geelong as a home-porting base for their niche regional cruise ship operations with a confirmed 9 home visits per annum.

An economic impact assessment of cruise shipping prepared by Cruise Down under (CDU) in September 2013 also provides new economic data.

The Cruise Industry Report Australia 2012 prepared by Cruise Lines International Association (CLINA) states that the demand for Australia as a destination grew 17% from 2011 to 2012 resulting in an overall 20.2% destination share. This reflects an increasing number of short break cruises on offer, alongside Australian coastal cruises and circumnavigation options.

Stakeholder Consultation

As part of the development of the 2014 Addendum, a new round of stakeholder consultation was completed. Any new data and/or evidence of change provided during the consultation, which is relevant to this addenda, is incorporated into the analysis accordingly. The stakeholders included:

- CoGG
- Royal Geelong Yacht Club
- Committee for Geelong

² Consultation with CoGG and Royal Geelong Yacht Club(RGYC), April 2014

- Sport and Recreation Victoria
- Tourism Greater Geelong and the Bellarine
- Victorian Regional Channels Authority
- Portuscale Cruises.

1.3 Scope and limitations

This report: has been prepared by GHD for City of Greater Geelong and may only be used and relied on by City of Greater Geelong for the purpose agreed between GHD and the City of Greater Geelong as set out in section 1.1 of this report.

GHD otherwise disclaims responsibility to any person other than City of Greater Geelong arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report. GHD disclaims liability arising from any of the assumptions being incorrect.

GHD has prepared this report on the basis of information provided by City of Greater Geelong and others who provided information to GHD (including Government authorities), which GHD has not independently verified or checked beyond the agreed scope of work. GHD does not accept liability in connection with such unverified information, including errors and omissions in the report which were caused by errors or omissions in that information.

GHD has prepared the preliminary cost estimate set out in section Appendix B of this report ("Cost Estimate") using information reasonably available to the GHD employee(s) who prepared this report; and based on assumptions and judgments made by GHD.

The Cost Estimate has been prepared for the purpose of economic assessment and must not be used for any other purpose.

The Cost Estimate is a preliminary estimate only. Actual prices, costs and other variables may be different to those used to prepare the Cost Estimate and may change. Unless as otherwise specified in this report, no detailed quotation has been obtained for actions identified in this report. GHD does not represent, warrant or guarantee that the project can or will be undertaken at a cost which is the same or less than the Cost Estimate.

1.4 Assumptions

Applied assumptions are listed throughout this document and the 2011 Business Case.

2. Project overview

This section of the document provides a brief overview of the project objectives, benefits and proposed solution.

It is based on the information from the 2011 Business Case and is included for clarity of the context.

2.1 Project objectives

One of the key priorities of the CoGG is to grow the City as a leading centre for business, tourism, health and education. The centre of Geelong is located on the southern coast of Corio Bay and CoGG and the Victorian Government have spent approximately \$30 million on improving the waterfront area. This public investment has been supported by private sector investment exceeding \$430 million in the same period of time. The objective of the project is to address two key problems related to continuous growth of the area, including:

Lack of maritime infrastructure in Corio Bay limiting water based activities in central Geelong.

The key issues include:

- Limited capacity for major boating events
- Lack of safe harbour
- Limited public access
- Limited public (casual) berths

Need to stimulate regional tourism and business activity in Geelong and the surrounding region to avoid decline of business activities.

Tourism is a significant activity in the G21 regional economy³ and accounts for:

- 3.3% of the value of regional outputs or \$996.4M
- 6.5% of regional employment or 6,374 jobs – making “tourism” the sixth highest employment sector
- 4.3% of the total value of wages and salaries or some \$266.3M.

In the areas that are of high interest to visitors arriving via cruise ships, and in particular the Great Ocean Road, tourism generates a much higher percentage of employment. In the Surf Coast Shire, in which the Great Ocean Road originates where tourism generates 13.3% of employment, making it the largest employment sector in the local economy.

Geelong and the region are missing out on opportunities to capture the rapidly growing ship-cruise market as a result of limited facilities.

2.2 Benefits

Assuming the above listed problems are effectively addressed, the following benefits to Geelong, the region and the State will be captured:

- Greater economic returns for the State - direct economic benefits and wider economic impact of the increased spend driven by increased cruise ship visitation and other activities related to the waterfront;

³ G21 REMPLAN Economic Model

- Improved profile of Port Phillip Bay as a marine destination – the addition of a key destination within the Port Phillip Bay (Geelong Waterfront- Corio Bay) will improve overall Port Phillip Bay position as a marine destination;
- Improved liveability and profile of Geelong as Waterfront City – activation of the Geelong Waterfront through major events and better recreational and commercial opportunities. In addition to the direct economic benefits, the capacity of CoGG to hold major sporting and cultural events in the waterfront will provide improved exposure of Geelong to a wider audience nationally and internationally.

2.3 Proposed solution

The proposed solution includes a jetty with public berths, marina enhancement and protection, and dredging.

The scope of the preferred project option is discussed and outlined in more detail below.

Wharf Infrastructure

- For the current scope it is proposed that the design of the new jetty should cater for the 260 to 290m ships with a single berth along the western side of the newly constructed Yarra Street pier on the old alignment to avoid having to dredge the contaminated sediments forming a shallower ledge on which the old pier stood. This approach will also avoid the costly extraction of the 1000 or so old timber piles that were cut off at the seabed. This will save money and time during the construction of the new jetty.
- The form of the pier is for a precast deck and cast insitu reinforced concrete topping slab 8m wide supported on tubular steel piles, nominally of 800mm diameter and of the order of 30m long, assuming reasonable geotechnical soil properties (all subject to further investigation and design), lightweight buildings and truck turning area would be similarly supported on additional decks on the eastern side of the pier.
- To handle the ship induced loads, separate berthing dolphins fitted with cone fenders at intervals of 50m would be set into the pier. These would comprise a heavy reinforced concrete cap supported on vertical and raked steel piles of nominal diameter 800 mm, again subject to investigation and design. As it is not feasible to later strengthen these dolphins, they should be designed for the ultimate “design” vessel which appears to be the 310 or 340m long vessel as these ships have considerably more mass and windage, and are expected to visit during the life of the structure.
- It is unnecessary for the pier to extend the full length plus additional length for handling mooring lines as the ship can manage with a shorter pier (typically 80% of the LOA) and the construction of berthing and mooring dolphins at the seaward end of the jetty. At approximately \$500,000 for each dolphin, this approach provides significant cost savings compared to a full length pier.

Channel Design

A dredged channel will be required from the main shipping channel (The Hopetoun Channel) into the new Yarra Street Pier for all cruise ships.

With a view to minimising project costs during the initial project development, it is possible that the dredging could be staged to provide access to the smaller vessels in the short term, with future dredging completed in the longer term if there is a demand for larger vessels calling at Geelong. Mobilisation costs for dredging can be reduced by planning the dredging works to coincide with other dredging works in Port Phillip Bay. The timing imperative for the dredging is driven by the environmental approvals processes, including (but not limited to) design work to

define the dredging, sediment sampling and testing, and development of environmental impacts mitigation actions. Securing the relevant approvals as soon as possible, will allow CoGG the flexibility to program dredging around the presence of suitable dredging plant in Port Phillip Bay.

3. New data

3.1 Costs

An overall project cost review found that the budget items as allocated remain valid (in line with the high level estimates based on the preliminary design information). The following changes were made to the original cost estimates:

- Escalation of rates from Dec 31, 2011 to Dec 31, 2014, assumed to be overall 6%⁴
- Additional allowance to construct an area for increased vehicle manoeuvring as a result of potential home-porting
- Dredging rates updated to reflect recent experience in Port Phillip.

The revised cost estimate is provided in Appendix A.

3.2 Benefits

The following benefit inputs were updated and/or added:

Cruise-ships – home porting

Portuscale Cruises, a cruise ship operator based in Portugal and operating in Australia, issued a letter (refer to Appendix C), confirming its ongoing intention to use Geelong as a home port for its regional cruises.

It was assumed that on average each ship will have 470 passengers boarding /disembarking with an average expenditure of \$316 per passenger⁵.

It is also assumed that on average each ship will have 180 crew members, of which 50% will board/disembark with an average expenditure of \$180 per crew member⁶.

In addition to the spending outlined above, it is estimated that the ship operator will spend approximately \$325, 000 per ship visit in terms of provisions including water and fuel (\$60 per passenger per day and \$30 per crew per day)⁷. The operator has indicated that fuel, water and provisions will be sourced locally.

Cruise-ships – visiting

Based on the data provided in the 'Economic Impact Assessment of the Cruise Shipping Industry in Australia, 2012-13' document published by AEC Group Limited, the average spending of passengers of a visiting cruise ship was updated to \$211 per passenger per day and \$75 per crew per day.

⁴WT Partnership website accessed 20 April 2014

⁵ Portuscale cruises, Letter of Intent dated 27 January 2014 (refer to Appendix C)

⁶ Portuscale cruises, Letter of Intent dated 27 January 2014 (refer to Appendix C)

⁷ CoGG, information provided to GHD dated 14 Apr 2014

3.3 Other data

Cruise shipping market growth

In 2012-13 the estimated total output of the Australian cruise shipping industry was \$2.06 billion, including direct expenditure of \$1.23 billion. This was a 20.6% increase from 2011-12 when total output was estimated at \$1.71 billion.

When domestic passengers and crew are included, the estimated total output is \$2.88 billion in 2012-13⁸.

In Australia, there was an increase in cruise ship passenger capacity from 54,063 to 62,051. In Geelong, nine (9) visiting days are already confirmed for 2014-2015.

Recreational boating industry

It was noted in the 2011 Business Case that the boating infrastructure provides important recreational boating 'hubs' contributing to the community and economic development in a number of ways. It was estimated that increasing consumer participation in recreational boating by 5% from current levels (Victoria, total) would⁹:

- Increase participation by 4,515 people
- Increase tourism spending by \$37.6M
- Increase the Victorian component of industry revenue by \$42.1M
- Increase the GDP of Victoria by \$21M
- Add 315 full time equivalent positions to the Victorian economy.

Consultation with the Royal Geelong Yacht Club confirmed a growing number of motor-powered recreational boat users. A regular motor-powered boat show held on the waterfront is currently being considered but is dependent on construction of a wave attenuation structure, as part of the Yarra Street Pier reconstruction..

⁸ Economic Impact Assessment of the Cruise Shipping Industry in Australia, CDU, 2012-13

⁹ Boating Industry Association of Victoria, Submission to VCEC, July 2011

4. Updated Economic Results

4.1 Benefit Cost Analysis

Economic benefit cost assessment evaluates the costs and benefits of the proposed project to determine a benefit cost ratio and net present value of the preferred option. These indicators provide a relative measure of the economic merit of implementing the project.

The model and inputs for the benefit costs analysis completed in 2011 have been updated and the following paragraphs provide new results as well as a comparison to the 2011 Business Case. New information, costs and benefits data are outlined in Section 3.

2011 Business case details assumptions and key inputs into the economic benefit cost assessment. Inputs updated for 2014 Addendum are listed in Table 2.

Table 1 General Assumptions

General	Input Value	Units
Evaluation period	30	Years from year of opening
Assumed residual value of assets at end of the assessment period	40	Per cent
Assumed discount rate	6%	Per cent

Table 2 Option assumptions used in benefit cost assessment

Item	Preferred Option (2011 Business Case)	Preferred Option (2014 Update)
Description	Large Ship Jetty, plus Marina Protection	
Total Capital Cost	\$33,200,000 (\$,2011)	\$36,906,993 (\$, 2014)
Design and Construction Timeframe	July 2012 - Dec 2014	Jan 2015 – Jun 2017
Construction Profile	Start Design Jul 2012 Start Construction Jul 2013 End Construction Dec 2014 Open Jan 2015	Start Design Jan 2015 Start Construction Oct 2015 End Construction Jun 2017 Open Jul 2017
Capex spend – Construction Year 1	3% (2012/13)	4% (2014/15)
Capex spend – Construction Year 2	63% (2013/14)	48% (2015/16)
Capex spend – Construction Year 3	34% (2014/15)	48% (2016/17)
Opex – Maintenance (Operational Years 1 – 5)	\$133,000 maintenance per annum for first five years of operations	\$147,628 maintenance per annum for first five years of operations
Opex – Maintenance (Operational Years 6 – 30)	\$266,000 per annum	\$295,256 per annum
Opex – Operations (1 EFT)	\$100,000 per annum	\$100,000 per annum

Benefits		
Producer surplus from increased visitation to waterfront	20% of \$1,090,000 per annum	20% of \$1,090,000 per annum
Producer surplus from Events	20% of \$694,000.00 per annum	20% of \$694,000.00 per annum
Reduction in marina maintenance	\$20,000 per annum	\$20,000 per annum
Producer surplus from cruise ship visits	20% of \$256,000 per additional cruise ship Up to 19 additional cruiseship visits)	20% of \$325,265 per additional cruise ship Up to 19 additional cruiseship visits
Producer surplus from cruise ship home porting	Nil	20% of \$3,845,295 per annum
Producer surplus from naval vessel visits	20% of \$200,000 per annum	20% of \$200,000 per annum
Residual value of asset	40% of Construction Cost	40% of Construction Cost

Discounted (6% real) costs and benefits. All values are in \$ million present value apart from the benefit cost ratios (BCR).

Table 3 Summary Results of economic assessment \$m (present value)

Costs	Preferred Option (2011 Business Case)	Preferred Option (2014 Update)
Capital	\$29.04	\$32.03
Operating	\$3.07	\$4.05
Total Costs	\$32.11	\$36.08
Benefits - Producer surplus from increased visitation to waterfront	\$2.52	\$2.52
Benefits - Producer surplus from Events	\$4.57	\$4.57
Benefits - Reduction in marina maintenance	\$0.23	\$0.23
Benefits - Producer surplus from cruise ship visits	\$6.16	\$10.89
Benefits - Producer surplus from cruise ship home-porting	Nil	\$8.89
Producer surplus from naval vessel visits	\$0.46	\$0.46
Residual value of asset	\$1.70	\$1.89
Total Benefits	\$15.65	\$29.44
BCR	0.49	0.82
NPV	-\$16.46	-\$6.64

4.2 Economic Impact

The initial (2011) economic impact assessment of the Yarra Street Pier Reconstruction Project, as well as the 2014 review, was completed by EconSearch Pty Ltd using an input-output (I-O) method to generate outputs for the following indicators of economic impact:

- Gross regional product (GRP) / Gross State Product
- Employment
- Household Income

For each indicator estimates of economic impact are presented in terms of:

- Direct (or initial) impacts – an estimate of the changes in final demand or level of economic activity that is the stimulus for the total impacts.
- Indirect (or flow-on) impacts – the sum of production-induced, consumption –induced and offsetting consumption impacts.
- Total impacts – the sum of direct and indirect impacts.

These economic impact indicators were re-calculated for the preferred project option from the 2011 Business Case, with the updated inputs as previously described, at the Victorian and Geelong regional level. The Geelong Region incorporated the Local Government Areas of City of Greater Geelong and Queenscliff Borough. Impacts for Geelong were modelled on those expenditures expected to occur in the Geelong region only. Impacts for Victoria include those expenditures that will occur in Geelong and those that will occur elsewhere in Victoria. Expenditure that will occur elsewhere in Australia or overseas has been excluded from the analysis.

For the purposes of the assessment economic impacts were assessed for the construction phase of the options and the first ten years of operation of the preferred option (Option 3).

4.2.1 Construction Impacts

Table 4 and Table 5 show the economic impact of the construction of the project for the Geelong Region and Victoria respectively.

The economic impact for Victoria is now estimated at 218 FTE¹⁰ jobs (of which 98 jobs will be located in the Geelong region) and a \$30.4 million boost to gross state product (GSP). Geelong's gross regional product (GRP) is estimated to increase by \$12.9 million.

Table 4 Direct and flow-on GRP¹¹ (\$m) and Employment (FTE) impacts of the construction of the project, Geelong region

	Option 3 (2011) Total (\$M)*	Addendum 2014 Total (\$M)	Option 3 (2011) FTE Total *	Addendum 2014 FTE Total
Direct	4.8	6.8	58	53
Flow-on	3.5	6.1	31	45
Total	8.3	12.9	89	98

¹⁰ In this report employment has been reported in terms of cumulative FTE units (1FTE = 1 person year)

¹¹ GRP impacts are a measure of gross regional product (i.e. household income, gross operating surplus and all taxes, less subsidies)

Table 5 Direct and flow-on GSP¹² (\$m) and Employment impacts of the construction of the project, Victoria¹³

	Option 3 (2011)	Addendum 2014	Option 3 (2011)	Addendum 2014
	Total (\$M)*	Total (\$M)	FTE Total *	FTE Total
Direct	10.2	11.7	136	99
Flow-on	12.3	18.7	98	119
Total	22.5	30.4	234	218

4.2.2 Operational impact

Table 6 and Table 7 show the economic impact of the first ten years of operation of the Geelong Yarra Street Pier for the Geelong Region and Victoria respectively. The economic impact for Victoria of this option is estimated at 522 FTE jobs (of which 430 or 82% will be located in the Geelong region) and an \$80.1 million boost to gross state product. Geelong's gross regional product is estimated to increase by \$61.4 million over the first 10 years.

Table 6 Direct and flow-on GRP¹⁴ (\$m) and Employment (FTE) impacts of the operation of the project for first ten years, Geelong region¹⁵

	Option 3 (2011)	Addendum 2014	Option 3 (2011)	Addendum 2014
	Total (\$M)*	Total (\$M)	FTE Total *	FTE Total
Direct	30.0	42.1	251	301
Flow-on	11.0	19.3	85	129
Total	41.0	61.4	335	430

Table 7 Direct and flow-on GSP¹⁶ (\$m) and Employment (FTE) impacts of the operation of the project for first ten years, Victoria (\$m)¹⁷

	Option 3 (2011)	Addendum 2014	Option 3 (2011)	Addendum 2014
	Total (\$M)*	Total (\$M)	FTE Total *	FTE Total
Direct	30.0	41.1	251	300
Flow-on	22.4	39.1	153	222
Total	52.4	80.1	403	522

¹² GSP impacts are a measure of gross state product (i.e. household income, gross operating surplus and all taxes, less subsidies).

¹³ Source: EconSearch analysis, 2014

¹⁴ GRP impacts are a measure of gross regional product (i.e. household income, gross operating surplus and all taxes, less subsidies).

¹⁵ Source: EconSearch analysis, 2014

¹⁶ GSP impacts are a measure of gross state product (i.e. household income, gross operating surplus and all taxes, less subsidies).

¹⁷ Source: EconSearch analysis, 2014

5. Summary of outcomes

The updated cost of the project is estimated to be \$36.9 million and the investment will deliver benefits to the State, Local Government, business community and public.

The benefit cost analysis of the updated input derived Benefit Cost Ratio (BCR) of 0.82 at the discount rate of 6%, is substantially higher than 2011 Business Case from where the BCR of the preferred option was 0.49.

Although less than a break even proposition of $BCR = 1.0$, it needs to be considered in the context of only certain benefits being monetised. This project combines benefits of public amenity and commercial operation and therefore the costs need to be offset against a wide range of benefits. In order to reflect this complexity and to capture the wide range of benefits, the economic impact of the project has been used as one of the key indicators of project worth.

The 2014 Addendum estimates that the project will have an economic impact that will see the creation of up to 522 FTEs¹⁸ in the first 10-year period of operation. More importantly the new employment (up to 430 FTEs) will be created in the region with strong population growth and within an economy in transition.

It will also result in an additional \$80.1 million worth of Gross State Product and \$61 million Gross Regional Product over the first 10-year period of operation.

¹⁸ Cumulative FTE units (1FTE = 1 person year)

Appendices

Appendix A – Economic Impact Report

Economic Impact Assessment of the Yarra Street Pier Upgrade

A report to

GHD

Prepared by

 *econsearch*

9 May 2014

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ABBREVIATIONS

ABS	Australian Bureau of Statistics
fte	full-time equivalent
GRP	gross regional product
GSP	gross state product
I-O	input-output (model)
RISE	Regional Industry Structure and Employment

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1. INTRODUCTION

The information and analysis presented in this report was prepared for GHD and represents a contribution to the project entitled; Yarra Street Pier Reconstruction: Project Business Case, for the City of Greater Geelong.

This report builds on previous work undertaken by EconSearch for GHD in 2012 (EconSearch 2012). The objective of this analysis is to update regional and state-level estimates of the economic impact of the construction and operation of the Yarra Street Pier cruise ship jetty (Option 3 in the previous study).

Input-output (I-O) models for Geelong and Victoria for 2011/12 (EconSearch 2013a) recently prepared for the Victorian Department of Primary Industries were utilised in this analysis.

An outline of the method, data sources and indicators of economic impact used in the analysis are provided in Section 2. A profile of economic activity in Geelong is presented in Section 3. Section 4 provides estimates of the economic impacts at the construction phase and at the operational phase for the regional and state economies.

2. METHOD OF ANALYSIS

2.1 General Approach

This is an economic impact assessment. The estimates of economic impact presented are based on the use of an extension of the conventional input-output method. Over the past decade EconSearch has developed an extended input-output model known as the RISE model (Regional Industry Structure & Employment). The RISE model provides a comprehensive economic framework that is extremely useful in the resource planning process, particularly for regional economic impact applications¹.

The indicators used in impact analysis typically include output, employment, household income and gross state/regional product and these indicators are used in this report.

2.2 Estimation of Economic Effects – Key Concepts

2.2.1 Economic activity

Economic activity indicators: the primary focus in this report is on the increase in economic activity resulting from the Yarra St Pier upgrade. The key economic activity indicators considered in the analysis are output, employment, household income and gross regional product (GRP).

Economic impact: changes in economic activity are referred to as economic impacts. Generally changes in the *economic activity indicators* result from some stimulus or external shock imposed on the system. In this analysis the concept of economic impact includes the increase in contribution that existing industries, e.g. construction and tourism industries, make to the economy. This *economic impact* is measured in terms of the *economic activity indicators* referred to above.

2.2.2 Indicators of economic activity defined

Employment units: Employment numbers are usually reported in either full time equivalent (FTE) units or total job units defined as follows:

- *FTE:* is a way to measure a worker's involvement in a project or industry activity. An FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time. Typically, different scales are used to calibrate this number, depending on the type of industry and scope of the analysis, but the basic calculation is the total hours worked divided by average annual hours worked in full-time jobs.

¹ RISE models have been constructed for both the South Australian and Victorian Governments at both a state and regional level (EconSearch 2013a, 2013b).

- *Jobs*: is used to refer to the number of workers employed in an industry or on a project at any point in time. It typically refers to either:
 - the *maximum* number of workers required at any point over the analytical period or the duration of the project; or
 - the *average* number of workers required over the analytical period/duration of the project. This can be calculated on a daily, weekly, monthly or annual basis.

In this report employment has been reported in terms of FTE units on a per annum basis.

Output (Value of): is a measure of the gross revenue of goods and services produced by commercial organisations (e.g. beach value of fish) and gross expenditure by government agencies. Total output needs to be used with care as it can include elements of double counting when the output of integrated industries is added together (e.g. the value of processed fish fillets includes the beach value of the fish). In this report the term *value of output* is used interchangeably with *total expenditure*.

Gross regional/State product (GRP/GSP): is a measure of the contribution of an activity to the regional economy. GRP/GSP is measured as value of gross output (business revenue) less the cost of goods and services (including imports) used in producing the output. In other words, it can be measured as the sum of household income, 'gross operating surplus and gross mixed income net of payments to owner managers' and 'taxes less subsidies on products and production'. It represents payments to the primary inputs of production (labour, capital and land). Using GRP/GSP as a measure of economic impact avoids the problem of double counting that may arise from using value of output for this purpose.

Household income: is a component of GRP/GSP and is a measure of wages and salaries paid in cash and in-kind, drawings by owner operators and other payments to labour including overtime payments, employer's superannuation contributions and income tax, but excluding payroll tax.

2.2.3 Categories of economic activity in the infrastructure supply chain

A useful way to think about employment and GSP effects is using the concept of a 'supply chain'. The supply chain, in the context of an infrastructure project includes, the planning and management of all activities involved in sourcing and procurement, conversion of materials, and all the logistics management activities. It also includes coordination and collaboration with suppliers, intermediaries and third-party service providers.

Broadly speaking there are four categories of employment and GSP along the infrastructure supply chain.

1. *Direct employment and GSP* – this is employment in those firms, businesses and organisations that are directly engaged in project construction. Typically this will include:
 - a. construction companies,
 - b. construction sub-contractors,
 - c. planning and engineering services and

- d. material supply firms.
- 2. *First round employment and GSP* - refers to employment in firms that supply inputs and services to the 'direct employment' businesses, i.e. those categorised under #1 above.
 - a. energy
 - b. raw materials
 - c. logistics
 - d. business support services
 - e. other inputs
- 3. *Industrial-support employment and GSP* - is the term applied to 'second and subsequent round' effects as successive waves of output increases occur in the economy to provide industrial support, as a response to the original infrastructure expenditure. The category excludes any employment associated with increased household consumption.
- 4. *Consumption-induced employment and GSP* - is the term applied to are defined as those induced by increased household income associated with the original infrastructure expenditure. The expenditure of household income associated with all above three categories of employment, direct, first round and industrial-support, will generate economic activity that will in itself generate jobs.

Flow-on (or indirect) economic impact is the sum of categories 2, 3 and 4. In this analysis *direct* and *flow-on* employment, GRP and household income generated by the construction industry supply chain have been reported. To avoid double counting, the supply chain *value of output* is reported only in terms of the direct impact.

2.3 Economic Impact Model

Input-output (I-O) models are widely used to assess the economic impact of existing or changing levels of economic activity², such as a regional infrastructure project. I-O models are available at the national, state and regional levels. The RISE I-O models of the state and regional economies, constructed by EconSearch, are widely used by the Government and models for Geelong and Victoria have been used in this assessment.

² Called an 'exogenous shock' in model terminology.

3. PROFILE OF ECONOMIC ACTIVITY IN GEELONG

In order to set the context for the estimates of local economic contribution and impact of the Yarra St Pier upgrade (which follows), a brief profile of economic activity in Geelong in 2011/12 is provided below. These data were derived from the I-O database utilised by the consultants for this project. Estimates of employment and output by sector are detailed in Table 3-1 and gross regional product (GRP) and its components in Table 3-2.

3.1 Employment

Table 3-1 Employment and output, Geelong, 2011/12 ^a

Sector	Total employment		Employment		Value of output	
	no. of jobs	%	fte	%	\$m	%
Agric, forestry & fishing	797	0.9%	779	0.9%	181.7	0.9%
Mining	130	0.1%	167	0.2%	96.1	0.5%
Manufacturing	11,596	13.0%	12,761	15.5%	6,449.7	31.1%
Electricity, gas, water and waste services	1,071	1.2%	1,217	1.5%	406.5	2.0%
Construction	7,823	8.8%	8,485	10.3%	2,384.2	11.5%
Wholesale trade	3,008	3.4%	2,908	3.5%	612.7	3.0%
Retail trade	12,387	13.9%	10,037	12.2%	1,263.1	6.1%
Accommodation and food services	6,269	7.0%	4,380	5.3%	623.5	3.0%
Transport, postal and warehousing	3,126	3.5%	3,400	4.1%	859.9	4.2%
Information media and telecommunications	981	1.1%	818	1.0%	291.0	1.4%
Financial and insurance services	2,240	2.5%	2,251	2.7%	1,145.2	5.5%
Ownership of dwellings ^b	0	0.0%	0	0.0%	881.6	4.3%
Property and business services	7,809	8.8%	7,077	8.6%	2,052.4	9.9%
Public administration and safety	4,405	4.9%	4,222	5.1%	609.4	2.9%
Education and training	9,248	10.4%	8,575	10.4%	937.1	4.5%
Health care and social assistance	13,152	14.7%	11,015	13.3%	1,332.6	6.4%
Arts and recreation services	1,460	1.6%	1,116	1.4%	206.3	1.0%
Other services	3,689	4.1%	3,391	4.1%	377.4	1.8%
Total	89,191	100.0%	82,598	100.0%	20,710	100.0%

^a Estimates of employment are based on ABS *2011 Census of Population and Housing* and updated for changes between the August quarter 2011 (time of census) and the four quarter average ABS *Labour Force* estimates for 2011/12. An FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time. Typically, different scales are used to calibrate this number, depending on the type of industry and scope of the analysis, but the basic calculation is the total hours worked divided by average annual hours worked in full-time jobs.

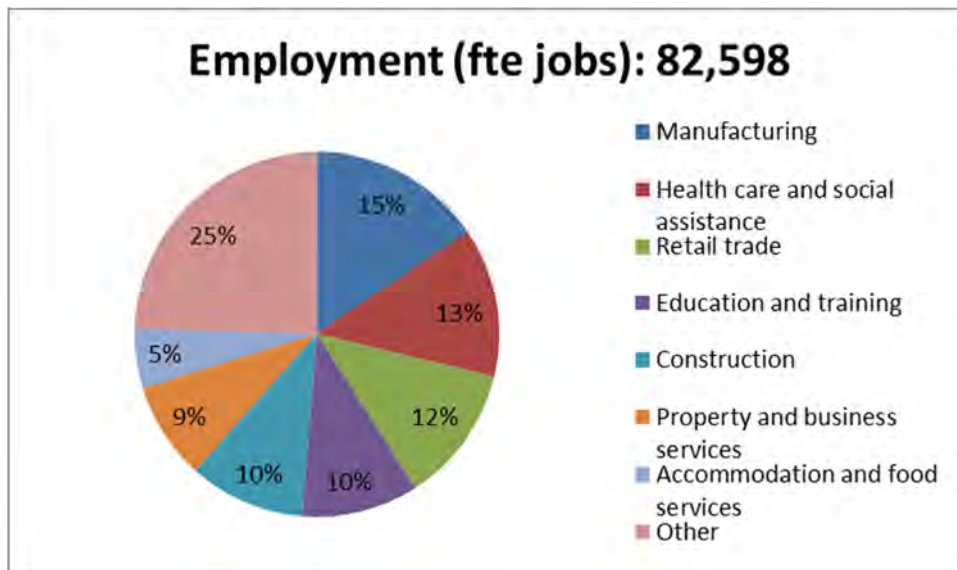
^b The ownership of dwellings sector is a notional sector designed to impute a return to the region's housing stock. Total value of output in this sector is an estimate of rent earned on leased dwellings and imputed rent on the balance of owner-occupied dwellings.

Source: ABS (2012a) and EconSearch analysis.

It was estimated that there were around 82,598 fte jobs (approximately 89,191 total jobs) in Geelong in 2011/12 (Table 3-1). The top five contributors to fte jobs in the region in 2011/12 were:

- Manufacturing (15 per cent);
- Health care and social assistance (13 per cent);
- Retail trade (12 per cent);
- Education and training (10 per cent); and
- Construction (10 per cent).

Figure 3-1 Employment, Geelong, 2011/12



Source: EconSearch analysis.

In 2011/12 employment in Victoria was approximately 2.4m (fte jobs) which means that Geelong accounts for just under 3.4 per cent of the total state employment.

3.2 Total Value Added

Total value added in Geelong in 2011/12 was estimated to be approximately \$8.85 billion (Table 3-2). The contribution of an individual industry to total value added is calculated as the sum of household income, gross operating surplus and gross mixed income. The top five contributors to total value added were:

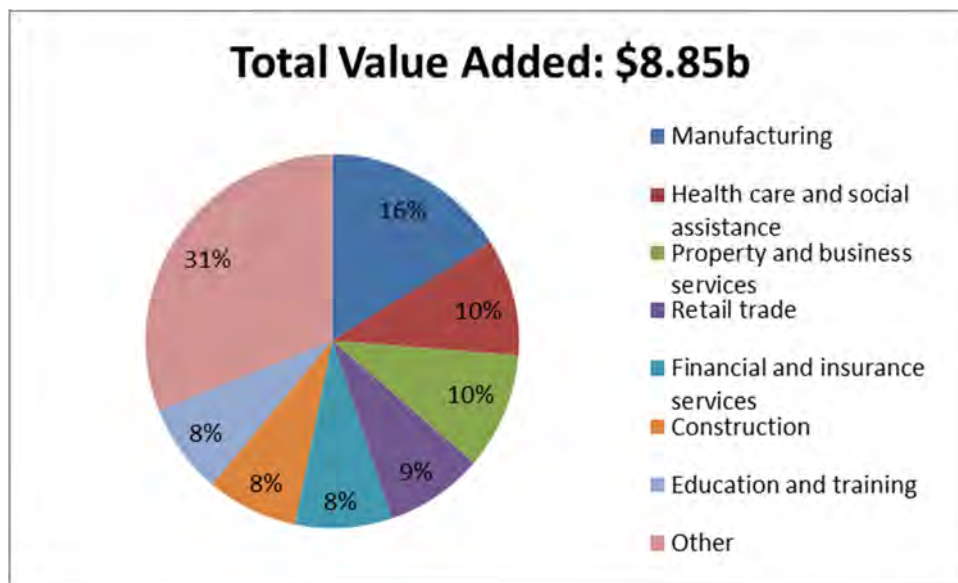
- Manufacturing (16 per cent);
- Health care and social assistance (10 per cent);
- Property and business services (10 per cent);
- Retail trade (9 per cent); and
- Financial and insurance services (8 per cent).

Table 3-2 Household income, other value added and total value added, Geelong, 2011/12

Sector	Household income		Other value added		Total value added	
	\$m	%	\$m	%	\$m	%
Agric, forestry & fishing	50	0.9%	25	0.8%	76	0.9%
Mining	21	0.4%	33	1.0%	54	0.6%
Manufacturing	675	12.0%	748	23.3%	1,424	16.1%
Electricity, gas, water and waste services	106	1.9%	101	3.1%	207	2.3%
Construction	579	10.3%	120	3.7%	700	7.9%
Wholesale trade	189	3.4%	108	3.4%	298	3.4%
Retail trade	553	9.8%	202	6.3%	756	8.5%
Accommodation and food services	200	3.5%	87	2.7%	287	3.2%
Transport, postal and warehousing	220	3.9%	175	5.4%	394	4.5%
Information media and telecommunications	64	1.1%	89	2.8%	153	1.7%
Financial and insurance services	437	7.8%	304	9.5%	741	8.4%
Ownership of dwellings	0	0.0%	671	20.9%	671	7.6%
Property and business services	609	10.8%	281	8.7%	890	10.0%
Public administration and safety	282	5.0%	62	1.9%	344	3.9%
Education and training	641	11.4%	51	1.6%	692	7.8%
Health care and social assistance	800	14.2%	102	3.2%	902	10.2%
Arts and recreation services	60	1.1%	27	0.8%	87	1.0%
Other services	153	2.7%	27	0.8%	180	2.0%
Total	5,641	100.0%	3,215	100.0%	8,855	100.0%

Source: ABS (2012b) and EconSearch analysis.

Figure 3-2 Total value added, Geelong, 2011/12



Source: EconSearch analysis.

In 2011/12 Victoria's total value added was \$306.9 billion which means that Geelong accounts for approximately 2.9 per cent of the state economy. Economic activity in Geelong is dominated by the manufacturing industry along with a significant housing stock with associated service industries (health and education).

3.3 Gross Regional Product

Gross regional product (GRP) is a measure of the net contribution of an activity to the regional economy. GRP is measured as value of output less the cost of goods and services (including imports) used in producing the output. In other words, GRP is total value added plus net taxes (i.e. taxes less subsidies on products and production) paid by households and other components of final demand.

GRP in Geelong in 2011/12 was estimated to be \$9.48 billion comprised of \$8.85 billion in total value added and \$0.63 billion in net taxes. In 2011/12 Victoria's gross state product was \$328.6 billion which means that Geelong accounts for around 2.9 per cent of the state economy.

4. ECONOMIC IMPACT RESULTS

The method described in Section 2 was used to compile a series of economic impacts in terms of direct and flow-on gross regional product (GRP) and employment (and associated household income) for the local region and the state using the 2011/12 RISE models for Geelong and Victoria. The estimated impacts are reported in the following sections: construction impacts in Section 4.1 and operation impacts in Section 4.2.

4.1 Construction

The Yarra Street Pier Reconstruction involves the construction of a cruise ship jetty with marine protection. Construction is expected to commence in July 2015 and be complete by December 2017. Total construction expenditure associated with the cruise ship jetty was estimated to be \$36.9m (including contingency allowances) and will occur as follows:

- \$1.5m (4 per cent) in Year 1 (2014/15)
- \$17.7m (48 per cent) in Year 2 (2015/16)
- \$17.7m (48 per cent) in Year 3 (2016/17)

Impacts for Geelong were modelled on those expenditures expected to occur in the Geelong region only. Impacts for Victoria include those expenditures that will occur in Geelong and those that will occur elsewhere in Victoria. Expenditure that will occur elsewhere in Australia or overseas has been excluded from the analysis.

The indirect/flow-on impacts were calculated using RISE models for Geelong and Victoria and they measure the economic effects in other sectors of the economy (trade, health, manufacturing, business services, etc.) generated by these direct activities, that is, the multiplier effect. In addition to the assumptions embodied in the RISE model itself, it was necessary to make a number of other general assumptions in estimating the economic impacts:

- The impacts were measured using models that represent the structure of the regional and state economies for the year in which the most recent data are available (2011/12). However, over time there are likely to be improvements in primary factor productivity in these economies. To allow for the improvements an across-the-board (all sectors) labour productivity improvement rates of 0.5 per cent per annum for subsequent years of the construction have been incorporated into the modelling.
- When new jobs are created, it should be determined where the people come from to fill those jobs people. In some cases the jobs will be taken by previously unemployed locals or by someone who is currently employed locally but whose own job is taken by a previously unemployed local. In both cases the impact of the newly created job and associated income is partially offset by the fact that someone who is previously receiving unemployment benefits, for example, is no longer doing so. To calculate this effect requires estimates of the parameter *rho*, the proportion of new jobs that are likely to be filled by previously unemployed locals. For the construction phase, it was estimated to be 80 per cent for the local area and 90 per cent for Victoria as a whole.

Estimates of economic impact for Geelong are provided in Table 4-2. The direct and flow-on GRP in Geelong, over the whole construction period, as a result of the construction expenditure is expected to be \$12.9m, which represents 0.1 per cent of the 2011/12 regional total GRP (\$9.5b).

Total (direct plus flow-on) employment in Geelong, over the whole construction period, as a result of the construction expenditure is expected to be 98 fte which represents around 0.1 per cent of the estimated employment (fte) for Geelong for 2011/12 (82,598 fte).

Total (direct plus flow-on) household income in Geelong, over the whole construction period, as a result of the additional expenditure is expected to be \$7.9m which represents 0.1 per cent of the regional total (\$5.6b).

Table 4-1 Economic impact of the Yarra St Pier, construction phase, Geelong^{a, b}

	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Total
Expenditure (\$m)	0.7	8.9	8.9	18.6
Gross Regional Product (\$m)				
Direct	0.3	3.3	3.3	6.8
Flow-on	0.2	2.9	2.9	6.1
Total	0.5	6.2	6.2	12.9
Household Income (\$m)				
Direct	0.2	2.1	2.1	4.4
Flow-on	0.1	1.7	1.7	3.5
Total	0.3	3.8	3.8	7.9
Employment (fte)				
Direct	2	25	25	53
Flow-on	2	22	22	45
Total	4	47	47	98

^a Estimates in 2014 dollars.

^b The total fte employment over years 1-3 (e.g. 53 fte in the case of direct employment) represents the total number of "person years" over that period. So if one person worked full-time over the three year period, it would equate to three "person years".

Source: EconSearch analysis

Estimates for Victoria are provided in Table 4-2. Note that these impacts for Victoria as a whole are inclusive of the impacts estimated for Geelong reported in Table 4-1. The direct and flow-on GSP in Victoria, over the whole construction period, as a result of the construction expenditure is expected to be \$30.4m, which represents 0.01 per cent of the 2011/12 regional total GSP (\$328.6b).

Total (direct plus flow-on) employment in Victoria, over the whole construction period, as a result of the construction expenditure is expected to be 218 fte which represents around 0.01 per cent of the estimated employment (fte) for the state for 2011/12 (2.4m fte).

Total (direct plus flow-on) household income in Victoria, over the whole construction period, as a result of the additional expenditure is expected to be \$19.3m which represents 0.01 per cent of the state total (\$185.8b)

Table 4-2 Economic impact of the Yarra St Pier, construction phase, Victoria ^{a, b}

	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Total
Expenditure (\$m)	1.2	15.0	15.0	31.2
Gross State Product (\$m)				
Direct	0.5	5.6	5.6	11.7
Flow-on	0.7	9.0	9.0	18.7
Total	1.2	14.6	14.6	30.4
Household Income (\$m)				
Direct	0.3	4.2	4.2	8.7
Flow-on	0.4	5.1	5.1	10.6
Total	0.8	9.3	9.3	19.3
Employment (fte)				
Direct	4	47	47	99
Flow-on	5	57	57	119
Total	9	105	104	218

^a Estimates in 2014 dollars.

^b See footnote b to Table 4-1.

Source: EconSearch analysis

4.2 Operation

4.2.1 Maintenance

As well as the ship-related expenditure (described in Section 4.2.2), there will be jetty-related operating/maintenance expenditure, as follows:

- Years 1-5 (2017/18-2021/22) - \$233,000, including \$100,000 for 1 fte worker
- Years 6-30 (2022/23-2046/47) - \$366,000, including \$100,000 for 1 fte worker

As with the construction impacts, the operating phase impacts for Geelong were modelled on those expenditures expected to occur in the Geelong region only; impacts for Victoria include those expenditures that will occur in Geelong and those that will occur elsewhere in Victoria; and expenditure that will occur elsewhere in Australia or overseas has been excluded from the analysis.

In years 1-5, the direct and flow-on GRP in Geelong as a result of the maintenance expenditure is expected to be \$0.18m per annum, which represents 0.002 per cent of the 2011/12 regional total GRP (\$9.5b). In years 6-30, the direct and flow-on GRP in Geelong as a result of the maintenance expenditure is expected to be \$0.29m per annum, which represents 0.003 per cent of the 2011/12 regional total GRP (\$9.5b).

Total (direct plus flow-on) employment Geelong as a result of the maintenance expenditure is expected to be 1.5 fte per annum in years 1-5 and 2.4 fte per annum in years 6-30. This represents around 0.002 per cent of the estimated employment (fte) for Geelong for 2011/12 (82,598 fte) for years 1-5 and 0.003 per cent in years 6-30.

Total (direct plus flow-on) household income as a result of maintenance expenditure is expected to be \$0.14m per annum in years 1-5 and \$0.22m per annum in years 6-30. This represents 0.002 per cent of the regional total (\$5.6b) in years 1-5 and 0.004 per cent in years 6-30 (Table 4-3).

Estimates for Victoria are provided in Table 4-4. Note that these impacts for Victoria as a whole are inclusive of the impacts estimated for Geelong reported in Table 4-3.

Table 4-3 Annual economic impact of Yarra St Pier, operation phase – maintenance, Geelong ^a

	Years 1-5 2017/18 -2021/22	Years 6-30 2022/23-2046/47
Expenditure (\$m)	0.23	0.37
Gross Regional Product (\$m)		
Direct	0.08	0.13
Flow-on	0.10	0.16
Total	0.18	0.29
Household Income (\$m)		
Direct	0.08	0.12
Flow-on	0.06	0.10
Total	0.14	0.22
Employment (fte)		
Direct	0.8	1.3
Flow-on	0.7	1.1
Total	1.5	2.4

^a Estimates in 2014 dollars.

Source: EconSearch Analysis

Table 4-4 Annual economic impact of the Yarra St Pier, operation phase – maintenance, Victoria ^a

	Years 1-5 2017/18 -2021/22	Years 6-30 2022/23-2046/47
Expenditure (\$m)	0.23	0.37
Gross State Product (\$m)		
Direct	0.08	0.13
Flow-on	0.16	0.25
Total	0.24	0.38
Household Income (\$m)		
Direct	0.08	0.12
Flow-on	0.09	0.15
Total	0.17	0.27
Employment (fte)		
Direct	0.8	1.2
Flow-on	0.9	1.5
Total	1.7	2.6

^a Estimates in 2014 dollars.

Source: EconSearch analysis

4.2.2 Additional Expenditure

Economic impacts were also estimated for additional expenditure from cruise ship porting and visits, naval ship visits and new events resulting from the construction of the cruise ship jetty. Details of this expenditure is as follows.

- Ship expenditure of \$3.2m comprising \$2.9m from home porting cruise ships (9 visits at \$325,380 per visit), \$252,000 from visiting cruise ships (4 visits at \$63,000 per visit) and \$45,000 from naval ships (3 visits at \$15,000 per visit).
- Visitor expenditure of \$3.5m consisting of \$1.1m in visitor expenditure from development of Geelong waterfront, \$1.5m from home porting cruise ships (9 visits at \$164,990 per visit³) and \$933,000 from visiting cruise ships (4 visits at \$233,265 per visit⁴).
- Council expenditure of \$437,000 comprising \$261,000 from home porting cruise ships (9 visits at \$29,000 per visit), \$116,000 from visiting cruise ships (4 visits at \$29,000 per visit) and \$60,000 from naval ships (3 visits at \$20,000 per visit).
- Expenditure at events of almost \$2.0m arising from \$1.3m spent at 1 to 2 yachting regattas per year and \$694,000 spent at one major event per year.

As with the construction impacts, the operating phase impacts for Geelong were modelled on those expenditures expected to occur in the Geelong region only; impacts for Victoria include those expenditures that will occur in Geelong and those that will occur elsewhere in Victoria; and expenditure that will occur elsewhere in Australia or overseas has been excluded from the analysis.

The direct and flow-on GRP in Geelong as a result of the additional expenditure (\$9.1m in total) is expected to be \$5.9m per annum, which represents 0.06 per cent of the 2011/12 regional total GRP (\$9.5b).

Total (direct plus flow-on) employment in Geelong as a result of the additional expenditure is expected to be 41 fte per annum which represents around 0.05 per cent of the estimated employment (fte) for Geelong for 2011/12 (82,598 fte).

Total (direct plus flow-on) household income in Geelong as a result of the additional expenditure is expected to be \$3.1m per annum which represents 0.06 per cent of the regional total (\$5.6b) (Table 4-5).

³ Assumes 470 passengers (100% boarding/disembarking) per ship with average spending of \$316 per passenger per day and 180 crew (50% boarding/disembarking) per ship with average spending of \$183 per passenger per day (GHD).

⁴ Assumes 1,100 passengers (90% disembarking) per ship with average spending of \$211 per passenger per day and 650 crew (50% disembarking) per ship with average spending of \$75 per crew per day. (GHD).

Table 4-5 Annual economic impact of the Yarra St Pier, operation phase – additional expenditure, Geelong ^a

	Operation Phase				Total
	Ship	Visitors	Council	Events	
Expenditure (\$m)	3.2	3.5	0.4	2.0	9.1
Gross Regional Product (\$m)					
Direct	1.6	1.4	0.2	0.8	4.1
Flow-on	0.9	0.5	0.1	0.3	1.8
Total	2.5	1.9	0.4	1.1	5.9
Household Income (\$m)					
Direct	0.8	0.7	0.2	0.4	2.2
Flow-on	0.5	0.3	0.1	0.1	1.0
Total	1.3	1.0	0.3	0.6	3.1
Employment (fte)					
Direct	9	11	2	6	29
Flow-on	6	3	1	2	12
Total	15	15	3	8	41

^a Estimates in 2014 dollars.

Source: EconSearch Analysis

Estimates for Victoria are provided in Table 4-6. Note that these impacts for Victoria as a whole are inclusive of the impacts estimated for Geelong reported in Table 4-5.

Table 4-6 Annual economic impact of the Yarra St Pier, operation phase – additional expenditure, Victoria ^a

	Operation Phase				Total
	Ship	Visitors	Council	Events	
Expenditure (\$m)	3.2	3.5	0.4	2.0	9.1
Gross State Product (\$m)					
Direct	1.6	1.4	0.2	0.8	4.0
Flow-on	1.7	1.1	0.3	0.6	3.7
Total	3.3	2.5	0.5	1.4	7.8
Household Income (\$m)					
Direct	0.8	0.7	0.2	0.4	2.2
Flow-on	0.9	0.6	0.1	0.3	2.0
Total	1.8	1.3	0.3	0.7	4.2
Employment (fte)					
Direct	9	11	2	6	29
Flow-on	10	6	1	4	21
Total	19	18	4	10	51

^a Estimates in 2014 dollars.

REFERENCES

ABS 2012a, *Labour Force, Australia, Detailed, Quarterly*, ABS Cat No. 6291.0, Canberra.

ABS 2012b, *2012/13 Australian National Accounts, State Accounts*, ABS Cat No. 5220.0, Canberra.

EconSearch 2012, *Economic Impact Assessment of the Yarra Street Pier Reconstruction: Project Business Case*, report prepared for GHD, March.

EconSearch 2013a, *Local Input-Output Modelling of Victorian Primary Industries – Update: Technical Report*, report prepared for the Department of Environment and Primary Industries (Victoria), June.

EconSearch 2013b, *Input-Output Tables for South Australia and its Regions 2011/12 Update: Technical Report*, a report prepared for the Department of the Premier and Cabinet, November.

Tourism Research Australia 2012, *Regional Tourism Profiles 2011/12*, Canberra.

Disclaimer

We have prepared the above report exclusively for the use and benefit of our client. Neither the firm nor any employee of the firm undertakes responsibility in any way whatsoever to any person (other than to the above mentioned client) in respect of the report including any errors or omissions therein however caused.

Appendix B – Revised Cost Estimate

 CLIENT PEOPLE PERFORMANCE Cost Estimate - Option 3						
Client City of Greater Geelong Project Yarra Street Pier Reconstruction Project Subject Jetty with public berths, marina enhancement and protection, and dredging		Job no 31-31464 Calcs Chandra Sehkar Chalikavada Checked Brad Richards	Pages 2 Date 28/04/14 Date 28/04/14			
Item	Description	Unit	Rate	Quantity	Cost (2011)	Revised Costs (2014)
1	Preliminaries/Mobilisation					\$0
	Environmental management	Item	\$100,000	1	\$100,000	\$106,000
	Services to site	Item	\$100,000	1	\$250,000	\$265,000
	Preliminaries/Mobilisation Total				\$350,000	\$371,000
2	Marine Facilities					
	Pier 260M x 8M, 44 bents x 3 piles per bent	(sqm)		2080		
	Supply Vertical Piles 132No. (600mm DIA x 16mm THK x 30m)	(tonne)	\$1,800.00	948	\$1,706,968	\$1,809,387
	Supply Raker Piles 14No. (600mm DIA x 16mm THK x 30m)	(tonne)	\$1,800.00	101	\$181,042	\$191,905
	Mobilisation and Demobilisation of Plant	(item)	\$200,000.00	1	\$200,000	\$212,000
	Drive piles - 146No (driving rate 3piles/day)	(days)	\$20,000.00	49	\$980,000	\$1,038,800
	Concrete plug (top 4m of pile)	(cum)	\$1,000.00	147	\$147,460	\$156,308
	Concrete Beams (900mm x 600mm x 8m)	(cum)	\$2,500.00	190	\$475,200	\$503,712
	Concrete Deck (260m x 8m x 450mm rebar 250kg/m3)	(cum)	\$2,500.00	936	\$2,340,000	\$2,480,400
	Fender beam	(metre)	\$1,200.00	240	\$288,000	\$305,280
	Supply & install 120t bollards	(no)	\$3,000.00	7	\$21,000	\$22,260
	Supply & install fenders	(no)	\$40,000.00	7	\$280,000	\$296,800
	Lighting	(item)	\$200,000.00	1	\$200,000	\$212,000
	Miscellaneous services to deck	(item)	\$50,000.00	1	\$50,000	\$53,000
	Dolphins 3 No.					
	Supply Vertical Piles 18No. (600mm DIA x 16mm THK x 30m)	(tonne)	\$1,800.00	97	\$174,576	\$185,051
	Drive vert and raker piles - 18No, say 3No/day	(days)	\$20,000.00	6	\$120,000	\$127,200
	Concrete plug (top 4m of pile)	(cum)	\$1,000.00	18	\$18,000	\$19,080
	Concrete Cap 3No (1 m thick including rebar)	(cum)	\$2,500.00	105	\$262,500	\$278,250
	Front downstands No3. (0.8m thick x 3m x 4m)	(cum)	\$2,500.00	44	\$110,000	\$116,600
	Steel Walkways Between Dolphins	(item)	\$80,000.00	3	\$240,000	\$254,400
	Supply & install 120t bollards	(no)	\$3,000.00	3	\$9,000	\$9,540
	Supply & install fenders	(no)	\$40,000.00	3	\$120,000	\$127,200
	Building Platform - Allow for 12m x 100m area					
	Supply Vertical Piles 34No. (600mm DIA x 16mm THK x 30m)	(tonne)	\$1,800.00	194	\$349,153	\$370,102
	Drive piles - 34No (driving rate 3piles/day)	(days)	\$20,000.00	18	\$360,000	\$381,600
	Concrete plug (top 4m of pile)	(cum)	\$1,000.00	36	\$36,360	\$38,542
	Concrete Beams (750mm x 450mm)	(cum)	\$2,500.00	73	\$182,250	\$193,185
	Concrete Deck (100m x 12m x 0.4m rebar 250kg/m3)	(cum)	\$2,500.00	480	\$1,200,000	\$1,272,000
	Onshore works					
	Item for Vehicle Manoeuvring	(sqm)	\$100,000.00	1	-	\$100,000
	Marina Protection					
	Allow for a RC skirt extending +2m to -3m along entire pier length east side plus a wavescreeen					
	Supply Vertical Piles 44No. (600mm DIA x 16mm THK x 30m)	(tonne)	\$1,800.00	237	\$426,742	\$452,347
	Mobilisation and Demobilisation of Plant	(item)	\$200,000.00	0	\$0	\$0
	Drive piles - 44No (driving rate 2piles/day)	(days)	\$20,000.00	19	\$380,000	\$402,800
	Concrete plug (top 4m of pile)	(cum)	\$1,000.00	44	\$44,440	\$47,106
	Concrete Skirt (255m x 5m x 0.6m rebar 250Kg/m3)	(cum)	\$2,500.00	765	\$1,912,500	\$2,027,250
	Pile clamps	(no)	\$500.00	88	\$44,000	\$46,640
	Install panels (Crane)	(days)	\$2,000.00	11	\$22,000	\$23,320
	Divers	(days)	\$3,500.00	11	\$38,500	\$40,810
	Wave Attenuator including Piles	(metre)	\$12,000.00	90	\$1,080,000	\$1,144,800
Marine Facilities Cost					\$13,999,692	\$14,939,673
Total Direct Cost					\$14,349,692	\$15,310,673
Total - Rate/m2 (sqm)					\$6,899	
3	Indirect Costs					
	Contractor's supervision and site overheads	(item)	20%		\$2,869,938	\$3,062,135
	Contractor's HO overheads and profit	(item)	10%		\$1,721,963	\$1,837,281
	Contractor's Estimate		0%		\$18,941,593	\$20,210,088
	Engineering	(item)	5%		\$947,080	\$1,010,504
	Project Management	(item)	2%		\$378,832	\$404,202
	Contingency	(item)	25%		\$5,066,876	\$5,406,199
	Public Floating Pontoon	(item)			\$2,400,000	\$2,544,000
	Marina Development Cost	(item)			\$2,200,000	\$2,332,000
	Dredging**	(item)			\$3,300,000	\$5,000,000
Total Budget Estimate excluding GST					\$33,234,380	\$36,906,993
* - escalation of rates from Dec 31, 2011 to Dec 31, 2014, assumed to be overall 6% (source - WT Partnership website, Rawlinsons) ** - revised dredging costs made up as follows: \$1m mob/demob, \$1m investigations/EIS, 120,000 cum dredging @ \$25/cum						

Appendix C – Letter of Intent

Portuscale Cruises

THE DISCOVERIES CONTINUE
DOWN UNDER

Monday January 27 2014

Steve Bentley and Andrew Ross
City of Greater Geelong
100 Brougham Street
Geelong 3220

Dear Steve and Andrew

Sincerest thanks to you both for your enthusiasm and practical support for Portuscale Cruises in our endeavours to make the City of Greater Geelong our Australian base.

We are absolutely committed to conducting our southern Australian operation from Corio Bay, running cruises of from two to seven nights' duration to the Bass Strait islands, to Tasmania and along the mainland's south coast.

The flagship of our fleet, *MV Funchal*, is scheduled to arrive in Australia in December this year. *Funchal* was launched in 1961 as the Portuguese presidential yacht. It was rebuilt entirely in 2013 to create a thoroughly modern interior while maintaining its streamlined external silhouette. Its classic appearance, intimate club-like atmosphere and relaxed, personal attention to detail (delivered by an English-speaking international crew led by Portuguese officers) set this vessel apart from the larger 'resort-style' ships which now dominate the world cruise market. *Funchal* carries 471 passengers (twin-share) and approximately 180 crew at capacity; for this reason, we believe most strongly that a city of Geelong's size is the perfect choice as its base.

When interviewed about *Funchal's* recent New Year cruise to its namesake city in Madeira, Portugal, Douglas Ward, one of the world's most respected cruise reviewers and author of the annual *Berlitz Cruising & Cruise Ships* (the sector's foremost reference guide), said: "*Funchal* is one of these very small ships that has a lot of character. It's all about intimacy and character. Passengers will always look for smaller ships – people do get tired of the big warehouse-sized ships. People get tired of waiting in line; what they want is a more personal experience. That's where ships like *Funchal* will succeed. It's more human-sized, intimate, with a very nice smaller-ship ambiance that you can not find on the large resort ships. Portuscale Cruises is going to be very good at making itineraries going to smaller ports, out-of-the-way ports, that the large resort ships can't go to."

Geelong's accessibility to travellers from elsewhere within Victoria, interstate and overseas, enormous range of accommodation and dining options, and extensive manmade and natural attractions make it a truly worthy destination in itself, and we will be proud to provide all passengers and crew with a full printed introduction to the city and its surrounds before they embark so that they may plan appropriately to make the most of their time in the region.

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HEAD OFFICE:

Rua Ivens, n°44-3°, 1200-227 Lisboa, PORTUGAL

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In addition, we will be pleased to cross-promote our Australian operation and Geelong specifically on board not only *Funchal* during its European summer season but its three sister ships (MV *Azores*, MV *Lisboa* and MV *Porto*) as well. In all, the four vessels will cover the British, German, Iberian, French and Scandinavian markets.

In every way, Geelong is typical of the Australian ports and anchorages around which we are structuring our activities. We will visit capital cities (Hobart, Adelaide, Fremantle/Perth and Brisbane) only when strictly necessary; otherwise, our destinations will be almost exclusively regional centres such as Portland, Burnie, King Island, Whyalla, Ceduna, Esperance and Newcastle, as a sample. Our aim is to highlight the personality of the 'secondary' destinations which are traditionally overlooked by many airlines, tour companies and large multinational cruise lines.

If successful in securing a berth in Corio Bay, Portuscale Crusies will become the first major foreign cruise line to situate its Australian operation in a regional location, and in return Geelong will have the honour of being the only regional city in Australia with a mainstream cruise ship to call its own and the potential to develop a sister city relationship with Funchal in Portugal.

We propose basing our vessel in Geelong from early January until March 2015, at which time it will leave to begin a 49-night northbound voyage to Europe, visiting significant Australian battlefields along the way and commemorating the centenary of Anzac Day with a visit to Anzac Cove on the morning of April 25. Our days in port are provisionally set as:

- Saturday January 3
- Monday January 5
- Saturday January 17
- Saturday January 24
- Tuesday January 27
- Sunday February 1
- Friday February 27
- Monday March 2
- Saturday March 7.

Our commitment to Geelong as a home port is ongoing – that is, we intend to have the vessel return in December 2015 and again operate from Corio Bay as part of a second six-month Southern Hemisphere season, and to continue to follow this pattern indefinitely.

Our nine visits in January-March 2015 will see 12 cruises either beginning or ending in Geelong (or, most often, both), with as many as 5652 passengers passing through the port to embark or disembark.

Annual surveys undertaken by the Australasian branch of Cruise Lines International Association consistently show that expenditure by cruise ship passengers and crew is increasing year-on-year. In the most recent results, issued for the 2012-13 summer season, CLIA reported average expenditure by passengers of \$316 and crew members of \$182 per day in port. In *Funchal's* case (allowing for a conservative tally of only 40 crew members going ashore on any given day), this is likely to total more than \$1.8 million being injected directly into the economy of Geelong.

CLIA quantified cruise-related employment in Australia in 2012-13 as 4612 full-time equivalents in direct employment and 2891 indirectly reliant on the cruise sector – 7503 positions overall.

From *Funchal's* nine turnaround days in port in early 2015, the Port of Geelong and its associated agents stand to collect in the vicinity of \$350,000-\$400,000 for the provision of services such as pilotage, towage, mooring and unmooring, security and waste disposal.

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At this point calculations of supplies required for the coming season are still being finalised. However, early projections based on consumption on previous voyages provide a useful indication of the volumes likely to be purchased locally and taken on board in Geelong.

The ship is limited in the tonnage of liquid its tanks can carry but we anticipate purchasing fuel oil and fresh water for at least 46 sailing days, totalling more than 1058t and 6532t respectively for these two commodities.

Sailings for which galley and bar provisioning will be completed in Geelong total 116 nights at sea. Foodstuffs will be loaded at the following estimated minimum levels:

- fish – 6148kg
- meat – 11,020kg
- cheese – 1102kg
- butter – 1102kg
- eggs – 66,584 (or 5548 dozen)
- milk – 6612L
- rice – 1508kg
- flour – 5220kg
- sugar – 2552kg
- coffee – 1624kg
- potatoes – 6960kg.

Other fresh produce such as fruit and vegetables will be required in bulk, and we will look to source wine, beer, fruitjuice, softdrinks and bottled water through wholesalers in Geelong as well. We are committed to working closely with local suppliers wherever possible to ensure the experience we provide on board is an authentic reflection of our 'home' region.

We will forward updated figures on food, beverage and fuel requirements as these become available in the next few weeks.

For further details of this or any other point in our proposal, please contact me directly at any time.

On behalf of Portuscale Cruises' chairman and CEO, Rui Alegre, I repeat our commitment to establishing a genuine long-term relationship between our company and the City of Greater Geelong for the good not only of both parties but, importantly, of the travelling public as well: our mutual guests.

Thank you once again.

Warmest wishes,



Rosalea Ryan
General manager – Oceania
Portuscale Cruises

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Document Status

Rev No.	Author	Reviewer		Approved for Issue		
		Name	Signature	Name	Signature	Date
Draft	T Nohel	D Rolland		D Rolland		
Ver.1	T.Nohel	B Richards		D Rolland		09/05/2014

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4. PLANNING AUTHORITY FOR SUSTAINABLE FARMS PROJECT

Portfolio:	Planning – Cr Heagney
Source	Planning and Tourism - City Development
General Manager:	Peter Bettess
Index Reference	Council Reports 2014

Purpose

The purpose of this report is to seek Council support for the Minister for Planning to become the Authority for the proposal.

Summary

- Sustainable Farms is Australia's first waste to energy to fresh food production enterprise planned to be built on a 371 acre site in Lara.
- The project is a \$320 million project between Mercer & Stokes, HRL Developments and Fresh Select and will use leading-edge technology and business practices to create 100% sustainable, cost efficient, large scale food production enterprise with significant export potential.
- Sustainable Farms will be built in stages and reach full production by 2021.
- Stage one is due for completion in 2016 and will include 10 hectares of glasshouses, energy centre and recycling plant.
- The proponents have advised that the project depends on a high degree of certainty and co-ordination to facilitate decision making.
- The proponent has requested that Council supports the Minister acting as the Authority for the project.

Cr Heagney moved, Cr Irvine seconded -

That Council supports the Minister for Planning being the Authority from the outset to initiate, authorise and facilitate the approvals process subject to:

- 1) a full assessment of the environmental effects of the proposal; and**
- 2) the Minister seeking and considering public submissions on the proposal.**

Carried.

Background

The site is known as 385 Old Melbourne Road and is currently zoned Farming Zone. The site is also affected in its entirety by the Environmental Significance Overlay (ESO4 Grassland within the Werribee Plains Hinterland). The site is affected in part by the land subject to Inundation Overlay (LS10) and Vegetation Protection Overlay (VPO).

The subject site was formerly part of the proposed Intermodal Project.

Discussion

The Sustainable Farms project is a \$320 million project planned to be built on a 371 acre site in Lara.

Sustainable Farms will use recycled timber to create its own renewable energy source that will produce both heating steam and electricity, to power 60 hectares of hydroponic glasshouses.

When in full production, Sustainable Farms will be able to chip and consume approximately 220,000 tonnes of timber per year through its recycling capacity.

From this, the project will produce about 120mw of thermal energy production using 100% renewable fuel.

Once the project reaches full scale in 2021, Sustainable Farms expects to create over 1000 jobs and generate \$160 million per annum for Geelong's economy.

Environmental Implications

The site includes areas of environmental significance, particularly native grasslands and associated habitat. The proponent will need to address environmental issues as part of any planning scheme amendment. It will also need to determine requirements under Commonwealth Environmental Legislation.

Financial Implications

The project does not impose any financial implications on Council.

Policy

The Minister for Planning would be responsible for all policy implications if he decides to take on the role of Authority for the development.

Alignment to City Plan

The Sustainable Farms project would support the Growing our Economy Strategic direction of City Plan.

Officer Direct or Indirect Interest

No Council Officer involved in the report has any direct or indirect interest in accordance with Section 80(c) of the Local Government Act.

Risk Assessment

There are no notable risks associated with implementing the recommendation contained in this report.

Social Considerations

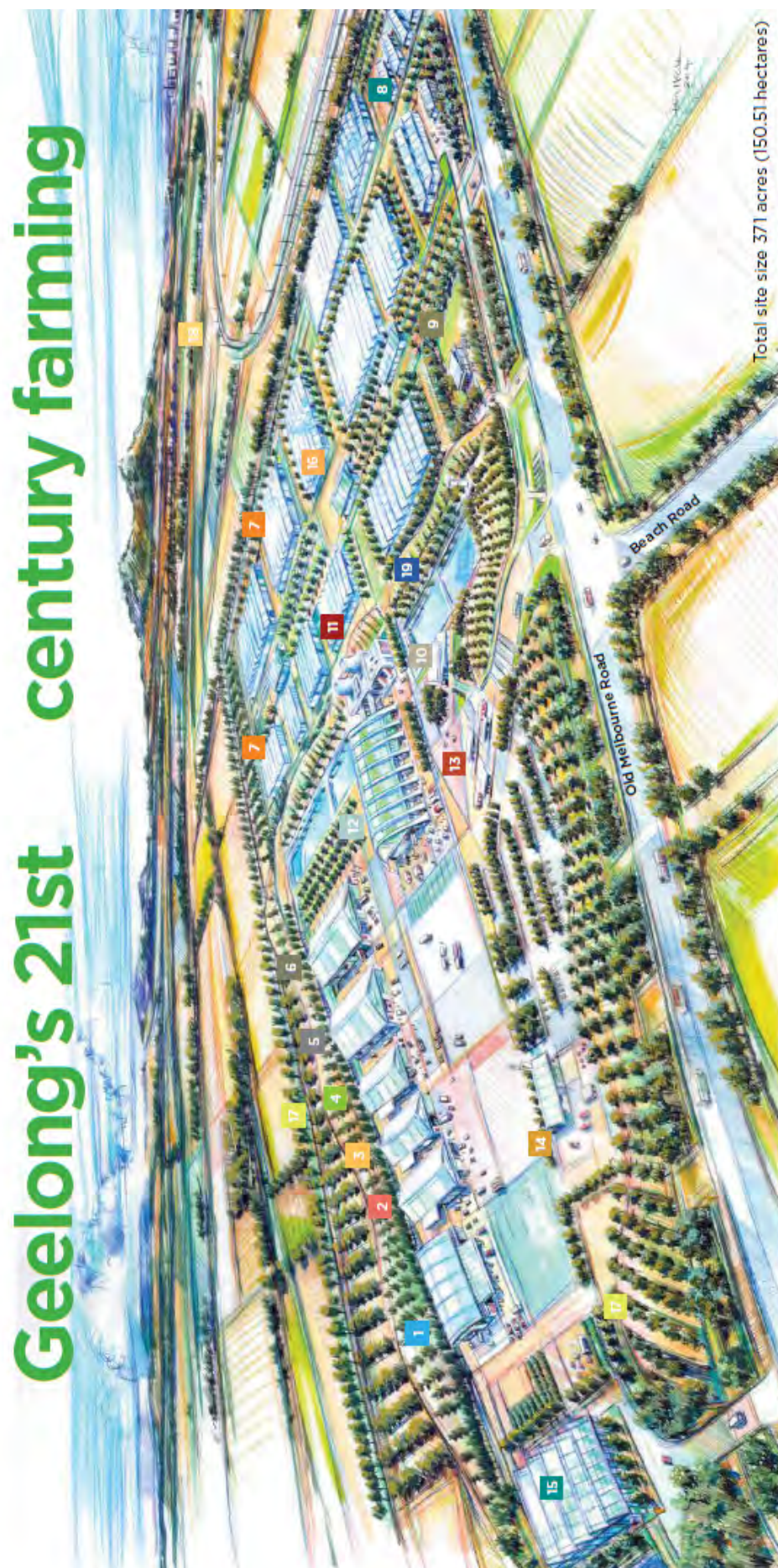
Social considerations will need to be considered as part of the planning process.

Human Rights Charter

The Planning Authority for the proposal will need to ensure the amendment does not impact on any basic rights, freedoms and responsibilities as set out in the Charter.

Consultation and Communication

The process for consultation and communication will be considered by the Minister for Planning.



Total site size 371 acres (150.51 hectares)

- | | | |
|--|--|---|
| 1 Maintenance facility | 8 Seed nursery | 15 Additional glasshouse for hydroponic lettuce production |
| 2 Preparation shed | 9 Training facility | 16 Produce packing |
| 3 Processed timber recycling | 10 Administration building | 17 Bundling |
| 4 Plaster and gypsum sorting and store | 11 Energy centre - 2 x 50 megawatt boilers, 80% of production will be for steam and hot water for hydroponics operation | 18 Preferred option for Geelong/Melbourne train line to Avalon Airport |
| 5 Metal sorting and bailing | 12 C & D sorting lines (construction & demolition waste) | 19 Water storage |
| 6 Crushing facility (concrete and brick) | 13 2 x vehicle weigh bridges | |
| 7 Hydroponics - glasshouses, 5 stages of 10 hectares each. When completed there will be a combined glass area of 600,000 square metres. | 14 Fire and dust suppression unit | |



5. ASSET MANAGEMENT AND MAINTENANCE BY COUNCILS

Portfolio:	Infrastructure , Parks & Gardens – Cr Ellis
Source	City Services – Engineering Services
General Manager:	Gary Van Driel
Index Reference	Asset Management

Purpose

To inform Council of the Victorian Auditor General's February 2014 report into Asset Management and Maintenance by Councils, and to provide comment on the recommendations in the report.

Summary

- The Auditor General's Report was undertaken at Ararat Rural City Council, Cardinia Shire Council, Kingston City Council, Port Phillip City Council, and Wodonga City Council to assess whether local councils effectively managed their physical infrastructure assets effectively.
- The report identified significant deficiencies in asset renewal planning and practice, the quality of asset management plans, the linking of service levels to these plans, the development of asset management information systems, and in Councils' monitoring, evaluation and reporting on asset management.
- Comments on the recommendations in the report as they relate to the City of Greater Geelong's asset management situation are made here.

Cr Macdonald moved, Cr Richards seconded -

That Council notes and receives the report.

Carried.

Background

In 2012–13, Victorian local councils managed over \$73 billion in physical assets within their municipalities. These assets represent investments that have been built up over a long period of time, and include buildings, parks and gardens, roads, bridges, council land and drainage networks. The mix of assets varies with different types of councils. Across all councils in Victoria, land makes up around 40 per cent of the total value of assets, roads 30 per cent and buildings 10 per cent.

The City of Greater Geelong has \$2.601 billion of assets of which land assets make up \$0.580 billion

The physical assets managed by councils support the delivery of core services, facilitate economic activity and strengthen the economy in the long term. These infrastructure assets also support community activities throughout Victoria.

Discussion

The Auditor General's report on Asset Management and Maintenance lists seven recommendations that apply to Councils, along with a further six that are applicable to Local Government Victoria (LGV).

A response is given in the table below for each of the Auditor General recommendations as they apply to the City of Greater Geelong.

Auditor General's Recommendations to Councils	Response by City of Greater Geelong	
	Current and Past Actions	Future Actions
<i>1. Accelerate efforts to review and update their asset management frameworks, policies and strategies to meet better practice standards</i>	The City has a strong Asset Management strategic framework guided by an AM Policy and a Strategy document to direct the AM functions. It also has three sub-groups to specifically manage issues relating to Land, Building, and Infrastructure.	The Council Asset Management Strategy is due for review in the coming six months. It will include an updated AM improvement plan with timelines for completion.
<i>2. Make sure they have comprehensive asset management plans covering all major asset categories</i>	Council has developed comprehensive Asset Management Plans for all of its major asset categories.	The existing Asset Management Plans are periodically reviewed in line with the timing schedule of the condition surveys.
<i>3. As a priority, develop a strategy for more effectively reducing their asset renewal gaps</i>	The identified annual renewal gap at the City is \$14.037mill. The City's Asset Management Steering Committee has recognised the need to address this shortfall in annual funding for the renewal of its physical assets.	A strategy is being developed to address and reduce the City's annual renewal gap. It is expected to be completed in draft format and presented to the August meeting of the Asset Management Steering Committee and subsequently to Council.
<i>4. Improve their asset management information systems and knowledge of their asset portfolios to ensure they have up-to-date information on all assets</i>	The City is fortunate that it has a single integrated asset register and comprehensive data on its assets. It also operates additional Asset Management systems for modelling and advanced asset management. The systems include current data on valuation, attribute and condition. It ensures a sound knowledge of assets for decision making.	A Maintenance Management System (MMS) is being implemented. The web based Hansen Asset System. will soon have further impact with MATman, Fleet assets, Property, and Pavement Management Systems.
<i>5. Identify and review the skills and resources required to effectively manage infrastructure assets, including developing a skills matrix and action plan to address identified skill and resource requirements and gaps</i>	The City has an extensive staff structure involved directly in the Asset Management and Maintenance of its assets. The annual performance review system identifies the needs for training and development in AM Skills.	A formal skills matrix in Asset Management and Maintenance is proposed within the next twelve month period.
<i>6. Improve the provision of information to, and engagement with, the community on asset management</i>	There has been engagement with the community in the road network Levels of Service. Further work is proposed	It is expected that there will be beneficial flow-on functionality from the Service Planning process that is currently being conducted.

<i>7. Develop and implement comprehensive asset management monitoring, reporting and evaluation systems, and publicly report their progress and performance against plans and strategies, including against capital works budgets.</i>	The City has sound reporting systems in place for Asset Management. These are complimented by reporting and evaluation for State Government Departments	A review of our Project Management framework has commenced as part of the Financial Sustainability Review. Officers will develop a series of Council reports for improved engagement.
---	--	--

In further response to the above recommendations from the Auditor General's Report, the Asset Management function at the City of greater Geelong is in a continual improvement phase, in line with the National Asset Management Improvement Program (NAMAF).

Recently the City reached 'Core Competency' in Asset Management, achieving the criteria of NAMAF. This was a significant achievement that demonstrated how far the city has progressed in recent years. Further to this, the second session of the NAMAF program will be conducted in July this year with advanced Asset Management functionality checklists and actions being worked through.

A 'State of Assets Report' will shortly be sent to Council to give Councillors an overall snapshot of the condition of its infrastructure asset base. Asset Condition is the primary determinant of the finances required for renewal and refurbishment of the City's assets.

It is worth noting that the Auditor General's Report also gave recommendations that apply to the department of Local Government Victoria (LGV):

- 1. review and update its asset management guidance material for councils;*
- 2. review the support it provides to councils and make sure it is targeted to address common issues;*
- 3. consider, in conjunction with councils, developing a set of comprehensive asset management performance indicators that will enable comparability between councils on asset management performance;*
- 4. in conjunction with councils and the Municipal Association of Victoria, review the use and application of the National Asset Management Assessment Framework and its appropriateness for driving improvement in asset management performance;*
- 5. consider making aspects of asset management mandatory, such as the development of asset management policies, strategies and plans;*
- 6. investigate options for supporting councils to develop and upgrade their asset management information systems, including by reviewing practices in other jurisdictions.*

The City is interested to see the outcomes that emerge from the recommendations to LGV and will assess any changes as they are referred to municipalities across Victoria.

In an overall context, this Auditor General's Report on Asset Management and Maintenance is important because it highlights matters that apply to all Councils in Victoria. The City of Greater Geelong views these recommendations seriously and strives to continue its Asset Management improvement.

Environmental Implications

This report and the follow up planning should enhance the natural and built environment through the consistent improvement in the City's infrastructure base.

Financial Implications

There is no direct cost impact on the budget associated with this report. However the ongoing implications and actions that will be developed require a number of decisions to be made which will have implications on the annual budget and the Long Term Financial Plan. For instance, the City's current annual renewal gap is \$14.037mill and the reduction of this figure will be addressed in a forthcoming strategy. The table below gives a summary of the Asset figures.

Annual Renewal Calculations 2013/14

	Civil Infrastructure	Buildings	Recreation	Environment	Non Infrastructure Assets	Totals
Renewal Demand	23.634	3.820	2.328	0.482	5.538	35.802
Renewal Investment	13.765	1.000	1.462	0.0	5.538	21.765
Renewal Gap	9.869	2.820	0.866	0.482	0.0	14.037

All Figures in \$ million

Policy/Legal/Statutory Implications

This Plan will provide some direction for the ongoing improvement of Asset Management within the Municipality and does not have adverse implications.

Alignment to City Plan

This report aligns with the sustainability and built environment sections of City Plan.

Officer Direct or Indirect Interest

There are no direct or indirect interests by officers engaged in this report.

Risk Assessment

The recommendations of this report will lead to a better Council position in terms of the level of financial sustainability due to improved Asset Management.

Social Considerations

Asset Management is essential to deliver the appropriate levels of service for the community and support the social and lifestyle choices made by residents and visitors of the City. The Asset networks provide the infrastructure that enables the City's services to be delivered. Sound Asset Management planning means that social impacts are properly considered.

Human Rights Charter

Not applicable to this report

Consultation and Communication

This Auditor Generals report has been distributed to Councils across Victoria by the State Government. It has also been communicated to key Asset Management staff at the City.

6. REVOCATION OF FLOOD-PRONE AREA DESIGNATION OF NEW LOTS AT WARRALILY ESTATE STAGES 29, 30 AND 31

Portfolio:	Infrastructure, Parks & Gardens – Cr Ellis
Source	City Services – Engineering Services
General Manager:	Gary Van Driel
Index Reference	Subject: Drainage - Floods

Purpose

The purpose of this report is to present a revision to the flood mapping for existing conditions produced within the early stages of the development of the Armstrong Creek Urban Growth Plan (UGP).

Summary

- The flood mapping is subject to a revision due to the subdivision and development at 300-370 Charlemont Road, Armstrong Creek and 82-120 Lake Road, Armstrong Creek. Prior to subdivision the parent lots was considered to be liable to flooding. This development site, which is also known as Warralily Estate Stages 29,30 and 31, achieves flood immunity for newly created lots for flood events up to and including the 100 year Average Recurrence Interval (ARI) event due to approved internal earthworks including the reshaping of Armstrong Creek.
- The earthworks undertaken have resulted in the floodwaters from the 100 year ARI event being contained within the boundaries of the Armstrong Creek reserve.
- Council has a statutory obligation under the Building Regulations 2006 to designate land as liable to flooding where it reasonably knows it to be prone to flooding. Conversely, there is an obligation to remove the encumbrance of designation from land that is no longer considered to be flood-prone.
- It should be noted that designation is separate to the creation of flood overlays within the Planning Scheme, which generally follows designation. In the case of the Armstrong Creek UGP area, the planning scheme amendment to create post-development flood zones or overlays is proposed after the design of the proposed precincts.
- The current designated flood mapping (refer to Attachment 1) was designated by Council at its meeting of 12 December 2006, under the provisions of the Building Regulations 2006. Designation of land as liable to flooding enables the control of floor levels for acceptable building permit applications, or refusal of consent to building applications where there is likely to be a danger to life, health or safety due to flooding. Designation also enables disclosure of flood status within statutory information certificates.

Cr Richards moved, Cr Macdonald seconded -

That Council revoke the Council designation of 12 December 2006 of flood affected land as highlighted as Stages 29, 30 and 31 on Armstrong Creek Urban Growth Plan Flood Map dated 29 November 2006 as liable to flooding pursuant to Regulation 802(2) of the Building Regulations 2006.

Carried.

Background

As part of the development of the Armstrong Creek Urban Growth Plan (UGP) a flood study was undertaken by specialist consulting engineers to identify the extents of the 100 year Average Recurrence Interval flood event for existing conditions. Following a public exhibition phase, the resultant flood mapping (refer to Attachment 1) was designated by Council at its meeting of 12 December 2006, under the provisions of the Building Regulations 2006.

On 25th October 2011, section 1 of this project was adopted at Council. This is section 2 of the area designation and further sections will be presented to Council in the coming years.

Designation of land as liable to flooding under Regulation 802 of the Building Regulations 2006 enables the control of floor levels for acceptable building permit applications, or refusal of consent to building applications where there is likely to be a danger to life, health or safety due to flooding. Designation also enables disclosure of flood status within statutory information certificates such as the Land Information Certificate and Building Information Request Form.

The subject of this report is the residential land at Armstrong Creek bounded by Charlemont Road and Lake Road. At the time of the flood study the subject land comprised of two larger lots. Prior to subdivision the parent lot was used primarily as farmland.

The subdivision at 300-370 Charlemont Road, Armstrong Creek and 82-120 Lake Road, Armstrong Creek was named Warralilly Estate by the developer. The current designated flood extent affects multiple residential lots within the Warralilly Estate Stages 29, 30 and 31.

Discussion

Overland flows that may occur within the subdivision during the 100 year ARI flood event are now contained within road and drainage reserves in accordance with accepted best practice for development within flood-prone areas. Best practice requires that any overland flows within residential areas satisfy public safety criteria with respect to velocity and depth of flow.

Council has a statutory obligation under the Building Regulations 2006 to designate land as liable to flooding where it reasonably knows it to be prone to flooding. Conversely, there is an obligation to remove the encumbrance of designation from land that is no longer considered to be flood-prone.

Attachment 1 shows the existing flood designation. Attachment 2 shows the change in flood mapping at 300-370 Charlemont Road, Armstrong Creek and 82-120 Lake Road, Armstrong Creek after construction of the subdivision.

Environmental Implications

The revocation of flood-prone areas designation and designation of revised flood data does not result in any known adverse environmental impacts.

The removal of a minimum floor level requirement for new dwellings may result in a minor reduction in energy and material usage during construction. In addition, concrete slab-on-ground construction, which is normally used for a non-elevated floor, achieves the minimum energy rating more readily than a timber floor on stumps.

Financial Implications

The costs of proceeding to revoke the existing designation and to designate the revised flood mapping at 300-370 Charlemont Road, Armstrong Creek and 82-120 Lake Road, Armstrong Creek, in accordance with the requirements of the Building Regulations 2006, are provided for within the annual recurrent budget.

Policy/Legal/Statutory Implications

The City has various statutory responsibilities for drainage management and flood management (prevention, response and recovery) as set out in the Local Government Act 1989, Local Government Regulations 1990, Planning and Environment Act 1987, Building Regulations 2006, Water Act 1989, Subdivision Act 1988 and Emergency Management Act 1986.

Regulation 802(2) of the Building Regulations 2006 provides Council with the powers to 'designate' land liable to flooding. Regulation 802(3) provides that consent must be obtained from Council for an application to build on land liable to flooding.

Section 27 of the Interpretation of Legislation Act 1984 provides the power for Councils to 'repeal or amend a subordinate instrument made in the exercise of that power'.

Section 807 of the Building Regulations 2006 requires Council to update the municipality's designated special area maps at the Building Control Commission in the event of alterations to a designated special area. Designated special areas include areas designated as being liable to flooding.

Section 229 of the Local Government Act and Regulation 326 of the Building Regulations provide for the issue of information certificates containing prescribed information, including the flood status of properties.

The revised flood data for 300-370 Charlemont Road, Armstrong Creek and 82-120 Lake Road, Armstrong Creek will assist the City in meeting its statutory obligations with regard to flood data.

The revised flood data will also assist in fulfilling the recommendations of the Municipal Emergency Management Committee adopted by Council in November 1998 (i.e. mapping of 1 in 100 year flood levels).

Alignment to City Plan

The recommendations of this report are consistent with City Plan, in relation to Growing our Economy and promoting a sustainable built environment, sustainable land use and development.

Officer Direct or Indirect Interest

There are no officer direct or indirect interests with respect to this report.

Risk Assessment

Council has a risk exposure through its statutory obligations under the Building Regulations 2006 to:

- 1) designate land as liable to flooding where it reasonably knows it to be prone to flooding;
- 2) specify minimum floor levels in consultation with the relevant floodplain management authority (CCMA); and

- 3) refuse consent to building applications where there is likely to be a danger to life, health or safety due to flooding.

Council also has some risk exposure with any failure to disclose the flood-prone status of a property in a Land Information Certificate.

The designation of the flood data produced by the flood study Armstrong Creek UGP project is a key step toward minimising Council's exposure to these risks.

Conversely, there is an obligation to remove the encumbrance of designation from land that is no longer considered to be flood-prone. Designation of land as being liable to flooding can result in extra construction costs and concerns regarding saleability, in some cases.

Social Considerations

Council has a responsibility to the community to provide the best possible information on areas that are flood-prone.

Human Rights Charter

We have taken into consideration the human rights relative to the subject matter of this report, which improves protection of private property.

Consultation and Communication

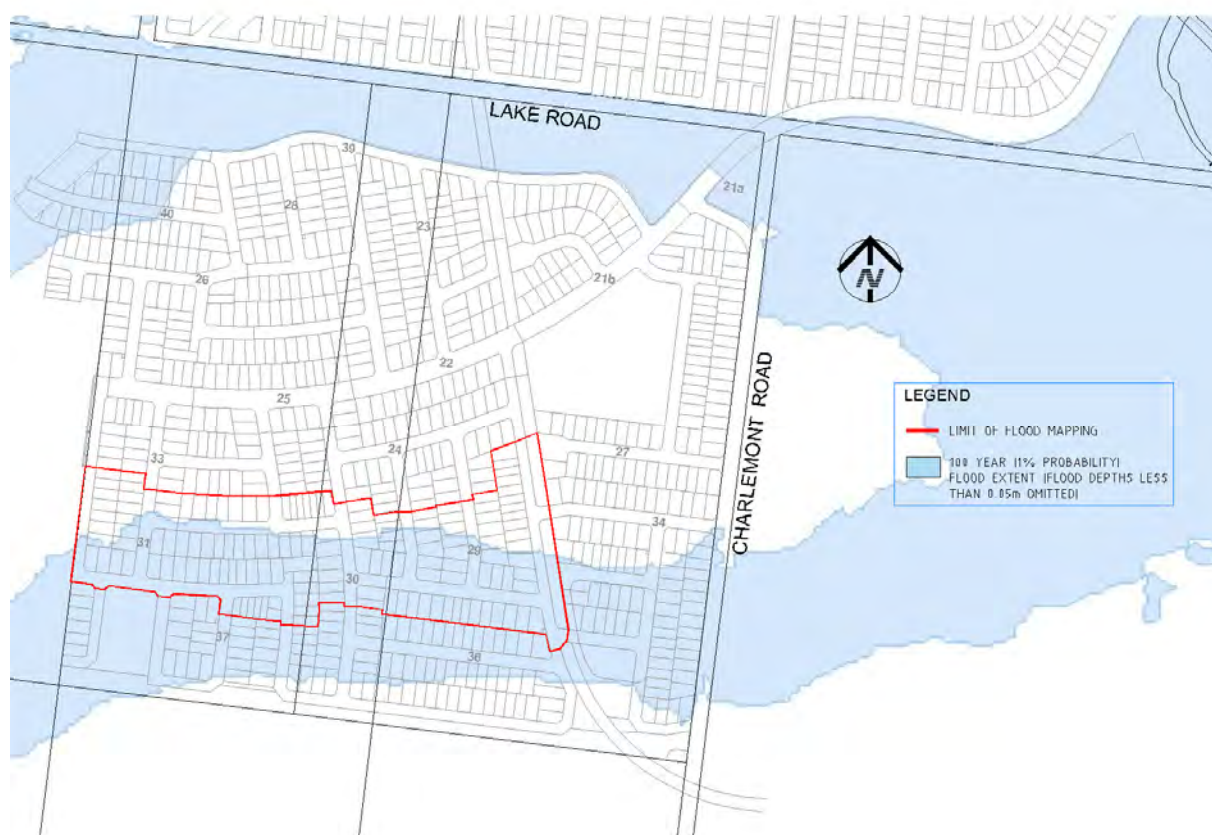
The current designation was undertaken following a public exhibition in October 2006 with notification of affected property owners. These owners were sent letters and fact sheets with an invitation for submissions.

A revocation of designation does not warrant public consultation as it constitutes the removal of an encumbrance on land.

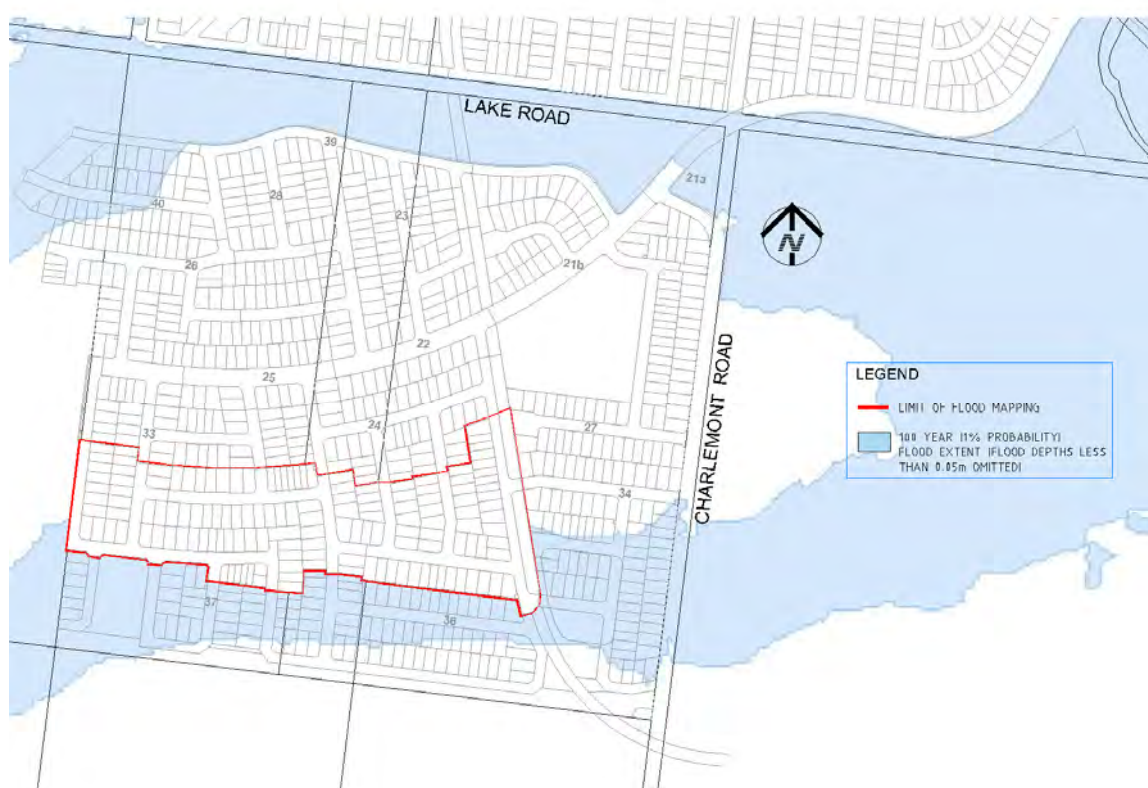
The owners of properties affected by the revocation will be notified so they are aware that disclosure of flood status on a Section 32 Vendors Statement is no longer required.

Relevant Council databases and flood maps will be revised and updates sent to the Corangamite Catchment Management Authority and Building Control Commission.

Attachment 1
Current Flood Map



Attachment 2
Revised Flood Map



7. GEELONG QUEENSLIFFE COASTAL ADAPTATION STRATEGIC PARTNERSHIP GROUP MEMBERSHIP

Portfolio:	Coastal Communities / Planning – Cr Ellis
Source	City Services – Environment & Waste Services
General Manager:	Gary Van Driel
Index Reference	Council Reports 2014

Purpose

The purpose of this Report is to seek a Councillor nomination to represent Council on the Geelong Queenscliffe Coastal Adaptation Strategic Partnership Group.

Summary

- The Future Coasts program, led by the Victorian Department of Environment and Primary Industries in partnership with the Department of Transport, Planning and Local Infrastructure (DTPLI) has sponsored the Bellarine Peninsula and Corio Bay Local Coastal Hazard Assessment. This project aims to develop a strategic approach to planning for the impacts of coastal hazards. Currently there is no existing clear and systematic approach to dealing with the issues faced by coastal communities and land managers to deal with the impacts of the coastal hazards that will be faced over the next century.
- The Geelong Queenscliffe Coastal Adaptation Strategic Partnership Group is the governing group that provides strategic direction for this project. The group has representation from the Department of Environment and Primary Industries, City of Greater Geelong, Borough of Queenscliffe, Corangamite Catchment Management Authority, Barwon Coast Foreshore Committee of Management and Bellarine Bayside Committee of Management.
- The Future Coasts program, led by the Victorian Department of Environment and Primary Industries in partnership with the Department of Transport, Planning and Local Infrastructure has sponsored the Bellarine Peninsula and Corio Bay Local Coastal Hazard Assessment.
- The Bellarine Peninsula and Corio Bay Local Coastal Hazard Assessment is the first stage of the Geelong Queenscliffe Coastal Adaptation Program and is nearing completion.
- The second stage of the program, which involves an assessment of risk associated with coastal hazards, is about to commence.

Further funding is being sought from the Department of Transport, Planning and Local Infrastructure to undertake the third stage of the program, which will involve adaptation pathways planning. This stage aims to develop responses to the issues associated with coastal hazards.

Cr Nelson moved, Cr Ansett seconded -

That Council nominate Cr Ellis to represent Council on the Geelong Queenscliffe Coastal Adaptation Strategic Partnership Group.

Carried.

Background

The Future Coasts program, led by the Victorian Department of Environment and Primary Industries in partnership with the Department of Transport, Planning and Local Infrastructure (DTPLI) has sponsored the Bellarine Peninsula and Corio Bay Local Coastal Hazard Assessment. This project aims to develop a strategic approach to planning for the impacts of coastal hazards. Currently there is no existing clear and systematic approach to dealing with the issues faced by coastal communities and land managers to deal with the impacts of the coastal hazards that will be faced over the next century.

This project is governed by the Geelong Queenscliffe Coastal Adaptation Strategic Partnership Group which provides strategic direction for this project. The group has representation from the Department of Environment and Primary Industries, City of Greater Geelong, Borough of Queenscliffe, Corangamite Catchment Management Authority, Barwon Coast Foreshore Committee of Management and Bellarine Bayside Committee of Management.

The final draft report of this assessment has recently been developed and the Strategic Partnership Group is about to refer this for peer review. Funding has been secured from the Victorian Department of Environment and Primary Industries to undertake a risk assessment of coastal hazards identified under the Victorian Adaptation Sustainability Partnership Program.

The City of Greater Geelong and the Borough of Queenscliffe are currently seeking funding from DTPLI to undertake adaptation planning, strategic land use planning and community engagement that will provide greater confidence to coastal communities and stakeholders across the Greater Geelong and Queenscliffe LGAs. This work will enable both Councils to translate the findings of the Bellarine Peninsula and Corio Bay Local Coastal Hazard Assessment and progress planning on a number of fronts and in turn deliver the following outcomes. A representative from Council is currently being sought for the Strategic Partnership Group.

Discussion

Council representation on the Strategic Partnership Group will help ensure that issues associated with coastal adaptation are addressed as part of the Project.

Environmental Implications

There is no specific environmental implementation resulting from the recommendation in this report.

Financial Implications

There are no financial implementations resulting from the recommendation in this report.

Policy/Legal/Statutory Implications

There are no policy, legal or statutory implications resulting from the recommendation in this report.

Alignment to City Plan

Under the strategic direction – sustainable built and natural environment Council seeks to partner with the community to protect and enhance our natural ecosystem and encourage sustainable design. This project is linked to the priority which supports our community to live sustainably. Impacts due to climate change are recognised as challenges which Council needs to consider.

Not applicable Officer Direct or Indirect Interest

No Council officer involved in the preparation of this report has a direct or indirect conflict of interest.

Risk Assessment

There are no risks associated with the recommendations contained within this report.

Social Considerations

There are no social considerations resulting in the recommendation in this report.

Human Rights Charter

There are no human rights charter issues resulting from the recommendation in this report.

Consultation and Communication

Consultation with Coastal Communities will form part of the overall Engagement Strategy included in the project.

8. BARWON SOUTH WEST WASTE AND RESOURCE RECOVERY GROUP

Portfolio:	Environment and Sustainability - Cr Richards
Source	City Services
General Manager:	Gary Van Driel
Index Reference	Waste Management

Purpose

To advise Council of progress in the establishment of the Barwon South West Waste and Resource Recovery Group.

Summary

- Under the State Government Getting Full Value – Victorian Waste and Resource Recovery Policy, the number of regional waste management groups has been reduced from thirteen to seven with this Council now being part of the Barwon South West Waste and Resource Recovery Group (BSWWRRG).
- Each group will be governed by a board of directors comprising of four independent and appropriately skilled directors and four directors from local government. All directors are appointed by the Governor in Council on the recommendation of the Minister for Environment and Climate Change,
- The Minister has conducted an expression of interest process to identify the independent and appropriately skilled directors. The directors from local government are nominated to the Minister by a local government forum, comprising of a representative from each member Council to the group.
- Council has nominated its Environment and Sustainability Portfolio Holder, Cr Richards, to the Barwon South West Waste and Resource Recovery Local Government Forum and the Forum nominated Cr Richards to the Minister for appointment to the BSWWRRG board. The Forum also nominated the Forum representatives from the Shires of Colac Otway, Corangamite and Moyne.
- Advice has now been received from the Minister that the BSWWRRG Board will comprise of Ian Coles, Francois Joubert, Lindsay Merrit and Jane Stanley as independent and skilled directors and Councillor Chris O'Connor (Corangamite), Stephen Hart (Colac Otway) and Jill Parker (Moyne) as the local government directors.
- The Minister has declined Cr Richards' nomination leaving Council without representation on the Board.
- The BSWWRRG commenced operation on 1 August 2014.

Cr Richards moved, Cr E Kontelj seconded -

That Council note progress in the establishment of the Barwon South West Waste and Resource Recovery Group.

Carried.

Background

As previously reported to Council, under the State Government Getting Full Value – Victorian Waste and Resource Recovery Policy, the number of regional waste management groups has been reduced from thirteen to seven with this Council now being part of the Barwon South West Waste and Resource Recovery Group (BSWWRRG).

Council was previously a member of the Barwon Regional Waste Management Group, along with the Shires of Surf Coast and Colac Otway and the Borough of Queenscliff. The BSWWRRG now includes these councils along with the Shires of Corangamite, Moyne, Glenelg and Southern Grampians and the City of Warrnambool.

Discussion

Under the Environment Protection Act 1970 the Waste and Resource Recovery groups are tasked with the planning and facilitation for waste and resource recovery infrastructure and facilitation and management of joint procurement contracts for waste management.

Each group will be governed by a board of directors comprising of four independent and appropriately skilled directors and four directors from local government. All directors are appointed by the Governor in Council on the recommendation of the Minister for Environment and Climate Change,

The Minister has conducted an expression of interest process to identify the independent and appropriately skilled directors while the directors from local government are nominated by a local government forum, comprising of a representative from each member Council to the group.

This Council has nominated its Environment and Sustainability Portfolio Holder, Cr Richards, to the Barwon South West Waste and Resource Recovery Local Government Forum and the Forum has recommended this Council's representative to the Minister for appointment to the BSWWRRG board. The Forum has also nominated the Forum representatives from the Shires of Colac Otway, Corangamite and Moyne.

Advice has now been received from the Minister that the BSWWRRG board will comprise of Ian Coles, Francois Joubert, Lindsay Merrit and Jane Stanley as independent and skilled directors and Cr Chris O'Connor (Corangamite), Cr Stephen Hart (Colac Otway) and Cr Jill Parker (Moyne) as the local government directors.

The Minister has declined Cr Richards' nomination leaving Council without representation on the Board.

The BSWWRRG commenced operation on 1 August 2014.

Environmental Implications

There are no specific environmental implication resulting from the recommendation in this report.

Financial Implications

There are no financial implication resulting from the recommendation in this report.

Policy/Legal/Statutory Implications

There are no policy, legal or statutory implications resulting from the recommendation in this report.

Alignment to City Plan

The establishment of the BSWWRRG will become the vehicle for waste management planning across the Barwon South West region and provide the link to the state wide waste and resource recovery strategic framework, as proposed under the Getting Full Value – Victorian Waste and Resource Recovery Policy.

This will support the following City Plan objectives:

- Support our community to live sustainably: Leading the way in waste management practices and continue to reduce the amount of waste to landfill.
- Sustainable Built and Natural Environment: Partnering with our community to protect and enhance our natural ecosystems as well as encouraging reduced resource consumption.

Officer Direct or Indirect Interest

No Council officers involved in the preparation of this report has a direct or indirect interest in the matter to which the report relates.

Risk Assessment

There are no risk implications resulting from the recommendation in this report.

Social Considerations

There are no social considerations resulting from the recommendation in this report.

Human Rights Charter

There are no human right charter issues resulting from the recommendation in this report.

Consultation and Communication

There are no consultation or communications outcomes resulting from the recommendation in this report.

9. 2014-2015 BUDGET AMENDMENTS

Portfolio: Finance – Cr Lyons (Mayor) Cr S Kontelj & Cr E Kontelj
Source Corporate Services – Financial Services
A/General Manager: John Brown
Index Reference Subject: Financial Management \ Reporting

Purpose

Amend the 2014-2015 Budget that was adopted on 24 June 2014.

Summary

- Preliminary financial results for 2013-2014 highlight a recurrent deficit of (\$8.1M) or \$9.8M favourable to amended budget and Capital expenditure of \$72.9M or \$24.7M lower than authorised Capital Program. These results reflect a number of programs that are incomplete and are required to carryover into 2014-2015.
- In order to avoid unnecessary variance reporting and commentary during 2014-2015 it is recommended that the 2014-2015 Budget be amended to recognise the prior year funding for Capital and Non Capital projects.
- The incomplete programs, together with favourable operating performance increased Council's year end cash balance to a total of \$75.3M or \$24.0M higher than projected.
- A review of the Capital program at 30 June 2014 indicates that \$42.85M expenditure and \$1.57M income is required to be carried over for completion in 2014-2015, offset by 2014-2015 budgeted Income received in advance (\$1.90M). Together with other budget amendments the 2014-2015 Capital budget will increase to \$146.25M expenditure and \$34.35M income or a net of \$111.90M. This program is fully funded and will have no impact on the closing cash position as outlined in the adopted 2014-2015 Budget.
- A review of the Non-Capital program at 30 June 2014 indicates that funding of \$6.96M is required to be carried forward for completion in 2014-2015.
- Together with other minor budget amendments, the amended recurrent operating expenditure will increase to \$299.19M and recurrent income will increase to \$292.32M or a net recurrent deficit of (\$6.87M). The Non Capital program is fully funded and these amendments will have no impact on the closing cash position as forecast in the adopted 2014-2015 Budget.

Cr S Kontelj moved, Cr Nelson seconded -

That Council amends the adopted 2014-2015 Budget to include the following:

- 1) Capital Programs carryover as per Appendix 1, other budget amendments affecting Capital projects as per Table 1;**
- 2) Non Capital Programs carryover as per Appendix 2, other budget amendments affecting the recurrent position as per Table 2.**

Carried.

Division Requested:

For: Crs Ansett, Harwood, Heagney, Irvine, S Kontelj, Macdonald, Nelson, Richards

Against: Cr E Kontelj

Background

At 30 June each year Council reviews the preliminary financial results to determine funded Capital and Non Capital programs that are incomplete and are required to be carried over into the subsequent financial year. These carryover requirements are recommended to be incorporated as amendments to the adopted budget. This practice avoids unnecessary variance reporting, given there is no impact on the budgeted closing cash position.

The review has been undertaken in the following key areas:

- a) Carryover requirements to complete 2013-2014 Capital projects in 2014-2015.
- b) Carryover requirements to complete 2013-2014 Non Capital projects in 2014-2015.
- c) Other budget amendments requested or influenced by year end accounting matters.

2013-2014 Preliminary Financial Results Summary

	Full Year Actual \$M	Full Year Amended Budget \$M	Variance Fav / (Unfav) \$M
Recurrent Surplus/(Deficit)	(8.13)	(17.92)	9.79
Non-Recurrent Surplus/(Deficit)	48.83	47.27	1.56
Net Surplus/(Deficit)	40.70	29.35	11.35
Capital Expenditure	72.86	97.56	24.70
Closing Net Cash Positive/(Negative)	75.27	51.23	24.04

Discussion

Capital Projects Budget Amendments

Carryover requirements

Of the 284 projects listed in 2013-2014, project managers have advised that 149 projects have been fully completed, with 135 projects identified as requiring some carryover funds in 2014-2015 to complete works.

During the 2014-2015 Budget development the Capital carryover was projected to be \$30M. At the end of the 2013-2014 financial year a review was carried out to determine the actual Capital Program carryover requirements. The review indicates a net carryover of \$43.18M (refer to Appendix 1 for details) comprising of \$42.85M expenditure and \$1.57M income is required to complete the projects planned for 2013-2014, offset by 2014-2015 budgeted Income received in advance for Austin Park Redevelopment (\$1.90M).

The net variance between actual Net (\$43.18M) and estimate included in 2014-2015 Budget (\$30.00M) is \$13.18M.

Main increases are: – Higher carryover than estimated on Corio Landfill Rehabilitation \$1.82M, Ocean Grove Integrated Children's Centre \$1.03M, Geelong Library & Heritage Centre Car Park \$0.66M, Grovedale Integrated Children's Centre \$0.48M, Geelong Library & Heritage Centre \$0.44M and Ocean Grove Neighbourhood House \$0.42M. Other incomplete projects – Drainage Construction \$1.14M, Lara Town Centre Expansion \$0.75M, Griggs Creek Rehabilitation \$0.70M, Heavy & Dedicated Plant Replacement \$0.49M, NE Lara Main Drain \$0.46M, Memorial Park Masterplan \$0.45M,

Toilet Block Renewal \$0.37M, Drysdale Landfill Cell 6 \$0.36M, Street Construction SRC \$0.30M, Corio Norlane Regeneration \$0.29M and Apollo Place Preschool Upgrade \$0.26M.

Other Capital Program amendments:

- Vic Roads Funded Works – Included in budget at \$0.50M income and expenditure. Advice from Vic Roads is that Black Spot funding will be \$1.56M.

Table 1 – Amended 2014-2015 Capital Program

Council adopted the 2014-2015 Budget on 24 June 2014 that included a gross Capital Projects Program of \$123.34M with Capital Income of \$33.62M – Net \$89.72M.

The net 2014-2015 Capital Program is recommended for amendment to \$111.90M to reflect the additional \$43.18M carried over from 2013-2014 plus other Budget amendments as indicated in Table 1 below.

	Expenditure \$M	Income \$M	Net Expenditure \$M
Council adopted 2014-2015 Budget - New Capital Funding (excluding Carryover)	123,342,290	33,618,533	89,723,757
2013-2014 Capital Carryover Requests	42,852,089	1,574,040	41,278,049
2014-2015 Budgeted Income rec'd in 2013-2014	-	(1,900,000)	1,900,000
<i>Other Budget Amendments:</i>			
Vic Roads Funded Works	1,060,000	1,060,000	-
Adjusted 2014-2015 Capital Program	167,254,379	34,352,573	132,901,806
Planned Carryover into 2015-2016 (June 2015)	(21,000,000)	-	(21,000,000)
Amended 2014-2015 Capital Program	146,254,379	34,352,573	111,901,806

Operating Budget Amendments

Non Capital Projects Carryover requirements

In addition to the Capital Program, Project Managers have undertaken a review of the Non Capital Projects budgeted for in 2013-2014 that have been requested to be carried over into the 2014-2015 financial year.

The 2013-2014 Recurrent Operating result was favourably impacted by \$6.98M of incomplete Non Capital programs as per Appendix 2.

Requested Discretionary Program Carryover:

	\$
Expenditure	7,131,600
Income	174,500
Net Expenditure	6,957,100

Other Operating Budget amendments:

- Budget Submission Inclusions:
 - 1) Increase in contribution to Geelong Regional Library Corporation \$91,000.
 - 2) Increased funding for Future Proofing Geelong initiatives \$45,000.
 - 3) Increased contribution for Gala Day \$5,000.
 - 4) Contribution to Pulse TV \$25,000 (Corporate \$ for \$ matching).
- Sales Proceeds on Plant & Equipment – Estimated sales proceeds on Heavy & Dedicated Plant sales relating to carried over purchases - \$97,000 (estimated written down value \$15,000).

The impact of the requested Discretionary Program Carryover, along with the other Budget amendments that affect the recurrent position, is on the 2014-2015 recurrent surplus / (deficit) (Refer Table 2 below).

Table 2 – Amended 2014-2015 Recurrent Surplus / (Deficit)

	Expenditure \$	Income \$	Surplus / (Deficit) \$
Council adopted 2014-2015 Budget - Recurrent Surplus / (Deficit)	291,975,828	292,151,232	175,404
2013-2014 Discretionary Carryover Requests	7,131,600	174,500	(6,957,100)
<i>Other Budget Amendments:</i>			
Budget Submission - GRLC contribution	91,000	0	(91,000)
Budget Submission - Future Proofing	45,000	0	(45,000)
Budget Submission - Gala Day	5,000	0	(5,000)
Budget Submission – Pulse TV	25,000	0	(25,000)
(Gain)/Loss on Sales Plant & Equipment	(82,000)	0	82,000
Amended 2014-2015 Recurrent Surplus / (Deficit)	299,191,428	292,325,732	(6,865,696)

Other Budget Variances

There are a number of other known or estimated variances to Budget that are not listed as budget amendments but will be treated as Projection Changes during the year. They are as follows:

Favourable:

- | | |
|------------------------------|-----------|
| 1. Insurance Premium Savings | \$360,000 |
| 2. Workcover Premium Savings | \$333,000 |

Unfavourable:

- | | |
|--------------------------------|-------------|
| 1. Grants Commission reduction | (\$369,000) |
| 2. New Cycling Event Funding | (\$150,000) |
| 3. Draper St Land Sale | (\$900,000) |
| 4. McManus Rd Oil Spill | (\$120,000) |

Net Favourable / (Unfavourable)	(\$846,000)
--	--------------------

Environmental Implications

The adoption of the 2013-2014 carryover program provides the required funding to complete the environmental programs previously approved as part of the 2013-2014 Budget.

Financial Implications

There are no funding implications associated with this report, with higher than projected cash balances as at 30 June 2014 funding additional budgeted expenditure in 2014-2015.

The program variances and carryover requests are detailed within the accompanying financial reports (refer Appendices 1 & 2).

Policy/Legal/Statutory Implications

Section 144A part 1 of the Local Government Act states "A Council must prepare a revised budget if circumstances arise which cause a material change in the budget and which affect the financial operations and position of Council."

In the context of the total budget the recommended variation to the budget is not considered material.

Alignment to City Plan

This amended budget report contributes to responsible and sustainable financial management as aligned in Council's City Plan objective on How We Do Business.

Officer Direct or Indirect Interest

Council staff preparing this report have no direct or indirect interest.

Risk Assessment

Capital projects by their nature are susceptible to delays for a large variety of reasons including weather, delays in approvals (i.e. Special Rates & Charges programs) contractor availability, performance, etc.

The carryover Capital Program (refer to Appendix 1) if approved, will result in a gross capital program for 2014-2015 of \$146.25M.

Social Considerations

The adoption of the 2013-2014 carryover program provides the required funding to complete the social programs previously approved as part of the 2013-2014 Budget.

Human Rights Charter

No Human Rights are affected by this report.

Consultation and Communication

Project Managers have submitted requests for carryover and will be advised of the outcome pending consideration of this report by Council.

APPENDIX 1 - 2013-2014 CAPITAL PROJECTS PROGRAM
Projects Requiring Carryover to 2014-2015

Project Number	Project Name	EXPENDITURE					INCOME					Comments
		Full Year Amended Budget \$	Full Year Projection \$	Full Year Actual \$	Variation (Projection v Actual) \$	Requested Carryover to 14-15 \$	Full Year Amended Budget \$	Full Year Projection \$	Full Year Actual \$	Variation (Projection v Actual) \$	Requested Carryover to 14-15 \$	
C02301	Street Construction Sub Program - Special Rates & Charges - Core Program	1,718,000	1,718,000	872,125	845,875	300,000	1,409,000	1,409,000	766,827	642,173	0	Manton Rd project awarded in 13/14 and carried over
C02317	Drainage Construction Sub Program - Flood & Drainage Management - Core Program	2,802,501	2,802,501	1,460,252	1,342,249	1,140,000	0	0	1,500	(1,500)	0	Continuation of committed works; Emily St (\$560k), Ramblers Rd (\$310k) and Gordon Ave (\$270k)
C02323	Local Roads Construction Sub Program - Road & Street Management - Core Program	1,074,933	1,076,433	911,164	165,269	165,000	0	0	250,812	(250,812)	0	Known developer upsizing works carried over into 14/15, South Valley Rd works awarded in 13/14 - carried over to 14/15
C02342	Reseal - Road Surfacing Program - Core Program	1,735,968	1,602,000	1,410,749	191,251	191,251	0	0	0	0	0	Contract payments and rectification works for various committed works in Geelong West
C08305	Car Park Construction at 9 Belmont Street, Belmont	184,653	184,653	12,997	171,656	171,656	111,000	111,000	0	111,000	111,000	Project to commence Sep 2014
C09303	Bridge Upgrades - Major Renewal Works	365,000	365,000	159,577	205,423	205,423	0	0	0	0	0	To continue works committed in 13/14 including Bailey St and pedestrian footbridges
C09320	Leopold Footpath linkages	185,782	185,782	167,934	17,848	17,848	40,000	40,000	0	40,000	40,000	Final report and claim submitted, works at Melaluka Road to be completed
C10301	Geelong Saleyards Conservation Management Plan Works - Year 3 Works	226,923	226,923	53,913	173,010	173,010	0	0	0	0	0	Works delayed pending Saleyards review
C11303	Griggs Creek Rehabilitation	752,107	752,107	51,899	700,208	700,208	185,200	185,200	0	185,200	185,200	Project to commence end 2014
C11312	Belmont Car Park Beautification	100,000	100,000	0	100,000	100,000	0	0	0	0	0	Project to commence Sep 2014 Carryover to C08305
C12321	East - West Traffic Improvements - 3rd Year	93,212	461,212	303,639	157,573	157,573	0	0	0	0	0	Deliver infrastructure associated with truck restrictions trial, ICTP finalise strategy, central Geelong NOP study with viroids
C12325	Corio - Norlane Regeneration Project	793,020	1,107,207	821,597	285,610	285,610	98,000	371,000	0	371,000	371,000	Works programmed and grant claim to be made - to be completed by June 2015
C14301	NE Lara - Main Drainage / Flood Mitigation Works	500,000	500,000	43,400	456,600	456,600	0	0	0	0	0	Payment for land purchase pending settlement date, detailed design of drainage solution
C14315	Footpath Works Melville Avenue, Newtown	100,000	100,000	668	99,332	99,332	0	0	0	0	0	Project SRC process underway, scheduled for 2015 construction
C14321	NES Drainage Basin Acquisition	0	357,500	3,063	354,437	354,437	0	0	0	0	0	Claim for land payment pending.
C14340	Bicycle Path Program	0	15,000	6,001	8,999	8,999	0	15,000	15,000	0	0	Ewing Blythe drive project commenced and committed
C15307	Development of 162 McManus Rd Corio	0	0	1,636	(1,636)	(1,636)	0	0	0	0	0	Approved budget in 2014-15; commenced early
C15308	Development of 25 McManus Rd Corio	0	0	251	(251)	(251)	0	0	0	0	0	Approved budget in 2014-15; commenced early
C03601	Stormwater Quality Management Plan Implementation	298,602	298,602	162,463	136,139	136,139	0	0	0	0	0	Lake Lorne pathway stage 2 tender out at present and ready to proceed following delays with getting approval from VicTrack
C09306	Greenhouse Program	98,264	45,097	0	45,097	45,097	0	0	0	0	0	Committed costs for Greenhouse projects including Wind turbine works.
C13305	Protection of Nationally Significant Roadsides	118,574	118,574	4,125	114,449	114,449	0	0	0	0	0	Project now in progress with revised proposal. The delay has been due to the difficulty of devising a solution to meet all requirements, now resolved and ready to proceed.
C14302	Access to The Dell	60,000	60,000	15,457	44,543	44,543	0	0	0	0	0	Project committed and in progress. Delays due to addressing the geotechnical challenges associated with the site.
C14303	Buckley Park Staircase Construction	65,000	65,000	0	65,000	65,000	0	0	0	0	0	Project now to progress with revised proposal - delays due to consultation process with key stakeholders incl Borough of Queenscliff and Wathaurong Aboriginal Corporation.
C14304	Curlewis Landslide Control Works	85,000	85,000	26,393	58,607	58,607	0	0	0	0	0	Committed - Drainage works complete, stabilisation works to commence and costs have been committed. Delays were due to geotechnical challenges and cultural heritage values associated with the site.

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C02314	Heavy and Dedicated Plant Replacement - Core Program	1,997,978	2,005,178	1,363,670	641,508	488,604	0	0	0	0	0	Long delivery lead time on 2 flocon road maint truck and 1 Road Roller \$454.5k and expected July delivery for slasher and trailer \$34K
C10303	Workshop Safety Compliance - 2nd Year	51,447	51,447	10,677	40,770	40,770	0	0	0	0	0	Further unexpected delay in obtaining building permit and project officer being unavailable, project will be completed in 2014-15
C12306	Fleet Management Software	70,000	70,000	0	70,000	70,000	0	0	0	0	0	Project is dependent on IS staff project priority list to carry out enhancements
C13303	Subdivision Engineer Vehicle	30,000	30,000	0	30,000	30,000	0	0	0	0	0	Recruitment of the Subdivision Engineer position was postponed to 2014-15
C13314	Additional Light Vehicles	0	283,021	195,917	87,104	87,104	0	0	0	0	0	Expected delivery of the Tree unit truck with loader in August. Committed
C14322	Maintenance Management System - Year #2	0	317,600	183,138	134,462	134,462	0	0	0	0	0	Committed costs - delivery of hardware units delayed due to overseas supplier not having enough stock on hand.
C14305	Drysdale Landfill Evapotranspiration Study	80,000	80,000	0	80,000	80,000	0	0	0	0	0	Project is underway and committed, however no expenditure incurred to date.
	CITY SERVICES TOTAL					5,919,834					707,200	
C13501	Operating System for HACC program	242,350	242,350	183,587	58,763	58,763	0	0	0	0	0	Fully funded by the Department of Health. Project has been delayed due to data transfer errors. Expected to be completed by Dec14
C09505	Potato Shed Facility Renewal	38,740	38,740	41,428	(2,688)	(2,688)	18,190	18,190	18,190	0	0	Overspent with repairs - carryover deficit of \$2688
C10507	St Leonards Heritage Signs Frames	20,804	20,804	19,054	1,750	1,750	0	0	0	0	0	Project is complete, however opportunity exists to integrate trail content into Geelong Arts & Culture Trails online project, for promotional purposes - carryover requested .
C13506	View of Geelong Historical Marker	15,000	15,000	500	14,500	14,500	0	0	0	0	0	Site confirmed, project scope and brief finalised. Artists commissioned for concept development. Public Art Advisory group to review and evaluate submitted concept submissions for selection of final contracted artist. Carry over is critical to make final payment to meet Council's contractual obligation to commissioned artist and installation.
C13507	Ocean Grove Library Circulation Desk	28,250	28,250	0	28,250	28,250	0	0	0	0	0	Carryover is critical to be added to the additional approved capital allocation of \$20,000 in 2014/15 budget. The combined amount of \$48,250 is required to meet the full scope of essential works required and which has been quoted for. The project brief is to replace existing out of date and non OH&S service desk at Ocean Grove Library which is critical.
C13508	Old Courthouse Building Entrance Artwork	2,500	2,500	0	2,500	2,500	0	0	0	0	0	Lights ordered. Project was expected to be complete before end of financial year but now pending supply of lighting.
C13509	Public Art - Belmont Area	60,000	60,000	38,896	21,104	21,104	0	0	0	0	0	Carry over is essential in order to pay the contracted artist the balance of money owing on completion and installation of the artwork in September/October 2014.
C14503	Potato Shed Exterior Pathways OHS Upgrade	56,000	56,000	56,000	0	0	24,000	24,000	12,000	12,000	12,000	Project has been completed. Final contribution for pathway from schools to be invoiced in 14/15.
C14506	Central Geelong Public Art	25,000	25,000	1,000	24,000	24,000	0	0	0	0	0	Carry over is essential to complete payment to contracted artist for the acquisition as well as site preparation and installation costs to finalise the project.
C14509	Geelong West Forecourt Public Art Piece	30,000	30,000	500	29,500	29,500	0	0	0	0	0	Carry over is essential to meet Council contractual obligations for fabrication and delivery of work from engaged artist and to cover site preparation and installation costs to finalise the project.
C14510	Public Art Central Geelong	5,000	20,000	6,721	13,279	13,279	0	0	0	0	0	State Government funding received. Project scope and brief developed, artists confirmed and project partially completed. Carry over required as one lead artist has rescheduled due to overseas contract commitment.
C14512	Heritage Seat - Eastern Gardens	15,000	15,000	1,500	13,500	13,500	0	0	0	0	0	Carry over is essential to complete Council's contractual obligation to commissioned artists and site preparation and installation costs to finalise project.

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C14513	Restoration of King Edward Statue	40,000	37,727	23,192	14,535	14,535	0	(2,273)	(2,273)	0	0	Statue fully restored, Heritage Victoria permit now received. Full carry over amount is essential to complete site preparation and relocation works for installation of restored statue.
C09506	Bellarine Living & Learning Centre Master Plan	17,442	17,442	0	17,442	17,442	0	0	0	0	0	Project will be merged with Whittington Infrastructure Upgrade in 14/15 (Carryover to C15837 Whittington Infrastructure Upgrade)
C13503	Windsor Park Land Purchase	101,310	101,310	0	101,310	101,310	0	0	0	0	0	Contract for sale of Peacock Ave and Windsor Park is being finalised
C13505	Acquisition of Resources for the National Quality Standards	90,000	90,000	85,679	4,321	4,321	0	0	0	0	0	Purchase orders have been placed and majority of items have been received by the end of financial year. Some items currently on back order and due to be received early 14/15.
	COMMUNITY SERVICES TOTAL					342,066					12,000	
C10205	Christmas Decorations 2012	99,500	110,699	105,964	4,735	4,735	0	0	0	0	0	Carryover to new Capital C14204
C14204	Xmas in Geelong	0	40,000	34,530	5,470	5,470	0	0	0	0	0	Tender spec and preliminary design work
C09207	Lightning Strike Protection	29,650	29,650	15,924	13,726	13,726	0	0	0	0	0	Funds required.
C10206	Toilet Block Renewal / Replacement Program	265,635	496,254	130,039	366,215	366,215	0	0	0	0	0	\$180k for the Geelong West toilet blocks x 2 due to delays in community consultation on locations; \$120k for Transvaal Square upgrade and Hamlyn Reserve North both of which are in-progress but not completed by year-end.
C11206	New Corio / New Station Estates Voluntary Purchase Scheme	219,977	69,977	60,379	9,598	9,598	0	0	0	0	0	Fewer purchases than expected in this financial period but expect to pick up next year.
C12202	Building Renewal Works	702,616	702,616	672,326	30,290	30,290	0	0	0	0	0	Funds required.
C14203	Leisuretime Centre	20,000	20,000	0	20,000	20,000	0	0	0	0	0	The scope of this project has been changed by the Ward Councillor from a toilet upgrade to upgrading the entrance with new tiling etc. delaying the works.
C05207	Minor Acquisitions Program - Core Program	280,940	328,659	281,538	47,121	47,121	0	0	0	0	0	Purchase Order raised against this job, invoices yet to be received
C05208	IT Asset Replacement Program - Core Program	939,816	933,769	902,448	31,321	31,321	0	0	0	0	0	Purchase Order raised against this job, invoices yet to be received
C10207	A&DS Mobile Device Purchases	179,971	261,449	152,828	108,621	108,621	0	50,000	50,000	0	0	Funding for integration works yet to be finalised, plus additional handsets
	CORPORATE SERVICES TOTAL					637,097					0	
C68052	DCP - Armstrong Creek East - NAC Pavilion	133,253	133,253	4,083	129,170	129,170	0	0	0	0	0	Balance of funding from State Gov, awaiting for final agreement approval from RDV
C68901	DCP - Jetty Rd NS Collector Rd Land Acquisition	210,000	210,000	0	210,000	189,540	0	0	0	0	0	Project to be combined with 14/15 budget to commence acquisition of land delayed due to PAO amendment.
C12605	Community Pavilion - Armstrong Creek East	138,927	138,927	2,000	136,927	136,927	0	0	0	0	0	Balance of funding from State Gov, awaiting for final agreement approval from RDV
C13601	Elcho Basin	445,133	565,133	595,676	(30,543)	0	0	120,000	0	120,000	120,000	Income from Local Government Infrastructure program not received yet.
C14602	Lara Town Centre Expansion Project	1,800,000	1,800,000	1,051,759	748,241	748,241	0	0	0	0	0	Final works being undertaken in recreation reserve associated with Bowling Club. Carryover is required for these works and for other work associated with the project that has been committed and not yet invoiced.
C14603	Melbourne Road Promotional Signage - Extension	85,386	85,386	0	85,386	85,386	0	0	0	0	0	Project to be completed in 14/15, delayed due to waiting for Vicroads permit
	PLANNING & TOURISM TOTAL					1,289,264					120,000	
C10845	Eastern Park Storm Water Harvesting - 2nd year	99,456	99,456	89,461	9,995	9,995	0	0	0	0	0	Required to complete project
C11709	Streetscape Works - Near Old Post Office	12,375	12,375	10,765	1,610	1,610	0	0	0	0	0	Required to complete project

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C11801	Ocean Grove Neighbourhood House Upgrade	586,728	586,728	14,170	572,558	572,558	0	0	0	0	0	Required to complete project
C11827	Shell Road Reserve Masterplan Implementation	38,620	38,620	137,787	(99,167)	(99,167)	0	0	0	0	0	Budget 2014-15 spent in advance
C12801	Ocean Grove Integrated Children's Centre	5,492,424	5,492,424	4,465,675	1,026,749	1,026,749	0	0	0	0	0	Required to complete project
C12826	Thomson Reserve Masterplan	225,343	225,343	141,849	83,494	83,494	0	0	0	0	0	Required to complete project
C12827	Barwon Heads Early Learning Centre	2,226,970	2,226,970	1,066,141	1,160,829	1,160,829	0	0	0	0	0	Required to complete project
C12828	Grovedale Integrated Children's Centre	3,732,809	3,732,809	1,705,419	2,027,390	2,027,390	0	0	0	0	0	Required to complete project
C12854	Thomson Reserve Tennis Redevelopment	43,118	43,118	44,977	(1,859)	0	6,000	6,000	0	6,000	6,000	Final grant payment to come.
C12856	Geelong Library Heritage Centre	13,290,540	13,290,540	6,192,453	7,098,087	7,098,087	5,100,000	5,100,000	5,100,000	0	0	Required to complete project
C12857	Rosewall Kindergarten Rebuild	1,118,620	1,118,620	2,500	1,116,120	1,116,120	0	0	0	0	0	Carryover to C15851 Hendy St Family & Childrens Hub
C12862	Cressy Place - Laneways & Linkages Project	20,000	125,000	73,040	51,960	51,960	0	0	0	0	0	Required to complete project
C12863	Steampacket Place - Laneways & Linkages Project	374,809	374,809	368,705	6,104	6,104	0	0	0	0	0	Required to complete project
C12866	Star St - Laneways & Linkages Project	31,965	80,935	18,973	61,962	61,962	0	935	935	0	0	Required to complete project
C13802	Windsor Park Family & Children's Hub	2,235,333	2,235,333	1,134,914	1,100,419	1,100,419	0	0	0	0	0	Required to complete project
C13803	Leopold Community Hub	4,673,823	4,673,823	2,708,867	1,964,956	1,964,956	697,000	697,000	276,700	420,300	420,300	Required to complete project
C13808	Leisurelink Gymnasium Extension	233,000	233,000	161,208	71,792	71,792	0	0	0	0	0	Required to complete project
C13823	Barwon Soccer Club Sports Lighting	51,633	51,633	34,308	17,325	5,360	0	0	0	0	0	Required to complete project
C13824	Drysdale Recreation Reserve	30,000	30,000	4,943	25,057	25,057	0	0	0	0	0	Required to complete project
C13847	Lara Sporting Club Development	388,040	423,040	55,394	367,646	367,646	0	0	0	0	0	Required to complete project
C13849	Newcomb Netball & Football Club	75,000	75,000	63,500	11,500	11,500	0	0	0	0	0	Required to complete project
C13855	Walter Conservatory Repairs	266,413	266,413	47,264	219,149	219,149	0	0	0	0	0	Required to complete project
C13857	Corio Landfill Rehabilitation	11,751,888	11,751,888	736,345	11,015,543	11,015,543	0	0	0	0	0	Required to complete project
C13859	Drysdale Landfill - Cell 6	4,012,590	4,012,590	3,657,245	355,345	355,345	0	0	0	0	0	Required to complete project
C13860	Apollo Place Preschool Upgrade	285,908	285,908	23,735	262,173	262,173	0	0	0	0	0	Required to complete project
C13861	North Shore Netball Verandah	119,912	119,912	47,792	72,120	72,120	0	0	0	0	0	Required to complete project
C13863	Laneways & Linkages	545,038	67,003	529	66,474	66,474	0	0	0	0	0	Required to complete project
C13866	Queens Park Masterplan - Lights Stinton Oval	15,000	15,000	4,115	10,885	10,885	0	0	0	0	0	Required to complete project
C13867	Hamlyn Park LED Scoreboard	24,000	24,000	15,000	9,000	9,000	0	0	0	0	0	Required to complete project
C14802	Geelong Library & Heritage Centre Carpark	1,162,647	1,162,647	0	1,162,647	1,162,647	0	0	0	0	0	Required to complete project
C14803	Stead Park Hockey Precinct Development	1,876,000	1,876,000	1,645,839	230,161	230,161	875,000	875,000	812,500	62,500	62,500	Required to complete project
C14805	Eastern Park - Fencing removal & replacement (Upper Hearne Pde)	60,000	60,000	43,380	16,620	16,620	0	0	0	0	0	Required to complete project
C14809	Disability Access	320,000	260,000	202,839	57,161	57,161	0	0	0	0	0	Required to complete project
C14810	Children Services Facilities Upgrades	395,000	462,834	234,158	228,676	228,676	0	0	0	0	0	Required to complete project
C14811	Community Halls Upgrade	214,000	225,700	215,575	10,125	10,125	0	0	0	0	0	Required to complete project
C14813	Ground Renovation Program - Core Program	214,000	402,982	332,984	69,998	69,998	0	0	0	0	0	Required to complete project
C14815	Grinter Reserve BMX Track Improvements	140,000	140,000	1,926	138,074	138,074	85,000	85,000	72,000	13,000	13,000	Required to complete project
C14825	Eastern Park Masterplan Implementation	100,000	100,000	15,146	84,854	84,854	0	0	0	0	0	Required to complete project

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C14826	Queens Park Playground Upgrade	262,500	262,500	2,840	259,660	259,660	70,000	70,000	63,000	7,000	7,000	Required to complete project
C14827	Barwon Heads Village Park Sportslights	300,000	300,000	283,854	16,146	16,146	0	0	0	0	0	Required to complete project
C14828	Grovedale Sports Club Improvements Design	50,000	50,000	45,000	5,000	5,000	0	0	0	0	0	Required to complete project
C14829	Clifton Springs Tennis Club Courts & Lighting	120,000	200,000	111,813	88,187	88,187	0	80,000	80,000	0	0	Required to complete project
C14831	Memorial Park Masterplan	270,000	445,505	0	445,505	445,505	0	0	0	0	0	Carryover to C15843
C14832	Evans Reserve Soccer Facility Upgrade	220,000	220,000	214,741	5,259	5,259	100,000	100,000	90,000	10,000	10,000	Needed for lighting
C14834	Shopping Strip Regeneration	40,000	40,000	28,252	11,748	11,748	0	0	0	0	0	Required to complete project
C14837	Fountain of Friendship Park Masterplan	10,000	10,000	0	10,000	10,000	0	0	0	0	0	Required to complete project
C14841	Myers Reserve - Bell Post Hill Football Netball and Bowls Club Change Room Facilities	279,000	279,000	170,650	108,350	108,350	85,000	85,000	76,500	8,500	8,500	Required to complete project
C14846	Barrabool Cricket Club Clubroom	190,000	190,000	19,064	170,936	170,936	0	0	0	0	0	Required to complete project
C14852	Winters Reserve Clubroom Upgrade	100,000	100,000	12,000	88,000	88,000	0	0	0	0	0	Required to complete project
C14853	St Peters Cricket Club - Social Rooms Refurbishment	150,000	150,000	125,094	24,906	24,906	0	0	0	0	0	Required to complete project
C14869	Beauford Avenue, Bell Post Hill - Streetscape and amenities improvements	99,000	99,000	4,900	94,100	94,100	0	0	0	0	0	Required to complete project
C14871	St Albans Sporting Club Netball Upgrade	15,000	15,000	10,000	5,000	5,000	0	0	0	0	0	Required to complete project
C14872	Barwon Valley Golf Club Office Upgrade	130,000	130,000	13,254	116,746	116,746	0	0	0	0	0	Required to complete project
C14874	Kenworthy Reserve Upgrade	16,894	16,894	15,580	1,314	770	0	0	0	0	0	Final invoice to be paid
C14879	Bellarine Rail Trail Improvements	0	379,000	11,556	367,444	367,444	0	305,000	125,000	180,000	180,000	Required to complete project
C14881	Laneways & Linkages - Wright Place	0	100,000	0	100,000	100,000	0	0	0	0	0	Required to complete project
C14882	Eastern Beach Road Pedestrian Crossing	0	160,000	5,970	154,030	154,030	0	0	0	0	0	Required to complete project
C14883	Steampacket Place Steps Redevelopment	0	120,000	0	120,000	120,000	0	0	0	0	0	Required to complete project
C14884	Corio Coolroom	0	35,000	0	35,000	35,000	0	0	0	0	0	Required to complete project
C14885	Northern Trails Pathway Improvement	0	50,000	5,000	45,000	45,000	0	0	0	0	0	Required to complete project
C14886	Austin Park Redevelopment	0	0	63,143	(63,143)	(63,143)	0	0	1,900,000	(1,900,000)	(1,900,000)	Budget 2014-15 spent / received in advance
C15804	Drysdale Landfill Cell4a - Bunding	0	0	26,219	(26,219)	(26,219)	0	0	0	0	0	Budget 2014-15 spent in advance
C15805	Bellarine Rail Trail Remedial Works	0	7,500	0	7,500	7,500	0	0	0	0	0	Required to complete project
C15838	West Oval Floodlighting	0	30,000	0	30,000	30,000	0	0	0	0	0	Required to complete project
C15844	Stead Park BMX Track	0	25,000	0	25,000	25,000	0	0	0	0	0	Required to complete project
C15834	Myers St Unifying Streetscape Works	0	0	179,649	(179,649)	(179,649)	0	0	0	0	0	Budget 2014-15 spent in advance
C12701	Baywalk Bollards Replacement	54,000	54,000	28,112	25,888	25,888	0	0	0	0	0	Project in progress. Two new bollards made & ten bollards with advanced timber rot treated. Carry over required to finish painting of figures which was delayed due to inclement weather. Project will be completed this year.
C13703	Ritchie Blvd Footpath Replacement	229,244	229,244	0	229,244	229,244	0	0	0	0	0	Final budget instalment not allocated in 14/15 budget. GM approval to stage project. Works out for quotation now and will commence Aug/Sept.
C14804	Central Geelong Streetscape Activation	200,000	200,000	0	200,000	200,000	0	0	0	0	0	Project will be undertaken during 14/15 as part of Central Geelong Task Force actions
C14887	Taxi Rank Safety Program	0	27,540	0	27,540	27,540	0	27,540	0	27,540	27,540	State govt grant. Income & expenditure carryover required to undertake project 14/15
C09811	Concrete Core Replacement Program - 5th Year	100,000	100,000	0	100,000	100,000	0	0	0	0	0	Carryover to 2014-15 to enable greater coverage by combining with new budget

Project Number	Project Name	EXPENDITURE					INCOME					Comments
		Full Year Amended Budget \$	Full Year Projection \$	Full Year Actual \$	Variation (Projection v Actual) \$	Requested Carryover to 14-15 \$	Full Year Amended Budget \$	Full Year Projection \$	Full Year Actual \$	Variation (Projection v Actual) \$	Requested Carryover to 14-15 \$	
C10850	Gymnasium Equipment Replacement Program - 2012/13	330,000	330,000	(10,269)	340,269	340,269	0	0	0	0	0	Carryover required.
C14863	Increased aquatic play activities for the Bellarine Aquatic Centre	30,000	30,000	0	30,000	30,000	0	0	0	0	0	Project delayed from contractor, have pushed timelines to August for installation.
C14864	Elcho Park Golf Course - Driving Range	60,000	60,000	54,639	5,361	5,361	0	0	0	0	0	Required to complete project
C05508	Open Space Networks Study and Acquisitions Plan Implementation	949,000	949,000	776,582	172,418	172,418	0	0	0	0	0	Understand that Planning Strategy and Urban Growth will be paid back through a budget from general revenue 2014/15 to refund the PoS reserve based on the withdrawal of \$775K for the Parrott property (Surf Coast Hwy)
C08807	Geelong Motocross Club - Relocation from Breakwater Road	660,000	660,000	0	660,000	660,000	0	0	0	0	0	Funds subject to resolution of suitable site for motocross
C14807	Simonds Stadium - Players Stand	3,000,000	3,000,000	2,950,000	50,000	50,000	0	0	0	0	0	Funds required to pay for master plan currently being completed by the Geelong Football Club
C14808	Sport & Recreation Building Notice - Rectification Works	70,000	70,000	58,907	11,093	11,093	0	0	0	0	0	Outstanding invoices still to be paid.
C14888	Wayfinding Signage Manufacture & Installation	0	35,000	14,964	20,036	20,036	0	0	0	0	0	Works under contract and will be completed by mid- August.
C12705	Little Malop Street Retail Booths	65,735	65,735	12,458	53,277	53,277	0	0	0	0	0	Required to complete project
	PROJECTS, RECREATION & CENTRAL GEELONG TOTAL					34,663,828					(1,165,160)	
	TOTAL CARRYOVER					42,852,089					(325,960)	

APPENDIX 2 - 2013-2014 NON CAPITAL (Discretionary) PROJECTS PROGRAM
Projects Requiring Carryover to 2014-2015

Job No	Business Unit	Annual Amended Budget \$	Annual Projection \$	YTD Actual	Variation (Projection v Actual) \$	Carryover Request \$	Comments
D36408 - Lara Wifi	Engineering Services	25,000	25,000	8,434	16,566	16,566	Awaiting approved from Powercor to access site.
D36629 - Green Infrastructure Standards	Engineering Services	Expenditure 124,427 Income (45,000)	124,427 (45,000)	-224 0	124,651 (45,000)	124,651 (45,000)	Approval received for consultant, works yet to be approved, grant income still to be claimed
D36632 - GREP IWC	Engineering Services	Expenditure 0 Income 0	50,000 (50,000)	32,215 (45,000)	17,785 (5,000)	17,785 (5,000)	Project underway due for completion Aug with final claim to follow
D38104 - Greenwaste Site Set Up	Waste Services	33,562	33,562	585	32,977	32,977	Carryover required for site setup out of EOI process
D38105 - Resource Recovery Centre Feasibility	Waste Services	50,000	50,000	14,710	35,290	35,290	Project not yet completed - committed project
D38106 - Expansion Pt Henry Transfer Station Investigation	Waste Services	28,782	28,782	0	28,782	28,782	Project in progress - works still required on this project
D38107 - Composting Works Approval - Barro Site	Waste Services	50,000	50,000	0	50,000	50,000	Carryover required for site setup out of EOI process
D38235 - Drysdale Quarry Investigation	Waste Services	50,322	50,322	27,320	23,002	23,002	Outstanding commitment - project not yet completed.
D38245 - Drysdale Landfill - Desilting Eastern Dam	Waste Services	0	0	49,320	(49,320)	(49,320)	Approved budget in 2014/15 - project was brought forward into 2013/14. Therefore should be transferred forward to offset
D61117 - Third Pass - Bellarine & Corio Bay LCHA	Environment & Natural Resources	266,614	266,614	217,696	48,918	48,918	Joint project including DSC, cost committed for the next phase of the project.
D61138 - Buckley Park Staircase	Environment & Natural Resources	30,000	30,000	3,780	26,220	26,220	This is linked to the capital project C14303 - project was delayed due to consultation with key stakeholders; project to proceed with revised proposal
D61139 - Stewarts Reserve Management Plan	Environment & Natural Resources	27,303	27,303	5,478	21,825	21,825	Committed project - Arboriculture investigation and master plan completed.
D61145 - Weeds Initiative Program	Environment & Natural Resources	18,000	36,000	17,036	18,964	18,964	Grant Project over multiple years
D61151 - RB11-84-2GG Victorian Volcanic Plains Grasslands Protection	Environment & Natural Resources	33,417	56,617	9,385	47,232	47,232	Grant Project over multiple years
D61174 - Barwon River Parkland Project	Environment & Natural Resources	31,634	31,634	21,084	10,550	10,550	Grant project from Parks Victoria
D61175 - Coastal Tender Program	Environment & Natural Resources	405,733	405,733	71,497	334,236	334,236	Grant project over multiple years.
D61200 - Mt Brandon Precinct (Int)	Environment & Natural Resources	21,983	21,983	0	21,983	21,983	Vegetation offset to fund the OMP works
D61201 - Seachange Estate St Leonards (Ext)	Environment & Natural Resources	83,836	83,836	3,405	80,431	80,431	10 yr native vegetation offset project
D61203 - Rondor Estate	Environment & Natural Resources	53,125	53,125	0	53,125	53,125	To commence in 2013-14 towards the 10yr native vegetation offset contribution from developer.
D61204 - Moonah Park Landscape Masterplan	Environment & Natural Resources	0	50,000	0	50,000	50,000	Vegetation offset contribution received in 2013-14
D61205 - Shell Parade & School Road Corio	Environment & Natural Resources	0	6,813	0	6,813	6,813	5Yr vegetation offset relating to Corio Norlane project over 5 years, to commence in 2014-15
D61206 - Manna Gum Place	Environment & Natural Resources	0	15,000	0	15,000	15,000	Vegetation offset over 10yrs starting in 2014-15
D63105 - Geelong Botanic Gardens	Parks & Support Services	5,000	5,000	0	5,000	5,000	Donation money from Pelargonium club committed towards signage yet to complete
D63117 - GBG Education Program	Parks & Support Services	4,694	4,694	10,980	(6,286)	9,238	Contribution from the Friends of the Botanic for program development
D63120 - Landscaping - Clifton Springs Fountain	Parks & Support Services	20,000	20,000	12,785	7,215	7,215	Initial landscaping complete - funds required to finish the contractor maint commitment
CITY SERVICES TOTAL						986,482	
D44410 - Domestic Animal Management Master Plan	Health & Local Laws	63,089	63,089	44,943	18,146	18,146	Experienced some delays in auditing signage and subsequent ordering of signs; work will continue as per DAMP orders
D44425 - School Crossing Bi Annual Medicals	Health & Local Laws	20,000	20,000	0	20,000	20,000	Working with Risk Management and Internal Audit at present to develop a process. Funds are required for aspects associated with this process.
D55140 - Food Security Working Group	Aged & Disability Services	3,671	3,671	0	3,671	3,671	External funding for work as required in accordance with funding and service agreement.
D55143 - Hungry Brochure	Aged & Disability Services	6,000	6,000	974	5,026	5,026	Reprint will be done when supplies of brochure require it.
D55203 - Active Service Model	Aged & Disability Services	58,600	58,600	0	58,600	58,600	Project is externally funded. Delay in appointment of staff. To be expended on CCW Active Service Model training in 2014/15

Job No	Business Unit	Annual Amended Budget \$	Annual Projection \$	YTD Actual	Variation (Projection v Actual) \$	Carryover Request \$	Comments
D55205 - Vulnerable Persons	Aged & Disability Services	0	40,000	2,142	37,858	37,858	Unbudgeted grant received from the Department of Health during 13/14. Delay in appointment of staff.
D55305 - Heatwave Information Kit	Aged & Disability Services	18,575	18,575	1,562	17,013	17,013	Fully funded program for work as required
D55402 - Positive Geelong W/Shops - Seniors	Aged & Disability Services	5,000	5,000	1,934	3,066	3,066	Remaining funds required in the next workshop on housing planned to be conducted in 14/15
D55707 - Accessibility Directory	Aged & Disability Services	3,000	3,000	1,970	1,030	1,030	Project was planned to be completed in Jun14 is now expected to be completed early 14/15.
D55901 - Be Active	Aged & Disability Services	406,822	436,822	221,038	215,784	215,784	External funding for 3 year initiative. Funding will be received June 2014 to be spent in the 2014-15 financial year.
D55905 - Healthy Together Geelong	Aged & Disability Services	1,177,642	1,179,301	558,727	620,574	1,117,537	Spend was predicted in absence of all work area costs. New initiative with changing priorities
D53501 - NWM Theme Implementation	Arts & Culture	29,764	29,764	11,466	18,298	18,298	Project is more than 50% complete. Specialist consultants and projects are underway and expect completion August/September 2014.
D53510 - NWM Master Plan	Arts & Culture	34,750	34,750	32,201	2,549	2,549	Project almost completed. Specialist contractor engaged and final concept and report due September 2014.
D53526 - Audience Development Study	Arts & Culture	6,685	6,685	3,054	3,631	3,631	Project 50% complete. Expected to be completed by October 2014. Full carryover required.
D53527 - Community Collections Strategy Development	Arts & Culture	23,000	23,000	13,383	9,617	9,617	Project over 50% complete with specialist contractors engaged. Due to demanding and detailed collections and research work involved this project is anticipated to be completed by October/November 2014.
D53531 - NWM Curator - Outreach	Arts & Culture	27,835	27,835	16,014	11,821	11,821	Contract employee engaged, significant collection and on-line projects close to completion with carryover required for contractor to complete agreed projects. Project completed December 2014.
D57622 - Public Arts Officer	Arts & Culture	5,893	5,893	0	5,893	5,893	Full carryover required for contractor to complete priority plan. Completion date expected November 2014.
D57638 - Renew Arts & Culture Strategy	Arts & Culture	39,931	39,931	0	39,931	39,931	Project scheduled to commence latter half 2014 for completion in 2015. Full carryover required.
D57639 - Arts & Culture Website Development	Arts & Culture	20,000	20,000	6,000	14,000	14,000	Project well underway, with Geelong Arts Atlas site build nearing completion and first contract instalment paid. \$16,000 carryover essential for final contractor fee instalment (July 2014), promotion, site hosting & maintenance.
D57647 - GRL&HC Arts Strategy	Arts & Culture	80,000	80,000	7,955	72,045	72,045	Project underway with completion in line with capital programme of GLHC. Full carryover required for artists payments and project delivery.
D57648 - Street Art Project	Arts & Culture	10,000	10,000	8,947	1,053	1,053	Project complete however launch will be held with several other projects and carryover of \$1,053 required for launch.
D57702 - Potato Shed Master Plan	Arts & Culture	35,478	35,478	25,136	10,342	10,342	Full carryover required for completion in Oct14
D57705 - Central Geelong Culture Walking Trails Booklet	Arts & Culture	26,119	26,119	25,120	999	999	Edition reprint and distribution complete. Smartphone app design and build complete, with app data entry well underway, due for launch in late 2014. Full carryover of remaining allocation is critical for app hosting, maintenance and updates.
D57711 - Arts Directory Design & Print	Arts & Culture	3,100	4,938	3,144	1,794	1,794	Full carryover required, including contribution from G21 partner Councils negotiated for officer payment for development of Edition 8 in late 2014 and Arts Directory-related work on Geelong Region Arts Atlas website.
D57712 - M to M recording music	Arts & Culture	1,353	1,739	58	1,681	1,681	Full carryover critical, including income from CD sales, for ongoing CD promotion.
D57714 - Art Box	Arts & Culture	7,403	7,403	4,641	2,762	2,762	Project well underway, with three suites of works completed. Full carryover critical for July contractor payments and final suite of artworks due in late 2014.
D58106 - GHC Significant Collection Assessment	Arts & Culture	0	4,000	3,600	400	400	The Significance Assessment Project has been completed however the balance of the funding received may be required by National Library of Australia to be refunded as part of final acquittal
D52800 - External Grants Administration	Community Development	8,061	28,061	14,427	13,634	13,634	Funded via external grant contributions. To be expended for the administration activities of CD programs
D52810 - Building Transport Connections	Community Development	137,247	137,247	101,176	36,071	36,021	Fully funded project. Final year of this project to be completed in 14/15
D52811 - Drug Action Plan	Community Development	9,079	9,079	5,212	3,867	3,867	Fully funded project. Minor expenses relating to finalisation of project (DHS).
D52813 - Multicultural Action Plan	Community Development	50,185	50,185	21,633	28,552	28,552	Implementation of priority actions, review current plan development next plan.
D52814 - Family Violence Prevention	Community Development	12,954	42,954	755	42,199	42,199	External and internal funds. Prevention plan being developed. Funds to implement small activities as well and plan development.
D52816 - Language Services Grant	Community Development	3,947	3,947	0	3,947	3,947	Externally funded program. Use linked to demand for translation services
D52818 - Grovedale Neighbourhood House	Community Development	164,808	182,702	129,244	53,458	53,458	ongoing project external funds to June 2015

Job No	Business Unit	Annual Amended Budget \$	Annual Projection \$	YTD Actual	Variation (Projection v Actual) \$	Carryover Request \$	Comments
D52820 - Whittington Link Landscape Maintenance	Community Development	48,929	83,929	42,203	41,726	41,726	Project funding variation approved Dept Justice. Additional Department of Human Services funding received June 2014.
D52821 - Gambling Forum	Community Development	12,000	12,000	2,000	10,000	10,000	Project delayed due second forum to be held
D52823 - Travelling Website	Community Development	99,419	77,419	50,935	26,484	26,484	External funding final year of project
D52824 - Whittington	Community Development	3,544	100,044	3,503	96,541	96,541	External funding
D52825 - Grinter Garden - Whittington	Community Development	28,476	51,976	1,232	50,744	50,744	External funding
D52826 - Whittington Works - EFT	Community Development	133,497	129,042	95,774	33,268	33,268	External funding to December 2017
D52827 - Whittington Flamefest	Community Development	20,507	46,461	23,635	22,826	22,826	Department of Human Services received June 2014
D52828 - Womens Advisory Group	Community Development	15,000	18,895	9,683	9,212	9,212	Projects being implemented on advice from the WICL
D52829 - Digital Inclusion	Community Development	0	83,000	19,676	63,324	63,324	Department of Human Services funds received June 2014
D52830 - Whittington Transition Years	Community Development	0	5,000	0	5,000	5,000	Department of Human Services funds received June 2014
D52943 - Geelong Field & Naturalists Club	Community Development	20,000	20,000	0	20,000	20,000	Project being developed - on track
D52953 - Lara Secondary College	Community Development	10,000	10,000	0	10,000	10,000	Project currently being scoped - on track
D52958 - Ceres Temperance Hall - stonemason work	Community Development	20,000	20,000	3,080	16,920	16,920	Project to be managed in house
D52961 - Indented Heads Hall Renovation	Community Development	150,000	150,000	0	150,000	150,000	FSA signed and milestones for payment approved.
D52978 - Ocean Grove Performance Space	Community Development	0	200,000	0	200,000	200,000	Transferred from C14823. Will now be a disbursement managed through Community Development
D57149 - Vines Road Redevelopment	Community Development	92,478	92,478	17,642	74,836	74,836	External funds linked to site development
D57159 - Geelong Social Needs Study - North Suburbs	Community Development	6,606	6,606	2,542	4,064	4,064	Project nearing completion. Final costs including printing to be incurred Jul/Aug14.
D57161 - Rosewall N/hood Centre Masterplan	Community Development	3,598	3,598	0	3,598	3,598	CNIP contract final invoice was processed early in April.
D57162 - Friends of Viqueque	Community Development	2,474	2,474	411	2,063	2,063	Fundraising for Viqueque community
D57164 - Rosewall Precinct Planning	Community Development	42,131	42,131	21,639	20,492	20,492	A conceptual precinct plan was developed with this budget. Further detailed planning design work is required to enable us to approach funding bodies.
D57166 - Social Infrastructure Plan	Community Development	Expenditure Income 0 0	175,000 (175,000)	54,853 (140,500)	120,147 (34,500)	120,147 (34,500)	Part funded project via a grant income of \$87,500 from DTPLI with equal contribution from CoGG. Project was initiated with successful funding mid-year and will be completed by Apr15
D57407 - Bellarine Youth Action Team	Community Development	15,000	16,945	14,890	2,055	2,055	Planned Youth Event for Oct / Nov 2014
D57411 - Learner Two Probationary (L2P) Project	Community Development	120,000	133,907	130,874	3,033	3,033	Fully funded program by VicRoads and sponsorship
D57416 - Engage - Up and At It	Community Development	54,524	62,553	24,299	38,254	38,254	fully funded to run until 31-12-2014
D57419 - Northern Youth Action Team	Community Development	5,000	15,575	14,933	642	642	Carryover required to continue and complete actions listed in the Northern Youth Action Team project plan
D57425 - BYSP Youth Strategy	Community Development	9,828	9,828	439	9,389	9,389	Development of Youth Strategy has commenced. Due Dec 2014
D57426 - BYSP Youth Brand	Community Development	50,000	50,000	0	50,000	50,000	Project brief has been developed and currently working with consultants
D57428 - Whittington Indigenous Surfing	Community Development	2,398	2,398	2,000	398	398	Funded project. One off surfing day scheduled for 2014
D54161 - Early Childhood Planning	Family Services	59,048	66,390	270	66,121	66,121	Expenditure to be completed after finalisation of service planning work currently underway. This work will continue into 14/15.
D54162 - Family Services Strategic Plan	Family Services	20,000	40,791	0	40,791	40,791	Tender document finalised, work on hold while CoGG service planning and CLAC service review is undertaken, work will continue into 14/15
D54163 - Municipal Early Years Program	Family Services	20,627	20,627	0	20,627	20,627	Publication of report is currently being finalised, printing invoice and forums to present report to key stakeholders will carry over into 2014/15
D54302 - Professional Development for LDC	Family Services	20,443	18,443	5,405	13,038	13,038	Incentive payments for traineeships still being completed. Carryover required for remaining funds
D54304 - CLAC Drysdale Parent Advisory Group	Family Services	253	253	182	71	71	Dependant on funds raised being spent on equipment requested by PAG on behalf of centre
D54310 - CLAC Arston Parent Advisory Group	Family Services	0	788	378	410	410	Dependant on funds raised being spent on equipment requested by PAG on behalf of centre
D54320 - CLAC Belmont Parent Advisory Group	Family Services	3,482	3,632	3,190	442	442	Dependant on funds raised being spent on equipment requested by PAG on behalf of centre

Job No	Business Unit	Annual Amended Budget \$	Annual Projection \$	YTD Actual	Variation (Projection v Actual) \$	Carryover Request \$	Comments
D54330 - CLAC Corio Parent Advisory Group	Family Services	687	932	175	757	757	Dependant on funds raised being spent on equipment requested by PAG on behalf of centre
D54363 - KCM Leadership and Innovations	Family Services	0	44,987	0	44,987	44,987	Fully funded project. Due to delays in completion of the project a carry over of the remaining expenditure is required.
D54402 - Outreach Preparation for Parenting Service	Family Services	12,016	12,017	4,741	7,276	7,276	Project is externally funded and currently awaiting EMT endorsement on purchase of Safe cards
D54403 - Immunisation Targeting Low Coverage	Family Services	85,170	82,105	52,415	29,690	29,690	Carryover required to complete project in accordance with funding agreement.
D54405 - MCH Healthy Kids	Family Services	6,486	9,986	3,528	6,458	6,458	Carryover required to complete project in accordance with funding agreement.
D54406 - MCH Breast Feeding Training	Family Services	4,823	4,823	2,973	1,850	2,665	For purchase of either B/F specific training or resources.
D54408 - Family Coaching	Family Services	174,117	197,539	110,447	87,092	87,092	Ongoing service delivery capacity to respond to additional demand. Program is fully funded
D54409 - DHS Standards Audit	Family Services	3,206	6,403	0	6,403	6,403	External review due to be completed by April 2016.
D54410 - BoQ MCH	Family Services	0	60,021	29,128	30,893	30,893	Ongoing service delivery as per funding received
D54606 - Best Start Program	Family Services	175,610	178,414	121,514	56,900	56,900	Fully funded project includes carry over from prior years. Plans are in place to ensure expenditure within funding year. Additional brokerage will be scheduled for the 14/15 financial year.
D54614 - Support Playgroup Project	Family Services	176,685	180,425	151,866	28,559	28,559	Fully funded project includes carry over from prior years. Plans are in place to ensure expenditure within funding year. Additional programs are in place for the 14/15 financial year.
D54621 - Childrens Week	Family Services	57,048	57,048	38,067	18,981	18,981	This amount includes carry over from prior years. All carry over will be expended through grants and CW activities.
D54622 - Tiny Bubbles Program	Family Services	10,000	10,000	7,603	2,397	2,397	Tiny bubble programs committed to through terms 3 and 4 2014, funds to carry over to funds committed activities.
D54703 - Family Relationship Services Program	Family Services	57,771	42,695	21,383	21,312	21,312	This amount includes historical carry over. Plans are in place to ensure expenditure within funding year. Additional programs are planned for the 14/15 financial year.
D54704 - Additional Programs	Family Services	7,296	24,229	3,739	20,490	20,490	This amount includes historical carry over. Plans are in place to ensure expenditure within 14/15 funding year. Program is fully funded by govt grants
D54709 - Family Relationship Centre	Family Services	31,879	21,212	9,053	12,159	12,159	Funds to be expended in 2014/15 to run pre committed co-facilitated programs.
D54710 - Indigenous Kindergarten Assistance	Family Services	61,224	91,897	53,660	38,237	38,237	Funding to be carried over for allocation to kindergartens when confirmed Aboriginal Torres Strait Islander data is received from DEECD and local indigenous representatives.
D54711 - Regional Parenting Service	Family Services	0	275,448	147,351	128,097	128,097	Fully funded project. Plans are in place to ensure expenditure within funding year. Additional programs, including outreach and 1:1 intensive parenting programs are planned for the 14/15 financial year.
COMMUNITY SERVICES TOTAL						3,611,594	
D12701 - Regional Marketing Alliance	Communications & Marketing	4,125	4,125	0	4,125	4,125	Balance required to complete project
D14125 - Rostering System	Organisation Development	35,000	35,000	0	35,000	35,000	Required for project
D21201 - Oracle Financials New Chart	Financial Services	100,000	100,000	0	100,000	100,000	Required for Oracle Upgrade
CORPORATE SERVICES TOTAL						139,125	
D60253 - Skilled Migration Program	Enterprise Geelong	167,041	167,041	117,492	49,549	48,049	Balance of State Gov funding for RCB program
D60257 - Geelong Region Digital Strategy	Enterprise Geelong	57,635	57,635	37,572	20,063	20,063	Program is the final draft stage.
D60258 - Greater Geelong Employment Project	Enterprise Geelong	409,091	409,091	319,274	89,817	89,817	Balance of funding will be returned to DEEWR
D60268 - Disruptive Tech Advances in Wearable Sensors Study	Enterprise Geelong	0	60,000	40,000	20,000	20,000	Balance to be paid for final milestone
D60271 - Land 400 Business Office	Enterprise Geelong	0	111,200	51,073	60,127	60,127	Partner Contribution and State Funding to be carryover
D60274 - Jobs Fair	Enterprise Geelong	0	50,000	51,318	(1,318)	9,410	Income from partnership to spend in 14/15
ENTERPRISE GEELONG						247,466	
D60100 - G21 Regional Land Use Plan	Planning & Tourism Admin	380,013	380,013	301,658	78,355	78,355	Carryover required to undertake additional land supply analysis and undertake a strategic analysis and plan for the Geelong – Werribee interface buffer. Carry over amount is unspent funding from DTPLI.
D60579 - Lara Town Centre Expansion Project	Planning Strategy	300,000	300,000	78,042	221,958	221,958	Carryover required to finalise variations of Development Agreement with Coles and other associated fees.
D60586 - Armstrong Crk Comm Infra Proj	Planning Strategy	97,423	97,423	47,305	50,118	50,118	Balance of State gov't grant to fund Corio/Norlane & Armstrong Creek Project Officer for 2014-15

Job No	Business Unit	Annual Amended Budget \$	Annual Projection \$	YTD Actual	Variation (Projection v Actual) \$	Carryover Request \$	Comments
D60590 - Future Proofing Geelong	Planning Strategy	615,512	615,512	441,169	174,343	175,243	Project is ongoing and existing budget has been committed towards existing projects including Cleantech Innovations Geelong, commercial buildings energy assessment grants program and other ongoing projects. The carryover is required in order to meet program commitments.
D60598 - Freight & Logistics Gateway Project	Planning Strategy	75,719	75,719	2,104	73,615	73,615	Working with stakeholders to implement the adopted Geelong Port and Land Infrastructure Plan. Currently resolving the detail of partnering with key stakeholders on a consultant brief to undertake further detailed work on key recommendation/s of the Infrastructure Plan, this will ensure value for money for Council. Delay in budget expenditure has been related to resolving the details of this approach.
D65A00 - Heritage Study - Indented Heads	Planning Strategy	9,016	9,016	1,012	8,004	8,004	Remaining funds required for consultant fees and printing of the final report
D65A07 - Retail Strategy Review	Planning Strategy	60,000	120,000	6,240	113,760	113,760	A consultant brief has been developed and released, a consultant will be engaged by end of July 2014 to deliver the Strategy.
D65A08 - Rural Planning Policy Review	Planning Strategy	60,000	60,000	0	60,000	60,000	Project was delayed due to resourcing constraints and as a result it will be well informed with the benefit of 12 months of the new zones being implemented in relation to the challenges and issues that need to be addressed. Project scoping has commenced and specialist consultants will be engaged to provide input.
D65A09 - Ocean Grove Town Centre Masterplan	Planning Strategy	100,000	190,000	84,228	105,772	105,772	Ongoing project with State Government Funding. Implementation Plan post adoption of Urban Design Framework by Council is progressing.
D65A10 - North of Portarlington Road, Leopold - bay access and no	Planning Strategy	100,000	100,000	0	100,000	100,000	Consultant brief is being finalised to undertake a capacity analysis of land to the north and west of the existing township boundary.
D65A19 - Bellarine Peninsula Localised Planning Statement	Planning Strategy	0	10,000	7,381	2,619	12,619	This is a State Government initiated and funded project. The Statement is currently on public exhibition and will be adopted by Council before being submitted to the Minister for Planning
PLANNING & TOURISM						999,444	
D64114 - Waterworld Masterplan (Nth Gateway)	Leisure Services	Expenditure 50,000 Income 0	150,000 (100,000)	79,412 (80,000)	70,588 (20,000)	70,588 (20,000)	Project funded by grant.
D64115 - Splashdown Gymnasium & Office Masterplan	Leisure Services	0	30,000	21,600	8,400	8,400	Required to complete project
D66103 - International Sports Procurement Strategy	Sport & Recreation	30,000	30,000	0	30,000	30,000	This \$30,000 is required for matching funds for an RDV grant. The RDV grant was awarded in June 2014.
D66108 - Geelong Rowing Association	Sport & Recreation	100,000	100,000	0	100,000	100,000	This required as a contribution toward projects being undertaken in Rowing precinct. The works are scheduled to occur in 2014/15 and have been delayed due to a planning process being undertaken by the CCMA.
D66177 - Belmont Criterium Track Facilities Feasibility	Sport & Recreation	19,728	19,728	17,908	1,820	1,820	Required to support a flood study required as part of the development of this facility.
D66187 - Barwon Sports Academy	Sport & Recreation	50,000	50,000	47,583	2,417	2,417	Required to assist with Office fit-out for Barwon Sports Academy. Works have been procured and will commence in July, 2014
D66191 - Regional Soccer Strategy	Sport & Recreation	10,213	10,213	7,100	3,113	3,113	Outstanding invoices
D66A03 - Drysdale Rec Res Cultural Heritage Man Plan	Sport & Recreation	41,100	41,100	35,354	5,746	5,746	Outstanding invoices
D66A08 - Stead Park & Wayfinding Signage	Sport & Recreation	10,230	10,230	0	10,230	10,230	Works procured, works scheduled mid August
D66A16 - Open Space Strategy	Sport & Recreation	Expenditure 128,000 Income (30,000)	148,000 (45,000)	21,895 (42,000)	126,105 (3,000)	126,105 (3,000)	Works under contract
D66A19 - Sustainable Sports Strategy	Sport & Recreation	35,830	35,830	6,043	29,787	29,787	Works under contract
D66A21 - Drysdale Bowls Facility Plan	Sport & Recreation	0	5,000	4,000	1,000	1,000	Works under contract
D67133 - Bell Park Sports Club Changerooms Plans	Capital Projects	25,000	25,000	20,000	5,000	5,000	Required to complete project
D67139 - Barwon River Dredging	Capital Projects	0	500,000	73,426	426,574	426,574	Project funded by grant.
D67143 - Evans Reserve Asbestos Remediation	Capital Projects	0	0	233,005	(233,005)	(180,000)	2014-15 Budget present in 2013-14
D73313 - Eastern Beach Dredging	Central Geelong & Waterfront	69,018	69,018	62,323	6,695	6,695	Carryover required to complete dredging trials. Delay in project due to DEPT approvals.
D73315 - Central Geelong Partnership Project	Central Geelong & Waterfront	100,000	100,000	0	100,000	100,000	Project will be rolled out in 14/15 as part of the Central Geelong Task Force actions

Job No	Business Unit	Annual Amended Budget \$	Annual Projection \$	YTD Actual	Variation (Projection v Actual) \$	Carryover Request \$	Comments
D81113 - Central Geelong Strategic Sites Opportunity Project	Central Geelong Task Force Expenditure Income	0 0	120,000 (70,000)	39,590 (63,000)	80,410 (7,000)	80,410 (7,000)	Carryover is required to ensure final consultant payments and to allow for a project variation approved by RDV.
D74130 - Mineral Springs	Strategic Projects / Urban Design Expenditure Income	53,849 0	138,849 (85,000)	12,200 (25,000)	126,649 (60,000)	126,649 (60,000)	The money is committed and work is in progress
D11730 - Major Events to be confirmed	Events Services	670,846	220,455	112,000	108,455	108,455	Geelong Major Events funding allocation unspent
PROJECTS, RECREATION & CENTRAL GEELONG						972,989	
						6,957,100	

10. ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

Portfolio:	Finance – Cr Lyons (Mayor) Cr S Kontelj & Cr E Kontelj
Source	Corporate Services - Financial Services
A/General Manager:	Michael Kelly
Index Reference	Financial Management - Reporting

Purpose

To authorise two Councillors to certify the 2014 Financial Statements.

Summary

- The 2013-2014 Financial Statement of Accounts, Standard Statements and Performance Statement have been prepared and reviewed by the Victorian Auditor General's Office (VAGO).
- These Statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards.
- The 2014 Revaluation of Land, Buildings and Land Under Roads and adjusting entries are included in these Statements.
- These Statements, along with any recommended amendments arising from the Audit Advisory Committee meeting will be submitted to Council at its meeting on Tuesday, 26 August 2014.
- The draft closing audit report has been received from VAGO and there were no major issues of high risk to the Council.
- Under Sections 131 and 132 of the Local Government Act 1989, Council is required to pass a resolution giving "In Principle" approval to the Statements and authorise two Councillors to certify the Statements in their final form.
- Following consideration by Council the "Financial Statement of Accounts", the "Standard Statements" and the "Performance Statement", together with a copy of the Council Resolution that nominates two Councillors and accepts the Statements "In Principle", will be provided to the Auditor General.
- Under Section 134 of the Local Government Act 1989, as soon as practicable after the Annual Report has been sent to the Minister, the Council must hold a meeting to discuss the Annual Report, including the Annual Financial Statements and the Auditors Report.

Cr S Kontelj moved, Cr E Kontelj seconded -

That Council:

- 1) gives approval in principle to the "Financial Statement of Accounts", the "Standard Statements" and the "Performance Statement" (as per Appendix 1); and**
- 2) authorise two Councillors being the Mayor, Cr D Lyons and Cr S Kontelj to certify the Statements subject to any changes recommended and agreed with the Auditor General.**

Carried.

Background

Under Section 131 of the Local Government Act 1989 (LGA), a Council must in respect of each financial year, prepare an Annual Report that includes audited Standard Statements, Financial Statements and a Performance Statement for the financial year. These statements must be prepared in the prescribed manner and form and be certified by the Auditor General.

Council is required to approve "in principle" the Statements prior to receiving certification from the Auditor General. Council's approval requires nominating two Councillors to certify those Statements in their final form.

The Statements are being reviewed by the Auditor General and may be returned with or without amendment. Once the report of the Auditor General has been received, the two nominated Councillors, the Chief Executive Officer and the Principal Accounting Officer are required to sign the Accounts which will be returned to the Auditor General who will then issue the audit report.

The Standard Statements, Financial Statements and the Performance Statement all form part of Council's Annual Report that must be submitted to the Minister within three months of the end of the financial year. Further, Council must also review the Annual Report in a meeting open to the public as soon as possible after the report is sent to the Minister.

Discussion

The Financial Statement of Accounts 2013-2014 record a satisfactory period of operation reflected in high closing cash balances and significant asset growth.

There was one "Non operating" issue impacting on the accounts – revaluation of Land, Buildings and Land Under Roads.

The asset classes Land, Buildings and Land Under Roads were revalued at 1 January 2014 with the previous revaluation date being 1 January 2012. The outcome of the revaluation was a \$17.1M increase in asset values via the asset revaluation reserve.

Standard Statements Performance Commentary

The 2013-2014 recurrent or operating result was a deficit of \$8.1M or \$9.1M unfavourable to adopted budget. This unfavourable variance is due to the receipt of \$7.5M in Grant Commission income in June 2013 and unfavourable Program and Activity Fees of \$2.9M.

The non recurrent result was a surplus of \$48.9M or \$3.2M favourable to budget. This was due to early receipt of income for capital projects which was partially offset by costs expensed from Capital Work In Progress.

Capital expenditure originally budgeted at \$78.7M was increased to \$98.9M with the impact of carryover 2013-2014 expenditure and other authorised increases. The actual expenditure of \$72.9M is 87% of the adopted budget.

The major projects still to be completed are Corio Landfill Rehabilitation \$11.0M, Geelong Library & Heritage Centre \$7.1M, Grovedale Integrated Children's Centre \$2.0M, Leopold Community Hub \$2.0M, GLHC Car Park \$1.2M, Barwon Heads Kindergarten \$1.2M, Rosewall Kindergarten Rebuild \$1.2M, Windsor Park Children's and Family Hub \$1.1M, Ocean Grove Integrated Children's Centre \$1.0M, Lara Town Centre Expansion \$0.8M, Griggs Creek Rehabilitation \$0.7M and Heavy & Dedicated Vehicles \$0.6M. A separate report to Council will recommend carry over funds to complete 2013-2014 Projects (i.e. 2014-2015 Budget Amendments).

Council's closing cash balance was \$24M favourable to Budget, with incomplete projects, deferral of landfill rehabilitation project and a more favourable opening cash position.

	Actual \$M	Adopted Budget \$M	Var Fav/(Unfav) \$M
Recurrent Surplus/(Deficit)	(8.1)	1.0	(9.1)
Non-Recurrent Surplus/(Deficit)	48.9	45.7	3.2
Net Surplus/(Deficit)	40.8	46.7	(5.9)
Capital Expenditure	72.9	83.8	10.9
Closing Net Cash Positive/(Neg)	75.3	51.2	24.1

Council's Capital Work in Progress balance as at the end of June was \$59.2M. This was a \$9.1M increase on the previous years balance.

The following comments are provided relative to the Standard Income Statement, the Statement of Cashflows, the Balance Sheet and the Statement of Capital Works. The detailed Statements are attached in Appendix 1.

Income Statement

The Recurrent Deficit for 2013-2014 of \$8.1M was \$9.1M unfavourable to adopted budget.

Recurrent Income of \$267.7M was \$8.0M unfavourable to budget mainly due to:

- Rates generation and Supplementary Valuations (\$0.4M favourable);
- Grants Commission income received in June 2013 (\$7.5M unfavourable);
- Waste disposal (\$0.5M favourable) offset by various Activity and Program Fees (\$2.9M unfavourable); and
- Interest on Investments (\$1.0M favourable).

Recurrent Expenditure of \$275.9M was \$1.1M unfavourable to budget mainly due to:

- Employee Related Costs \$3.7M favourable;
- Supplementary Labour (\$1.8M) unfavourable; Waste disposal using Wyndham Landfill (\$2.5M) unfavourable; Marketing and Advertising (\$0.6M) unfavourable, Events (\$0.2M) unfavourable and Contributions (\$0.4M) unfavourable;
- Interest \$1.1M favourable; and
- Consultants (\$1.5M) favourable and Audit Services (\$0.2M) offset by legal expenses (\$0.4M) unfavourable.

The Non Recurrent Result of \$48.9M was \$3.2M favourable to budget. There was favourable Capital Grants and Income due to early receipt of income for capital projects (\$3.9M) and Insurance recovery for a destroyed building (\$0.7M). These were partially offset by costs expensed from Capital Work in Progress (\$2.9M).

Statement of Cash Flows

Council's cash position at the end of the year is \$75.3M or \$24M favourable to budget with favourable rates, supplementary valuations and developer contributions. Higher levels of cash were also invested during the year due to lower than budget capital spend. The loan for \$11.8M was drawn down in Oct 2013, however the loan for \$16.5M was deferred until 2014-2015. There was lower payments for Assets due to incomplete projects (\$18M).

The cash balance will provide funds to complete capital projects carried over from 2013-2014 and working capital to ensure service provision continues at the same levels in 2014-2015.

Balance Sheet

The Balance Sheets shows that Council has a very strong asset position with over \$1.9 billion worth of assets that are used to provide services to the community.

Current Assets were \$25M favourable to budget with an increase in cash due to lower than budgeted capital expenditure, higher than budgeted 1 July 2013 cash position.

Current Liabilities were (\$6.6M) unfavourable due to an increase in refundable deposits collected during the year and a general increase in payables.

Non current liabilities were \$7.8M favourable to budget. Loan balance was \$14.7M favourable to budget due to the timing of capital projects and employee benefits were favourable to budget \$5.2M. This was partially offset by higher than budget Landfill Provision (\$11.3M) due to work on the Corio Landfill Rehabilitation being deferred and a recalculation of rehabilitation costs.

Statement of Capital Works

Council has an extensive capital works program to renew, upgrade and provide new assets to ensure the continuation and improvement of services provided to the community. Council spent \$72.9M on capital works in 2013-2014 and included the following highlights:

		\$M
• Road replacement and construction	14.9	
• Geelong Library & Heritage Centre		6.2
• Ocean Grove Integrated Children's Centre		4.5
• Drysdale Landfill Cell 6		3.7
• Footpath replacement and construction		3.2
• Simonds Stadium Players Stand		3.0
• Drainage replacement and construction		2.7
• Plant and vehicles		2.7
• Leopold Community Hub		2.7
• Grovedale Integrated Children's Centre		1.7
• Stead Park Hockey Precinct	1.6	
• Kerb & Channel replacement and construction	1.3	
• Windsor Park Children & Family Hub	1.1	
• Barwon Heads Kindergarten		1.1
• IT Asset Replacements		0.9
• Open Space Strategy		0.8
• Drysdale Landfill Cell 4a		0.7
• Building Renewal Works		0.7
• Corio Landfill Rehabilitation		0.7
• Elcho Basin		0.6
• Playground Development Program		0.5

The external audit was completed on Friday, 15 August by Victorian Auditor General's Office (VAGO). There were no major issues affecting the Financial Statements and a closing report will summarise Audit findings.

Environmental Implications

Incomes and Expenditures on Council's environmental preservation and enhancement programs are included in the Financial Statements.

Financial Implications

As detailed within the accompanying financial statements – Appendix 1.

Policy/Legal/Statutory Implications

Under Section 131 of the Local Government Act the Council must in respect of each financial year prepare an Annual Report, which includes audited financial statements for the financial year.

Under Section 131 a Council must not submit the Financial Statements to its auditors or the Minister unless it has passed a resolution giving its approval "in principle" to the statements.

Under Section 131 a Council must authorise two Councillors to certify the Statements in their final form after any changes recommended, or agreed to with the auditor.

The actions outlined in this report are aimed at complying with the requirements of the Act.

Alignment to City Plan

The Annual Financial Report highlights that 2013-2014 Council operations have been managed in a responsible manner. The results contribute to responsible and sustainable financial management as aligned in Council's City Plan objective on the How We do Business.

Officer Direct or Indirect Interest

Council staff preparing this report have no direct or indirect interest.

Risk Assessment

The Statements are released as a draft and are still subject to being signed off by the Auditor General.

Social Considerations

The attached report represents a full and open disclosure of the financial position for the benefit of the community.

Human Rights Charter

There are no known positive or negative effects.

Consultation and Communication

The Financial Statement of Accounts, The Standard Statements and the Performance Statement will be available to the public as part of the Council Agenda.

NOTICE OF MOTION – Cr Heagney

GEELONG WEST BOWLING CLUB

Background

At its Meeting of 12 August 2014, Council resolved to send a letter to residents within a 2km radius of the Geelong West Bowling Club, outlining the planning process for submissions. The estimated cost to Council of distributing letters within a 2km radius is anticipated to be approximately \$15,000.

Cr Heagney moved, Cr Irvine seconded -

That Council sends a letter to residents within the area bounded by Church Street, Shannon Avenue, Aberdeen Street and Latrobe Terrace, outlining the planning process for submissions when a development is presented to Council, advising that an application could be made to the Supreme Court by the Bowling Club to remove the Covenant.

Carried.

ASSEMBLY OF COUNCILLORS RECORD

Portfolio: Governance – Cr Lyons (Mayor)
Source: Corporate Services
Act/General Manager: John Brown

Summary

- Section 80A (2) of the Local Government Act 1989 requires the record of an Assembly of Councillors be reported to the next practicable Ordinary Meeting of Council.
- A record of Assembly of Councillors meeting(s) is attached as an Appendix to this report.

Cr Irvine moved, Cr Heagney seconded -

That the information be received.

Carried.

RECORD OF ASSEMBLIES OF COUNCILLORS
(Council Meeting 26 August 2014)

Assembly Details	Councillor Attendees	Officer Attendees	Matters Discussed	Conflict of Interest Disclosures
Graffiti Reference Group Meeting 12 August 2014	Cr Farrell	H Manzl (CO ORD) J Brown (OFF) M McKenzie (OFF) Z Smith(OFF) J Wager (CO ORD)	• Audit Update • Budget • Police and Court Report • Graffiti Team Leader Report • Department of Corrections Report	Nil.
Councillor Briefing 19 August 2014	Crs Ansett, Ellis, Farrell, Fisher, Harwood, Heagney, Irvine, Macdonald, Nelson, Richards	D Frost (A/CEO) J McMahon (GM) P Bettess (GM) G Van Driel (GM) S Cavanagh (A/GM)) J Brown (A/GM) S Sodomaco (MGR) A Morris (OFF) R Bourke (CO ORD) A Paterson (EO – MAYOR)	• Presentation – Sustainable Farms • Presentation – Coal Seam Gas • Review of Local law • 2014-2015 Budget Amendments • Yarra Street Pier Update • Motocross • Asset Management and Maintenance by Council • Barwon South West Waste and Resource Recovery Group • Geelong Queenscliff Coastal Adaptation Strategic Partnership Group Membership • Food Policy and Consultation Process • Amendment C280 – Rezoning Application for Ash Road West, Leopold • Revocation of Flood Prone Area Designation of New Lots at Warralily Estate Stages 29, 30 and 31 • Annual Financial Report for the year ended 30 June 2014	Nil.

PLANNING DELEGATIONS

Portfolio: Planning - Cr Heagney
Source: Planning & Tourism - City Development
General Manager: Peter Bettess
Index Reference: Delegation

Summary

- Section 98 of the Local Government Act 1989 and section 188 of the Planning and Environment Act 1987 empower Council to delegate its powers, duties and functions under relevant legislation to members of Council staff.
- Council may also delegate to committees comprising Councillors and staff or a combination of both, pursuant to sections 86 and 87 of the Local Government Act and section 188 of the Planning and Environment Act.
- At its meeting on 13 March 2007 Council established a Planning Committee and a Development Hearings Panel with delegated powers to determine upon any development applications which have been the subject of an objection or in circumstances where officers have recommended refusal of the application.
- At its meeting on 23 September 2008 Council adopted a recommendation to allow Officers (restricted to Manager, Coordinator and Team Leader level) the ability to consider and approve applications with five or less objections.
- The appendix to this report contains a schedule of all applications determined under these delegations.

Cr Ansett moved, Cr Macdonald seconded -

That the information be received.

Carried.

As there was no further business the meeting closed at 8.40pm. Tuesday, 26 August 2014.

Signed: _____
Chairperson

Date of Confirmation: _____

Monthly Planning Decisions Report - July 2014

App No	Location	Application Type	Decision Date	Description	Authority Description
1534/2012	2-4 Austin Place, GROVEDALE VIC 3216	2 Lot Subdivision	04/07/2014	NOD - Planning Permit	Development Hearings Panel
487/2014	57 South Street, BELMONT VIC 3216	Construction of Two (2) Dwellings, Two (2) Lot Subdivision and Removal of Easement (E-1 on LP13162 - Lot 36)	04/07/2014	NOD - Planning Permit	Development Hearings Panel
208/2014	254 Wilsons Road, ST ALBANS PARK VIC 3219	Development of the Land for Four Dwellings (Including the Retention of the Existing Dwelling) and a Four Lot Subdivision	18/07/2014	Refusal to Grant a Planning Permit	Development Hearings Panel
238/2012/B	22-40 Hardings Road, WALLINGTON VIC 3222	Change of Use to Place of Assembly (Function Centre) Amendment: Change Condition 6 to allow 22 functions per calendar year, Change Condition 9 to allow the southern barn doors to remain open when music is not being played	18/07/2014	Refusal to Grant a Planning Permit	Development Hearings Panel
435/2014	1/310-312 Boundary Road, BREAKWATER VIC 3219	Change of Use to an Indoor Recreation Facility (Dance School)	01/07/2014	NOD - Delegate	Delegates Authority - Objectors 2
79/2014	210 Wandana Drive, WANDANA HEIGHTS VIC 3216	To use and develop part of the land for an industry (micro-brewery)	03/07/2014	NOD - Delegate	Delegates Authority - Objectors 1
1103/2013	7 Essington Street, GROVEDALE VIC 3216	Building and Works to Construct Two Warehouses, Use of the Land (Part) for Restricted Retail Premises and a Reduction of Car Parking Requirements as Contained in Clause 52.06	07/07/2014	NOD - Delegate	Delegates Authority - Objectors 3
1392/2013	33 Girton Crescent, MANIFOLD HEIGHTS VIC 3218	Building and Works to Construct an Extension and Alterations to an Existing Dwelling, a Front Fence, Swimming Pool and Partial Demolition	07/07/2014	NOD - Delegate	Delegates Authority - Objectors 2
296/2014	63 Golf Links Road, BARWON HEADS VIC 3227	Use the Land for Veterinary Centre and Buildings and Works to the Existing Building and Display of Internally Illuminated Business Identification Signage	08/07/2014	NOD - Delegate	Delegates Authority - Objectors 2

Monthly Planning Decisions Report - July 2014

App No	Location	Application Type	Decision Date	Description	Authority Description
1102/2013	11 Malvern Grove, MANIFOLD HEIGHTS VIC 3218	Construction of Two (2) Dwellings and Two (2) Lot Subdivision	09/07/2014	NOD - Delegate	Delegates Authority - Objectors 2
221/2014	37 Sladen Street, HAMLYN HEIGHTS VIC 3215	Construction of Three (3) Dwellings and Three (3) Lot Subdivision	11/07/2014	NOD - Delegate	Delegates Authority - Objectors 3
1476/2013	38 The Terrace, OCEAN GROVE VIC 3226	Construction of Two Dwellings (Two Storey) and Two Lot Subdivision	14/07/2014	NOD - Delegate	Delegates Authority - Objectors 3
452/2014	56 Portarlinton Road, NEWCOMB VIC 3219	Construction of Second Dwelling & Two (2) Lot Subdivision	21/07/2014	NOD - Delegate	Delegates Authority - Objectors 1
1520/2013	205 Hope Street, GEELONG WEST VIC 3218	Partial demolition of dwelling, demolition of outbuildings and fencing and buildings and works to extend existing dwelling, construct a double storey dwelling at the rear of the existing dwelling and construct fencing and a crossover	24/07/2014	NOD - Delegate	Delegates Authority - Objectors 3
323/2014	41 Nicholas Street, NEWTOWN VIC 3220	Partial Demolition of Dwelling, Demolition of Garage, Alterations and Additions to Dwelling including the Construction of a Front Fence, Construction of a Second Dwelling and Two Lot Subdivision	24/07/2014	NOD - Delegate	Delegates Authority - Objectors 1
4/2014	16 Station Lake Road, LARA VIC 3212	Business identification signage	28/07/2014	NOD - Delegate	Delegates Authority - Objectors 2
245/2014	163 The Esplanade, PORTARLINGTON VIC 3223	Removal of Existing Dwelling and Construction of a new Dwelling	31/07/2014	NOD - Delegate	Delegates Authority - Objectors 3
360/2014	43 Midden Terrace, BARWON HEADS VIC 3227	Construction of Double Storey Dwelling	31/07/2014	NOD - Delegate	Delegates Authority - Objectors 2