



Ordinary Meeting of Council Agenda

**to be held on Tuesday 6 March 2012 at 6.30 pm
at the Fitzroy Town Hall**

Disability - Access and Inclusion to Committee and Council Meetings:

Facilities/services provided at the Richmond and Fitzroy Town Halls:

- Entrance ramps and lifts (off Moor Street at Fitzroy, entry foyer at Richmond)
- Hearing loop (Richmond only), the receiver accessory may be accessed by request to either the Chairperson or the Governance Officer at the commencement of the meeting, proposed resolutions are displayed on large screen and Auslan interpreting (*by arrangement, tel. 9205 5110*)
- Electronic sound system amplifies Councillors' debate
- Interpreting assistance (*by arrangement, tel. 9205 5110*)
- Disability accessible toilet facilities

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Order of business

- 1. Statement of recognition of Wurundjeri Land**
- 2. Attendance, apologies and requests for leave of absence**
- 3. Declarations of conflict of interest (Councillors and staff)**
- 4. Confirmation of minutes**
- 5. Petitions and joint letters**
- 6. Public question time**
- 7. General business**
- 8. Delegates' reports**
- 9. Questions without notice**
- 10. Council business reports**
- 11. Notices of motion**
- 12. Urgent business**
- 13. Confidential business reports**

1. Statement of Recognition of Wurundjeri Land

“Welcome to the City of Yarra. Council acknowledges the Wurundjeri community as the first owners of this country. Today, they are still the custodians of the cultural heritage of this land. Further to this, Council acknowledges there are other Aboriginal and Torres Strait Islander people who have lived, worked and contributed to the cultural heritage of Yarra.”

2. Attendance, apologies and requests for leave of absence

Anticipated attendees:

Councillors

- Cr Geoff Barbour (Mayor)
- Cr Alison Clarke
- Cr Jackie Fristacky
- Cr Josh Funder
- Cr Sam Gaylard
- Cr Stephen Jolly
- Cr Anthony Main
- Cr Dale Smedley
- Cr Amanda Stone

Council officers

- Andi Diamond (Chief Executive Officer)
- Vito Albicini (Director Infrastructure Services)
- Jack Crawford (Director Corporate and Financial Services)
- Ivan Gilbert (Executive Manager Governance)
- Craig Kenny (Director Community Programs)
- Bruce Phillips (Director City Development)
- Margaret Elvey (Governance Officer)

3. Declarations of conflict of interest (Councillors and staff)

4. Confirmation of minutes

Recommendation

That the minutes of the Ordinary Council Meeting held on Tuesday 21 February 2012 be confirmed.

5. Petitions and joint letters

6. Public question time

Yarra City Council welcomes questions from members of the community.

Public question time is an opportunity to ask questions, not to make statements or engage in debate.

Members of the public who wish to participate are to:

- (a) state their name clearly for the record;
- (b) direct their questions to the chairperson;
- (c) ask a maximum of two questions;
- (d) speak for a maximum of five minutes;
- (e) refrain from repeating questions that have been asked previously by themselves or others; and
- (f) remain silent following their question unless called upon by the chairperson to make further comment.

7. General business

8. Delegates' reports

9. Questions without notice

100. Council business reports

Item		Page	Rec. Page	Report Presenter
10.1	Outcomes of Consultation on the Proposal to Make Smith Reserve, Fitzroy, a Dog Off Leash Park	6	9	Justin Hanrahan - Manager Recreation and Open Space
10.2	Review of Council Funding to Community Housing Associations	10	17	Ross Goeman - Manager Community Planning and Advocacy
10.3	Asset Management Strategy Review	18	22	Bill Sharpe - Manager Sustainable Asset Management

11. Notices of motion

Nil

12. Urgent business

13. Confidential business reports

Item	
13.1	Contractual matters
13.2	Matters relating to the security of Council property
13.3	Matters prejudicial to Council and/or any person

10.1 Outcomes of Consultation on the Proposal to Make Smith Reserve, Fitzroy, a Dog Off Leash Park

Trim Record Number: D12/4850

Responsible Officer: Director, Infrastructure Services

Purpose

1. To inform Council of the outcomes of consultation on the proposal to make Smith Reserve, in Cecil Street Fitzroy, a dog off leash park.

Background

2. In June 2011 Council received a petition from approximately 20 Fitzroy residents requesting that Council amend the status of Smith Reserve, Cecil Street Fitzroy (adjacent to the Fitzroy pool) from dog on leash to dog off leash.
3. The park is currently classified as on leash by Council Resolution in 1999 and the status of the park was confirmed via the Domestic Animal Management Plan (DAMP), endorsed by Council in 2009.
4. Under the DAMP, parks, and selected sites within a park, can be classified as on-leash, off-leash or dogs prohibited. Council has 34 parks identified as being off-leash in part or whole and five (5) parks are time-share parks, where dogs can be exercised off leash before 8am and after 5pm. (Attachment 1)
5. In 2006 Council received multiple requests from the local community to install a children's playground at the western end of Smith Reserve. Following installation of the playground, playground users requested that Council fence the playground in response to the dog off leash activity within the park. A fence was installed around the playground in 2007.
6. Smith Reserve is classified as a "Local Park" in the Yarra Open Space Strategy and is approximately 4,700m². Officers and residents are aware that the park is regularly used to exercise dogs off leash despite its status as an on leash park.

Consultation

7. In response to the petition received in June 2011, officers sought feedback from the community on the matter between 20 September and 13 October 2011 by installing signs in the park calling for input from residents (Attachment 2).
8. Council received a total of 42 responses and 34 out of 42 (81%) of responses supported changing the status of Smith Reserve to off leash, while 1 response advocated a time share status.
9. Of the 35 who supported a change to the status of the park, 18 identified themselves as dog owners and 14 as local residents.
10. Seven out of the 42 (17%) responses opposed changing the status of the reserve to off leash. The primary concerns related to conflict between dogs off leash and other park users.
11. A full copy of all submissions received has been made available for the information of Councillors.

Financial Implications

12. Should the status of Smith Reserve be amended to be an off-leash park, additional signage will be required to indicate that the area is a time share or off-leash dog zone. The cost of installing such signage is minimal (less than \$1,000) and can be accommodated within the Open Space maintenance budget.

Economic Implications

13. There are no economic implications associated with this report.

Sustainability Implications

14. There are no sustainability implications associated with this report.

Social Implications

15. Dog off leash areas create a sense of community and belonging by providing a place to meet and communicate for dog owners. Dog walking also provides an exercise option for dog owners and their dogs and off leash areas allow dogs to develop important social skills with other dogs.

Human Rights Implications

16. There are no human rights implications associated with this report.

Council Plan, Strategy and Policy Implications

17. The Domestic Animal Management Plan (DAMP), endorsed by Council in 2009 provides the following conditions that affect Smith Reserve:
- (a) Playgrounds:
 - (i) Dogs must be kept on-leash within 30 metres of all unfenced playground areas;
 - (ii) Dogs are not allowed within five metres of the mulch area of playgrounds; and
 - (iii) In off-leash reserves dogs must be on-leash between five and 20 metres from the mulch area of the play equipment, unless the playground is unfenced, in which case dogs must be on-leash within 30 metres.
 - (b) Shared pathways:
 - (i) Dogs must be kept on-leash on shared pathways and five metres either side, even if pathways run through off-leash areas.
 - (c) Barbeque and picnic facilities:
 - (i) Dogs must be kept on-leash within 30 metres of all barbeque and picnic facilities.
18. This information is available on the City of Yarra website for all residents and a fact sheet is also distributed to owners annually as part of the pet registration information (Attachment 3).

Legal Implications

19. Smith Reserve is freehold land owned by the City of Yarra.
20. Under Section 26 of the *Domestic (Feral and Nuisance) Animals Act 1994*, if a Council resolves to make an order to impose conditions on the presence of dogs in a public place including conditions as to the means of restraint of dogs, that order “must be published in the Government Gazette and in a newspaper circulating in the municipal district of the Council making the order”.

Other Issues

21. There are no other issues associated with this report.

Options

Option 1 – Retain Smith Reserve as a dog on-leash park

22. Pros:
- (a) limits the likelihood of conflict between animals exercising off leash and other park users.

23. Cons:

- (a) this is not reflective of the outcomes of the community consultation where a majority of respondents (81%) requested that the reserve is declared off leash.

Option 2 – Amend the status of Smith Reserve to declare it a time share park

24. Pros:

- (a) would allow dog owners to have some off-leash time at hours where playground, BBQ and general park usage is lower;
- (b) limits the likelihood of conflict between animals exercising off leash and other park users during peak times; and
- (c) reflects, in part, the outcomes of the community consultation where a majority of respondents (81%) requested that the reserve is declared off leash.

25. Cons:

- (a) time share status (before 9.00am and after 5.00pm) was the preferred option on only one respondent.

Option 3 – Amend the status of Smith Reserve to declare it an off-leash park

26. Pros:

- (a) reflects, in part, the outcomes of the community consultation where a majority of respondents (81%) requested that the reserve is declared off leash.

Cons:

- (a) does not reflect the concerns of residents who identified conflict between dogs and other park users as an issue.

Conclusion

- 27. The current off leash status of Smith Reserve has not prevented local residents from exercising their dogs off leash in the park. The petition received by Council provided an initial level of support for the proposed change to dog off leash, and was substantiated during consultation.
- 28. Smith Reserve is not a large park at 4700m², but is well used for a variety of purposes and access to the nearest off leash park (Edinburgh Gardens) is poor in that residents are required to cross Alexandra Parade and Queens Parade.
- 29. In order to comply with the regulations in the Domestic Animal Management Plan, the off leash area would be restricted to that portion of the park 30m east of the BBQ area. To advise dog owners of their requirement to keep dogs clear of the BBQ area, additional signage can be installed.
- 30. To formally amend the status of Smith Reserve from on leash to off leash, Council must comply with Section 26 of the *Domestic (Feral and Nuisance) Animals Act 1994*.

RECOMMENDATION

1. That Council:
 - (a) notes the feedback received during the consultation process;
 - (b) endorses Smith Reserve, Cecil Street, Fitzroy as a dog off leash park; and
 - (c) authorises officers to commence the formal advertising process as required by the *Domestic (Feral and Nuisance) Animals Act 1994*.

CONTACT OFFICER: Justin Hanrahan
TITLE: Manager Recreation and Open Space
TEL: 9205 5720

Attachments

- 1 Dog Off Leash Reserves
- 2 Smith Reserve Consultation Sign
- 3 Dogs and Cats Fact Sheet

10.2 Review of Council Funding to Community Housing Associations

Executive Summary

Purpose

To present to Council the independent *Review of Community Housing Associations and Affordable Housing in Local Government Areas (2011)* and provide strategic options for supporting affordable housing in the short and longer term, specifically considering: the viability of the Community Housing Association sector; the appropriateness of the current rate rebate; and the best means for Council to render support to current and future tenants of affordable housing and the sectors that supports them.

Key Issues

Community housing is managed by not-for-profit housing organisations (CHAs) who act as landlords to families or individuals on low to moderate incomes, providing long term security of tenure in quality-built homes at an affordable rental rate.

From mid 2004 to mid 2011, Council provided a rate waiver to CHAs as a community grant. Select annual costs over time were: 2004-05 (\$10,358 for 24 properties); 2008-09 (\$25,213 for 69 properties); 2010-11 (\$45,524 for 69 properties). CHAs accessed Commonwealth Nation Building funds to considerably expand their property portfolios: a total 202 additional properties in Yarra. The rate waiver became prohibitive with an estimated cost to Council of \$185,500 for 271 properties. In May 2011 Council directed the rate waiver be replaced with an interim rate rebate, equivalent to the existing pensioner rebate of \$130 per property costing \$35,230 per annum.

The CHAs' property purchasing model operates on a form of fixed debt equity whereby the Victorian Government guarantees 75 percent investment in future developments and CHAs contribute 25 percent. CHAs have left a period of managed, steady growth and are now servicing more debt on newly acquired properties that are not yet ready for tenants.

Cash-flow issues will persist for CHAs until these properties yield rental income; however, the *Review* finds that this situation is transitory and states that financial assistance, such as the rate rebate, is invaluable in the meantime.

Officers posit that the current rate rebate favours one type of provider over others; is subject to cost variations dependent on valuations and volumes of housing stock; and cannot be redirected to meet emerging issues.

An Affordable Housing Fund would support or promote the provision of affordable housing through partnerships with the public, private and not-for-profit sectors, supporting programs and initiatives that achieve better housing outcomes within the community. Moneys for the fund could be placed in a trust that could be administered at arm's length by a Board of Management or by Council directly employing processes similar to those of the Community Grants Program (e.g. Expressions of Interest, Funding Rounds).

Financial Implications

Council is committed to the current rate rebate policy for CHAs to 30 June 2012, estimated at a cost of \$35,230. This liability will increase through changes in property valuations and rates and with any increases in the volumes of CHA dwellings.

Setting up an affordable housing fund once the current rate rebate expires could provide greater financial flexibility, enabling Council to act when opportunities for development arise.

PROPOSAL

That Council continue the housing rebate for the financial year 2012-13, providing CHAs sufficient time to accommodate to the changed circumstances. In the intervening period Officers should investigate the best means to establish and administrate a Yarra Affordable Housing Fund and report to Council. Subsequent to this report funds currently spent on the rate rebate should be transferred to a new Yarra Affordable Housing Fund in time for the 2013-14 financial year.

10.2 Review of Council Funding to Community Housing Associations

Trim Record Number: D12/9086

Responsible Officer: Manager Community Planning & Advocacy

Purpose

1. To present Council with a copy of the *Review of Community Housing Associations and Affordable Housing in Local Government Areas, December 2011* conducted in accordance with Council's direction (17 May 2011) to "seek expert advice on whether Council needs to support Community Housing Associations in the future".
2. To provide Council with an overview of the *Review* along with strategic options for supporting affordable housing in the short and longer term, specifically considering: the viability of this sector; the appropriateness of the current rate rebate; and the best means for Council to render support to current and future tenants of affordable housing and the sectors that supports them.

Background

3. Social and affordable housing refers to housing that is within the financial means of the occupants, particularly households in the bottom 40% of incomes.
4. Statistical evidence demonstrates the decline in affordability in Yarra in recent years. According to the September Quarter 2011 DHS Rental Report the median weekly rent for a two bedroom flat in Yarra was \$480 which prohibits low-income tenants from the inner city rental market. For example, the affordable weekly rent for a two bedroom property for a single parent with one child on a Centrelink income is \$215.
5. Community housing is managed by not-for-profit housing organisations (CHAs) who act as landlords to provide long term security of tenure in quality-built homes at an affordable rental rate. Community housing is reserved for families or individuals on low to moderate incomes. Rents must be between 25-30 percent of household income and must not exceed 75 percent of market rent.
6. In 2004 the *Affordable Housing Statement and Strategy* was adopted by Council. It included a rate waiver, provided as a community grant, to Community Housing Associations. Select annual costs over time were: 2004-05 (\$10,358 for 24 properties); 2008-09 (\$25,213 for 69 properties); 2010-11 (\$45,524 for 69 properties).
7. In 2008 the *Nation Building Economic Stimulus Plan* provided \$5.238 billion of Commonwealth funding for the construction of new social housing over three and a half years. Council forecast that the Federal stimulus would result in an additional 202 eligible properties in Yarra. The estimated cost to Council was \$185,500 for 271 properties.
8. CHAs accessed the Nation Building funds to considerably expand their property portfolios locally. CHAs have left a period of managed, steady growth and are now servicing more debt on newly acquired properties and consequently, experiencing temporary cash-flow problems.
9. Council was advised by officers that the rate waiver was becoming prohibitive. Local CHAs advocated for maintenance of the rate waiver contending that its removal would compromise their viability. At its 23 May 2011 meeting Council directed that the rate waiver be replaced with an interim rate rebate, subject to the same eligibility criteria and equivalent to the existing pensioner rebate of \$130 per property. The estimated cost of this rebate to Council was calculated to be \$35,230 per annum.

10. As per Council's direction, independent consultants were engaged to undertake a review and assessment of CHAs and examination of social and affordable housing within the municipality. The Capire Consulting Group Pty Ltd, in collaboration with Matters More Land Use Economics, provided detailed analysis of the following matters:
 - (a) housing affordability in Yarra, especially in relation to rental properties;
 - (b) social housing in Yarra, including state registered Community Housing Associations (CHAs) and Community Housing Providers (CHPs);
 - (c) Federal and State funding models;
 - (d) the CHA operating model, including its social objectives;
 - (e) alternative community housing models, such as shared ownership, rooming houses, cooperatives, transitional housing and community land trusts; and
 - (f) the role of local government in influencing social and affordable housing outcomes.
11. CHAs aim to meet social goals in providing social housing that is a first step in positive change in tenants' lives such as improved independence, ability to gain employment and training and feeling part of a community.
12. The majority of tenancy units in the Victorian Community Housing Organisation sector are provided by CHAs (53 percent).
13. To remain viable CHAs need to keep operational costs at or below the level of rental income. Their operating costs include property management, staffing expenses and debt servicing.
14. CHAs provide housing through construction, purchase and or acquisition. They must acquire housing stock and/or land at below market cost so that they can in turn provide tenancies at below market cost. It is difficult for CHAs to cost-effectively provide social and affordable housing in expensive inner city locations such as Yarra.
15. The CHAs' property purchasing model operates on a form of fixed debt equity whereby the Victorian Government guarantees 75 percent investment in future developments and CHAs contribute 25 percent. Using funds from the National Building initiative, CHAs considerably expanded the property portfolios and are now servicing interest on their 25 percent liability.
16. Many of these new properties are not yet ready for tenants. Cash-flow issues will persist for CHAs until the properties yield rental income. The *Review* finds that this situation is transitory and states that financial assistance, such as the rate rebate, is invaluable in the meantime.
17. CHAs are the state government's preferred vehicle for increasing the stock of social housing and are the dominant model locally. The *Review* identifies alternative community housing models such as shared ownership, rooming houses, cooperatives, transitional housing and community land trusts. These other models provide housing to the most disadvantaged in the community. They often do so without the financial concessions that CHAs have received and operate through even tighter constraints.
18. The *Review* posits that the rate rebate option is a passive contribution as Council is unable to influence the allocation of monies saved and may not be the best method of supporting affordable housing outcomes in Yarra; and there is further scope for Council to consider options that support social and affordable housing outside of the CHA model.
19. It is suggested that Council consider alternative and diversified means to support and advance the provision of affordable housing locally. Structural and systemic options from the *Review* are listed under Other Issues, below. Of most immediate significance is an option to transition the moneys allocated from the rate rebate to a Yarra Affordable Housing Fund.
20. An Affordable Housing Fund would support or promote the provision of affordable housing through partnerships with the public, private and not-for-profit sectors, supporting programs and initiatives that achieve better housing outcomes within the community.
21. Moneys for the fund could be placed in a trust that could be administered at arm's length by a Board of Management or by Council directly employing processes similar to those of the Community Grants Program (e.g. Expressions of Interest, Funding Rounds).

22. The advantages of an Affordable Housing Fund over the rate waiver are as follows:
- (a) Council financial liability is controlled and not affected by volumes of housing stock like the rate waiver and rate rebate;
 - (b) without being locked into supporting one housing model (CHAs) through one means (rate waiver), Council could become more adroit and responsive to local needs;
 - (c) Council can place caveats on funding to ensure funds are acquitted on projects and programs that give benefit to local individuals and families in need of housing;
 - (d) in years where applications are deemed inappropriate or undeserving, or larger scale initiatives are desired, funds could be held back and compound interest earned; and
 - (e) CHAs could still access Council support when need is demonstrated, such as the current circumstance of temporary cash flow issues while they wait for stock to become occupiable.

Consultation

23. In developing the Review the consultants conducted a series of interviews and meetings to inform the study, these included:
- (a) CHAs and other community housing organisations, including Housing Choices Australia, Common Equity Housing Ltd, Women's Housing Ltd, YWCA, Fintry Community, Abbeyfield House, Homeground and the Way Community;
 - (b) community housing tenants, including tenants from Abbeyfield House and YWCA Richmond House;
 - (c) community housing industry representatives and relevant peak bodies to explain the broader policy and service delivery context of community housing organisations, including the Community Housing Federation of Victoria, Victorian Council of Social Services, Affordable Housing Solutions and PowerHousing Australia;
 - (d) community housing practitioners regarding their experiences of providing affordable housing;
 - (e) other inner city Councils, to identify existing policies, limitations and opportunities; and
 - (f) a range of people beyond CHA representatives, to explore potential alternative opportunities.
24. Consultations conducted during development of the revised Social and Affordable Housing Strategy (2012-14) found that participants view Council as a crucial stakeholder in regard to affordable housing advocacy and that without diversity of housing in the municipality, there would be continued gentrification at the expense of the diverse nature of the Yarra community.

Financial Implications

25. Council is committed to the current rate rebate policy for CHAs to 30 June 2012, estimated at a cost of \$35,230. The previous rate waiver policy would have cost in the region of \$140,000-\$200,000 for the same period. Setting up an affordable housing fund once the current rate rebate expires could provide greater financial flexibility, enabling Council to act when opportunities for development arise.

Economic Implications

26. Maintaining a level of social and affordable housing also helps low income groups to live and work in the municipality. Diverse communities contribute to the development and growth of local economies by enabling an eclectic local pool of labour and by diversifying the products and services demanded locally.

Sustainability Implications

27. There are no environmental implications.

Social Implications

28. Private renting provides a flexible alternative for many younger and more mobile households but does not benefit those on low incomes who need an alternative solution to their housing needs. Two-thirds of low income private renters miss out on affordable rental housing
29. The largest social housing program, public housing, has seen a decline in total stock in the past decade. Due to increased need and declines in stock public housing is increasingly used to house the most disadvantaged with complex needs. Social and affordable housing that can be provided by agencies such as CHAs, CHPs and others is increasingly necessary to fill the gap between public and private tenancies.
30. Providing social and affordable housing in Yarra enables disadvantaged groups to live in high amenity areas with access to services and agencies. Security of tenure has been shown to enhance household health and education outcomes especially for those in high need and leads to greater social connectedness (AIHW 2002).

Human Rights Implications

31. Access to safe and secure housing is a basic human right. Without housing many other basic human rights will be compromised including the right to family life and privacy, the right to freedom of movement, the right to health and the right to development. Children are especially vulnerable because they have special needs for care and protection.
32. Article 11 of the International Covenant on Economic, Social and Cultural Rights, to which Australia is a party, recognises the right of all people to adequate housing and commits state parties to take appropriate steps to ensure the realisation of that right.
33. In Victoria the *Charter of Human Rights and Responsibilities Act 2006* places specific legal obligations on public authorities regarding human rights, including local councils, to act in a way that is compatible with human rights. Section 38(1), to act compatibly with human rights and give proper consideration to human rights in making decisions, has been utilised to ensure that tenancies are maintained and to protect people from the threat of eviction.

Council Plan, Strategy and Policy Implications

34. Support for social and affordable housing in Yarra sits within the strategic objectives of the *Council Plan 2009-13*. A key issue, identified as impacting on Yarra's liveability, was community connectedness, related to affordable housing and access to services.
35. The *Yarra Health Plan 2009-13* identifies the important role of housing as a determinant within the social model of health.
36. The *Social and Affordable Housing Strategy 2012-14* positions Council with capacity to respond to the challenges of pursuing social and affordable housing outcomes and support an increase in affordable housing in Yarra.
37. The *Yarra Housing Strategy 2010* aims to *plan for and manage housing growth and change* across Yarra up to 2026 in terms of land-use planning related to the Yarra Planning Scheme. The Strategy identifies Council's key role in advocating for appropriate housing outcomes and its commitment to building relationships and working in partnership with other stakeholders.
38. Yarra is a member of the Inner Melbourne Action Plan (IMAP). Strategy 5 of *Making Melbourne More Liveable* focuses on the need to accommodate 90,000 more dwellings across the region by 2030 and gives impetus for IMAP Councils to work with registered and not-for-profit housing organisations to investigate new funding sources and models to provide and manage an increased number of affordable houses.
39. The *Economic Development Strategy 2009-14* identifies the need to provide housing choice and opportunities for people to age in place under Strategy 5, Key Economic Precincts. Facilitating employment precincts entails housing that enables key workers to live and work within the local economy.

Legal Implications

40. There are no legal implications.

Other Issues

41. It must be noted that CHAs are obliged to fill 50 percent of new vacancies with applicants from the Office of Housing public housing waiting list. The pressing housing needs of Yarra clients cannot be necessarily met by local CHAs.
42. The *Review* also canvassed other strategies Council could pursue in relation to the improved provision of affordable housing, including:
 - (a) continue to advocate for a component of affordable housing to be included in new development precincts and ensure that CHAs are involved and engaged with precinct developers at the outset of the planning process for a precinct. A recent exemplar is Council's successful negotiation with Lend Lease for the redevelopment of GTV9 in Richmond in which a planning permit condition required that 5 percent of housing stock be affordable (27 dwellings);
 - (b) conduct a regular and updated audit of Council and Crown land sites identified as suitable for future community housing development. Identified land could be subject to long-term leases (e.g. Drill Hall site development, leased by the City of Melbourne for 99 years);
 - (c) streamlining the planning application process for social and affordable housing developments and or introducing fee subsidies as a means to make the development of social and affordable housing more attractive in Yarra; and
 - (d) educating the community to the benefits of affordable housing to create an environment of acceptance that assists applications to go through more smoothly.

Options

43. The following options are provided for consideration:
 - (a) continue the rate rebate for the foreseeable future and increase funding proportionate to changes in property valuations and rates, as well as the volumes of CHA property stock.
 - (b) discontinue the rate rebate with savings going to consolidated revenue.
44. Officers recommend the following option:
 - (a) provide one additional year of rate rebates to CHAs (terminating 30 June 2013) and spend the intervening period developing a Yarra Affordable Housing Fund to commence in the 2013-14 financial year.

Conclusion

45. The current rate rebate favours one type of provider over others; is subject to cost variations dependent on volumes and valuations of housing stock; and cannot be redirected to meet emerging issues. A new Yarra Affordable Housing Fund would provide support to the full mix of local housing providers and provide Council a means to actively input to developments that would directly benefit the Yarra community.

RECOMMENDATION

1. That:
 - (a) Council continues the housing rebate for the financial year 2012-13 to provide CHAs sufficient time to accommodate to the changed circumstances;
 - (b) officers investigate the best means to establish and administrate a Yarra Affordable Housing Fund and report to Council; and
 - (c) subsequent to Council Report, funds currently spent on the rate rebate be transferred to a new Yarra Affordable Housing Fund as of the 2013-14 financial year.

CONTACT OFFICER: Malcolm McCall
TITLE: Coordinator Community Planning
TEL: 9205 5001

Attachments

- 1 Capire Review of Community Housing

10.3 Asset Management Strategy Review

Trim Record Number: D12/5324

Responsible Officer: Director, Infrastructure Services

Purpose

1. To provide Council with a revised Asset Management Strategy (AMS) for endorsement.
2. This report provides a summary of issues relating to the revision of the AMS, and details how the draft AMS aligns against the National Asset Management Assessment Framework. It also documents the key principles that have been addressed in the revised AMS to achieve sustainable service outcomes for the Community.

Background

3. Council at its ordinary meeting on 23 November 2010 considered a report titled "Capital Works and Asset Management Progress Annual Report". Council resolved that it "*be presented with a report in March 2011 that reviews Council's current Asset Management Strategy alignment against the requirements of the National Asset Management Assessment Framework for Local Government and recommends any necessary changes to the Strategy*".
4. At its ordinary meeting on 15 March 2011 Council considered a report titled "Asset Management Strategy Review" and further resolved that "*Council Officers undertake a review of the Asset Management Strategy and present a revised draft Asset Management Strategy to Council by December 2011*".
5. A draft revised AMS was presented to Councillor Briefing for information on 19 December 2011.
6. The Municipal Association of Victoria (MAV) currently uses the National Asset Management Assessment Framework when assessing Council's asset management performance. The Assessment Framework requires Council's to have an AMS that has the following features:
 - (a) shows how the asset portfolio can meet service delivery needs of the community;
 - (b) defines the future vision of asset management practices within Council;
 - (c) is linked to Council's Asset Management Policy and integrated into Council's strategic longer term planning and annual budgeting processes;
 - (d) documents the current status of asset management practices (processes, asset data, and information systems) within Council; and
 - (e) documents what actions Council must take to implement the Asset Management Policy, including resource requirements, timeframes and accountabilities.
7. The AMS is an internal document that has been designed to work in conjunction with Council's other strategies and plans. It is focused on enhancing asset management capability to support the delivery of services to the community in accordance with the Council Plan.
8. The AMS supports the delivery of Council's Asset Management Policy and sets the strategic direction for the preparation of more detailed Asset Management Plans. The AMS outlines the following:
 - (a) legislative controls;
 - (b) Council's strategic planning framework;
 - (c) Council' asset management vision and objectives;
 - (d) Council's current portfolio of assets;
 - (e) factors that influence current and forecasted asset needs;
 - (f) an assessment of the current status of Council's:
 - (i) information systems;
 - (ii) asset data and knowledge;

- (iii) asset planning practices;
 - (iv) asset management work practices;
 - (v) organisational asset management capacity; and
 - (g) a program of improvement actions.
9. The AMS reinforces the following principles of asset management:
- (a) service managers must understand their service and what their asset requirements are;
 - (b) Council’s Asset Register must include accurate data that can be interrogated providing accurate reports on maintenance cost, utilisation, trends, response times to service requests and compliance with service standards and specifications;
 - (c) well documented Service Level Agreements between Service and Asset Managers will ensure expectations are met and performance is measured; and
 - (d) Asset Managers must determine measurable technical levels of service and asset performance targets that define what Council should be doing to deliver customer service levels in a sustainable manner consistent with Council’s strategic direction.
10. The AMS will be delivered over ten years (2012-2021) by staff within the Sustainable Asset Management Branch who will be supported periodically by specialist asset management consultants.
11. The following table lists the recommended improvement actions that are included in the AMS.

No.	Action Plan	AM Objective(s)
Improve AM Information Systems (AMS pages 24 - 25)		
1	Scoping Brief - TechnologyOne Works & Assets – Enhancement	Integrated Strategic Service & Asset Management.
2	Set up MERIT categories to link to TechnologyOne –Works & Assets	Meet service delivery needs of the community
3	Develop TechnologyOne Works & Assets reports	Meet service delivery needs of the community
4	Integrate Council's financial asset register into TechnologyOne Works & Assets	Improve Financial Sustainability
5	Procure or develop a strategic asset planning tool	Integrated Strategic Service & Asset Management.
6	Introduce mobile computing with GIS interface for asset inspections & audits	Improve Risk Mitigation Practices

Improve Asset Knowledge & Data Management (AMS pages 29 - 32)		
7	Review quality of existing data	Continuous Improvement in Asset Knowledge
8	Review and upgrade Council's condition audit methodology and rating scales	Continuous Improvement in Asset Knowledge
9	Implement defect-based condition audit program	Improve Risk Mitigation Practices
10	Define inspection types and educate staff	Continuous Improvement in Asset Knowledge
11	Develop risk management procedures for all asset classes and lifecycle stages.	Improve Risk Mitigation Practices
12	Determine environmental sustainability data requirements	Improve environmental sustainability
13	Support implementation of ESD principles and the CNAP	Improve environmental sustainability
14	Support implementation of WSUD principles	Improve environmental sustainability
15	Support implementation of the Disability Action Plan	Meet service delivery needs of the community
16	Develop and implement data management responsibilities and processes	Continuous Improvement in Asset Knowledge
Improve Service & Asset Planning Practices (AMS pages 36 - 38)		
17	Develop Second-Generation AM Plans Buildings – 2011/12 Stormwater – 2012/13 Open Space – 2013/14 Roads– 2014/15 Pathways – 2015/16	Integrated Strategic Service & Asset Management.
18	Identify service managers and asset managers for the different types of services provided	Integrated Strategic Service & Asset Management.
19	Develop a conceptual model for integrated lifecycle service and asset Management	Integrated Strategic Service & Asset Management.
20	Consult regarding demand forecasts	Meet service delivery needs of the community
21	Document service levels for major services provided	Meet service delivery needs of the community
22	Develop, document, and implement a process for integrated planning in capital works program	Integrated Strategic Service & Asset Management.
23	Refine the AM Plan financial model	Improve financial sustainability
24	Formalise lifecycle cost analysis process in business case submission	Improve financial sustainability Meet service delivery needs of the community.
Improve AM Work Practices (AMS pages 39 – 40)		
25	Develop and document asset rationalisation Process	Improve financial sustainability Meet service delivery needs of the community.
26	Develop guidelines for asset handover	Continuous Improvement in Asset Knowledge
27	Document technical standards for all maintenance and inspection activities	Integrated Strategic Service & Asset Management.

Enhance Organisational AM Capacity (AMS 41 - 42)		
28	Report to Council annually on AM improvements	Integrated Strategic Service & Asset Management.
29	Review staff asset management skills matrix	Continuous improvement in Asset Knowledge
30	Develop and deliver asset management training	Continuous Improvement in Asset Knowledge
31	Continue involvement in independent audit programs	Continuous Improvement in Asset Knowledge
32	Revise terms of reference for SIN	Integrated Strategic Service & Asset Management.

Consultation

- 12. The AMS has been developed in consultation with internal Service Managers, Asset Managers and other stakeholders.

Financial Implications

- 13. Ensuring that Council’s Asset Register is up to date with accurate information requires a full understanding of what assets Council owns and their current condition. Condition audits have previously occurred ad hoc. An allowance of \$150,000 has been provided in the current capital works budget for building condition audits. It is recommended that this budget continues to be provided on an ongoing program for other asset classes during the review of their individual AM plans. This can be accommodated within Council’s non-discretionary capital works funding.
- 14. Improvement actions have been programmed to be completed within existing resources based on the present Sustainable Asset Management Branch operational budget allocation. There will be a requirement for specialist asset management consultants to assist from time to time. This can also be met within the existing Infrastructure Division consulting budget allocation.

Economic Implications

- 15. There are no economic implications from this report.

Sustainability Implications

- 16. The revised AMS aims to ensure that financial, social and environmental resources are used in a sustainable way.

Social Implications

- 17. A key principle in the AMS is that proposals for the provision of new infrastructure assets support delivery of new services that will give due consideration to their environmental, social, heritage and financial sustainability.

Human Rights Implications

- 18. There are no human rights implications from this report.

Council Plan, Strategy and Policy Implications

- 19. An action within the Council Plan is that Council will undertake works in line with the Federal Government’s Local Government Reform Funding for Asset Management program. This program requires that councils have policies, strategies and processes in place together with long term financial plans to ensure that sustainable infrastructure goals are met. The review of this AMS will meet that objective.

Legal Implications

- 20. There are no legal implications from this report.

Conclusion

21. The purpose of an AMS is to support
 - (a) delivery of the Council Plan; and
 - (b) the implementation of Council's AM Policy.
22. An effective AMS improves long-term financial sustainability by driving ongoing improvements in Council's asset management practices.
23. Similar to the Asset Management Policy the revision of the AMS satisfies external requirements. It is also imperative that it be understood and receives commitment from the organisation to ensure Asset Management principles are embedded within the organisation.

RECOMMENDATION

1. That Council endorses the Asset Management Strategy provided as Attachment 1.

CONTACT OFFICER: Bill Sharpe
TITLE: Manager Sustainable Asset Management
TEL: 9205 5714

Attachments

- 1 Draft Asset Management Strategy

13. Confidential business reports

The following items were deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89 (2) of the *Local Government Act* 1989. In accordance with that Act, Council may resolve to consider these issues in open or closed session.

Recommendation

1. That the meeting be closed to members of the public, in accordance with section 89 (2) of the *Local Government Act* 1989, to allow consideration of:
 - (a) Contractual matters
 - (b) Matters relating to the security of Council property
 - (c) Matters prejudicial to Council and/or any person

2. That all information contained within the Confidential Business Reports section of this agenda and reproduced as Council Minutes be treated as being and remaining strictly confidential in accordance with the provisions of sections 77 and 89 of the *Local Government Act* 1989 until Council resolves otherwise.