



Ordinary Meeting of Council Agenda

to be held on Tuesday 21 July 2015 at 7.00pm
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*)
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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. Confidential business reports**
- 5. Confirmation of minutes**
- 6. Petitions and joint letters**
- 7. Public question time**
- 8. General business**
- 9. Delegates' reports**
- 10. Questions without notice**
- 11. Council business reports**
- 12. Notices of motion**
- 13. Urgent business**

1. Statement of Recognition of Wurundjeri Land

“Welcome to the City of Yarra.”

“Yarra City Council acknowledges the Wurundjeri as the Traditional Owners of this country, pays tribute to all Aboriginal and Torres Strait Islander people in Yarra and gives respect to the Elders past and present.”

2. Attendance, apologies and requests for leave of absence

Anticipated attendees:

Councillors

- Cr Phillip Vlahogiannis (Mayor)
- Cr Geoff Barbour
- Cr Roberto Colanzi
- Cr Misha Coleman
- Cr Jackie Fristacky
- Cr Sam Gaylard
- Cr Simon Huggins
- Cr Stephen Jolly
- Cr Amanda Stone

Council officers

- Vijaya Vaidyanath (Chief Executive Officer)
- Rhys Thomas (Senior Governance Advisor)
- Andrew Day (Director - Corporate, Business and Finance)
- Chris Leivers (Director - Community Wellbeing)
- Bruce Phillips (Director - Planning and Place Making)
- Guy Wilson-Browne (Director – City Works and Assets)
- Margaret Elvey (Governance Officer)
- Mel Nikou (Governance Officer)

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

4. Confidential business reports

Item

- 4.1 Matters relating to the security of Council property
- 4.2 Contractual matters

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) matters relating to the security of Council property; and
 - (b) contractual matters.
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.

5. Confirmation of minutes

RECOMMENDATION

That the minutes of the Ordinary Council Meeting held on Tuesday 23 June and Tuesday 7 July 2015 be confirmed.

6. Petitions and joint letters

7. 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.

Questions should not relate to items listed on the agenda. (Council will consider submissions on these items separately.)

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.

8. General business

9. Delegates' reports

10. Questions without notice

11. Council business reports

| Item | Page | Rec. Page | Report Presenter |
|---|------|-----------|--|
| 11.1 Rushall Reserve Proposed Shared Path | 7 | 11 | Justin Hanrahan - Manager Recreation and Open Space |
| 11.2 GTV 9, Bendigo Street, Richmond – Naming of the Community Hub and Associated Rooms | 41 | 44 | Ann Limbrey – Project Manager Buildings |
| 11.3 Submission in Response to the Better Apartments Discussion Paper | 45 | 47 | Bruce Phillips – Director Planning and Place Making |
| 11.4 Connie Benn Centre - Child Care Options | 95 | 100 | Chris Leivers - Director Community Wellbeing |
| 11.5 Review of Council's Procurement Policy | 101 | 105 | Philip Mason – Chief Financial Officer |

Public submissions procedure

The public submission period is an opportunity to provide information to Council, not to ask questions or engage in debate.

When the chairperson invites verbal submissions from the gallery, members of the public who wish to participate are to:

- (a) state their name clearly for the record;
- (b) direct their submission to the chairperson;
- (c) speak for a maximum of five minutes;
- (d) confine their remarks to the matter under consideration;
- (e) refrain from repeating information already provided by previous submitters; and
- (f) remain silent following their submission unless called upon by the chairperson to make further comment.

12. Notices of motion

Nil

13. Urgent business

Nil

11.1 Rushall Reserve Proposed Shared Path

Trim Record Number: D15/75093

Responsible Officer: Manager Recreation and Open Space

Purpose

1. To report to Council on the outcomes of consultation regarding the proposed shared path through Rushall Reserve.
2. To consider the future direction on the Rushall Reserve shared path proposal.

Background

3. The recommendation for a shared path through Rushall Reserve, connecting Rushall Station with the path at Holden Street along an existing informal route, is contained within the Merri Creek Trail Review 2007 (*Attachment 1*), and the City of Yarra Bicycle Strategy 2010-2015 (*Attachment 2*).
4. Project funding of \$650,000 was allocated in the draft 2014/2015 Council budget, to be funded from Open Space Developer Contributions. In 2014, Council received 34 submissions to the budget on this item, with 31 of these opposing the proposed path, and at the Special Meeting on 10 June 2014 determined to:

“defer the final design/ development of Rushall Reserve Bicycle path pending detailed consultation with community members and affected stakeholder groups”.
5. Early in the 2014/15 year, officers were advised by VicTrack that their support for the project was subject to review, and that additional work was required before VicTrack would provide in principle support for the project. Community consultation on the project was held back until support from VicTrack was obtained.
6. In March 2015, upon receiving support from VicTrack, Public Transport Victoria (PTV) and Metro Trains, officers commenced the community consultation process. This included soliciting direct feedback, contributions via an on-line forum and hosting multiple public workshops.

Consultation

7. Community consultation was conducted from 27 March until 4 May 2015. Residents received notification of the consultation via a mail-out to local residents (*Attachment 3*), information posted on Council’s webpage, and posters displayed on site. Interested people were invited to provide feedback directly, participate in an on-line discussion forum, and to attend a series of two community workshops to consider the proposal.
8. Council engaged an external facilitator to conduct the workshops which took place on two Tuesdays, 21 and 28 April 2015. Approximately 30 residents attended both workshop sessions, and while it was hoped to reach a design consensus which would ‘best reflect the needs of all current and future Rushall Reserve users’, no consensus was reached. The majority of attendees identified a preference to have no shared path through the reserve and to leave the reserve as it is.
9. A total of 42 written responses were received directly from residents, with 27 of these also attending the workshop series. Of these responses, approximately two thirds were opposed to a shared path through the reserve, while the remaining submissions supported the proposal. Residents from both the City of Yarra and City of Darebin participated in the consultation, and a summary of the feedback is included as *Attachment 4*.
10. The on-line engagement site attracted 45 participants who added more than 120 comments. It was noted some attendees of the workshops also participated in discussion on this website, and comments were similar to those received at the workshop or via written responses.

11. Those in support of the proposal noted that the proposed path would provide a safer and more legible and direct link in the Merri Creek Trail, and could avoid the need to use the Rushall Station underpass, the pedestrian bridge, and the local roads in Darebin.
12. Those opposed to the proposal noted the following concerns:
 - (a) the perceived risks of shared paths for pedestrians, children and off-lead dogs due to the speed and behaviour of cyclists on shared paths;
 - (b) a desire to retain the reserve as a 'cul-de-sac' location, where there is no through traffic;
 - (c) the preservation and recognition of the cultural and heritage significance of the location;
 - (d) the possible impact on the native flora of a new path;
 - (e) a view that the path is not needed, given the existence of alternative routes; and
 - (f) a view that a higher priority for Council should be to address the current Rushall Station underpass and improve this for cyclists.
13. Following the consultation period, Council has also received a petition signed by 314 people, opposing any changes to Rushall Reserve and, in particular, opposed to putting in any new paths (*Attachment 5*).

Financial Implications

14. In the 2014/15 Council Budget \$650,000 was allocated for the design and construction of the Rushall Reserve shared path, with funding sourced from the open space developer contributions. A portion of this funding was used in order to carry out the necessary works to obtain in principle agreement from VicTrack, PTV, and Metro trains for the proposal on their land, and then undertake community consultation. The balance of this amount, \$600,000, has been identified as a carry over into the 2015/16 budget.
15. Based on construction estimates and subject to the outcomes of community consultation, a further \$65,000 was identified in the 2015/16 budget for in order to complete the project.
16. Subject to further in depth consultation with VicTrack, PTV and Metro trains, the creation of an improved wider rail underpass could meet the needs of pedestrians and cyclists currently using this route.
17. Preliminary investigation indicates that improvements to the underpass would be an expensive proposition; however there is currently insufficient detail available to fully understand the viability and cost. Further investigation into the feasibility and cost of this proposal could require expenditure of up to \$65,000.
18. Subject to the outcome of the investigations into the Rushall Reserve underpass, future improvements to the underpass or to revisit the Rushall Reserve shared path option would be subject to consideration as part of future budgets.

Economic Implications

19. There are no economic implications for this project.

Sustainability Implications

20. Not proceeding with the construction of a shared path through Rushall Reserve would reduce the strategic commitment Council has made to invest in the improvement of the bicycle network in Yarra and to abutting municipalities.
21. Both a Tree Report, and a Flora and Fauna Report have been conducted on behalf of Council on the site likely to be impacted by a proposed shared path. Recommendations to reduce the impact of the path on local vegetation would be considered in the detailed design phase if the project was to proceed.

Social Implications

22. This matter includes the following social implications for consideration:
- (a) Sense of community – a number of residents made a significant effort to participate in the consultation process. The feedback from the majority of these residents stated that the construction of a shared path is undesired at this location, and that alternative shared path improvement options, such as the Rushall Station underpass, should be considered;
 - (b) Community Health and Well-being – The reserve is currently used as a dog off-lead park, and secluded space. Community members have voiced their appreciation and value of the space as it is currently;
 - (c) Transport – Improvements to the shared path network and regional links encourage and support a greater number and range of people to ride bicycles, either to commute or ride recreationally. Shared paths also improve routes for pedestrians; and
 - (d) Safety – the current informal route from Rushall Station into Rushall Reserve, following the train line, is on Metro Trains managed land, and not protected from either the steep river embankment or the train line. Metro Trains is aware of the safety concerns of people accessing this route.

Human Rights Implications

23. An investigation into the Cultural Heritage Status of the area recommends that, though the site has seen significant disturbance in the past, a Cultural Heritage Manage Plan (CHMP), and a formal Historical Heritage Assessment (HHA) would be required should path works in Rushall Reserve proceed (*Attachment 6*). This relates to the proximity to the recorded 'Aboriginal Place' of the Batman – Woiwurrung Treaty signing site on the north side of the Merri Creek.

Communications with CALD Communities Implications

24. Consultation material distributed contained Yarralink Interpreter Service information to enable ESL residents to get assistance if required.

Council Plan, Strategy and Policy Implications

25. The Yarra Bicycle Strategy 2010-15 vision is to *“establish cycling as a legitimate first choice of transport by people of all ages and cycling abilities through providing cycling facilities that serve a broad range of social objectives”*.
26. The Bicycle Strategy also seeks to provide a *“continuous and well maintained bicycle network that inexperienced and experienced riders feel safe and comfortable using”*. The proposed shared path in Rushall Reserve and the proposed improvements to the trail network adjacent to Coulson Reserve are consistent with that vision.
27. The 2013-17 Council Plan, includes the following strategies that are relevant to this project:
- (a) manage competing demands for use of public and green open space;
 - (b) increase cycling through improved access and infrastructure; and
 - (c) increase pedestrian activity and safety through improved access and infrastructure.
28. The “completion of bicycle and pedestrian assets in accordance with the adopted capital works program” is one of the strategic indicators identified in the 2013-2017 Council Plan.

Legal Implications

29. Should Council determine to proceed with the proposed path, Council will need to enter into a Licence agreement with VicTrack over land within their control.

Options

Option 1 – Proceed with the Rushall Reserve shared path

30. Council could choose to construct the Rushall Reserve shared path, taking into account the concerns expressed during consultation and incorporating these into a design that meets most current and potential users concerns.

Pros

- (a) a shared path through Rushall Reserve would provide a more legible, safer route than exists for Merri Creek Trail users, and for some Capital City Trail users;
- (b) the path would provide a safe fenced pedestrian route into Rushall Reserve from Rushall Station;
- (c) The path would be consistent with Council's strategic objectives identified in the Yarra Bicycle Strategy and the Merri Creek Trail Review which identify the project as a high priority; and

Cons

- (d) the feedback received during consultation indicates that a significant number of local reserve users are opposed to changes to Rushall Reserve, and particularly the construction of the shared path.

Option 2 – Defer the Rushall Reserve shared path project

31. Based on community consultation results, Council may decide not to proceed with the Rushall Reserve shared path project at this time.

Pros

- (a) deferring the project would allow for more detailed investigation into the feasibility of improvements to the Rushall Station underpass, to serve cyclists and pedestrians;

Cons

- (b) in the short term, cyclists and pedestrians would continue to navigate the underpass, or the pedestrian bridge and local streets in Darebin, to travel on the Merri Creek Trail or the Capital City Trail;
- (c) the informal route from Rushall Station into Rushall Reserve remains an unsafe path of travel or requires further precautions to prevent access; and
- (d) delays a final decision on the project until further investigations have been completed.

Option 3 – Do not proceed with any shared pathway improvements on this section of the Merri Creek Trail

32. Pros

- (a) this option would be a definitive decision and precludes any further investment in the Merri Creek Trail at this location;

Cons

- (b) would not be consistent with the recommendations contained in the Council Plan, the Bicycle Strategy and the Merri Creek Trail Review; and
- (c) would not respond to the need for improvements to existing conditions at Rushall Station for pedestrians and cyclists.

Conclusion

33. The consultation process has enabled Council to engage with the local community and, in particular, users of Rushall Reserve. Feedback was not restricted to people wishing to express support or opposition to the proposed project, and generated other suggested improvements to the trail network in this area.
34. Approximately two-thirds of the direct contributions opposed the proposal, and there was minimal progress towards a negotiated outcome via the two workshops held in April 2015.

35. The project is identified as a priority in two strategic documents endorsed by Council and is consistent with the current Council Plan which supports investment in cycling and pedestrian improvements. It also highlights another Council Plan indicator which identifies the need to manage competing uses for public open space.
36. The feedback received during the consultation process has been noted, and the desire to see no negative impacts on Rushall Reserve is recognised. The need to invest in Council's strategic vision for an improved shared path network should also be noted, and it is recommended that Option 2, to defer the Rushall Reserve shared path project while further investigation of other options is undertaken, is recommended.

RECOMMENDATION

1. That Council:
 - (a) notes the feedback received during the consultation process;
 - (b) defers the proposed shared pathway improvement through Rushall Reserve;
 - (c) authorises officers to carry out further investigations into the design, cost and benefits of underpass improvements at Rushall Station to meet strategic objectives, utilising the \$65,000 allocated for project in 2015/16 Rushall Station bypass for this purpose;
 - (d) requests that officers provide an update to Council prior to the end of 2015 on the outcomes of this further investigation; and
 - (e) notes that the proposal – or an appropriate alternative – remains as a strategic priority for consideration at a later date.

CONTACT OFFICER: Kevin Ayrey
TITLE: Landscape Architect
TEL: 9205 5770

Attachments

- 1 Recommendation in Merri Creek Trail Review 2007
- 2 Recommendation in Yarra Bicycle Strategy 2010-15
- 3 Consultation Letter to Residents
- 4 Consultation Feedback Summary
- 5 Petition to Council
- 6 Rushall Reserve Cultural Heritage Advice

Attachment 2 - Recommendation in Yarra Bicycle Strategy 2010-15

Strategy Actions – Based on 10 Year Works Program
 Refer to **Appendix 5** for Maps of the Bicycle Routes

Figure 7.1.3(a) Strategy 3 - Better Off-Road Bicycle Network – Actions

| No. | Location | Project | Responsibility | Council Priority & Resources |
|-----|--|--|---|--|
| 3.1 | New cycle bridge on Merri Creek Pipe Bridge (in conjunction with on-road 1.14) | New shared pathway crossing of the Merri Creek. Shared pathway links between the bridge and St Georges Rd to the north and Park Street, Nth Fitzroy to the south. Project is consistent with the Merri Creek Trail Review. | Dept. Of Transport, Melbourne Water, Yarra City Council, City of Darebin | 2009 \$75k Council contribution |
| 3.2 | Merri Creek Trail at Rushall Station | Construction of new path on the east of Rushall Station to ensure the Merri Creek Trail bypasses the station underpass. Project will link existing trail south of the station to Rushall Reserve and eventually, the new crossing identified in 3.1 above. Project is consistent with the Merri Creek Trail Review. | Yarra City Council with funding support of Parks Victoria | 2010 \$375k (split 50/50) |
| 3.3 | Darebin Creek Trail between Heidelberg Road and Willesmere Reserve | Construct new shared pathway along the Darebin Creek linking existing paths. Build new bridge crossings of the Darebin Creek and Yarra River. | Yarra City Council with funding support of Parks Victoria, Boroondara & Banyule | 2010-2012 \$1.7m (split not determined) |
| 3.4 | Main Yarra Trail – Gardiners Creek Bridge to Dights Falls (in conjunction with on-road 1.13) | Path renewal/upgrade program improving existing infrastructure including paths, rails and boardwalks. Consolidation of paths where necessary to meet future needs. | Yarra City Council | Ongoing between 2009-2014 \$2.7million |
| 3.5 | Merri Creek Trail at Coulson Reserve | Construction of a ramp linking the Dept of Transport work at the railway bridge with the existing trail adjacent to Heidelberg Road. Project will remove the two low level bridges currently crossing the Merri Creek and the decline beneath Heidelberg Road from the Merri Creek Trail. Project is consistent with the Merri Creek Trail Review. | Yarra City Council | \$750k |

Attachment 3 - Consultation Letter to Residents

*In reply please quote: D15/31262
Contact: Kevin Ayrey –Landscape Architect. Ph (03) 9205 5770*

27/03/2014

Owner/Resident
Fitzroy North
VIC 3068

Dear Owner/Resident,

RE: Rushall Reserve shared path proposal

Yarra City Council invites your input on a proposal for a shared path through Rushall Reserve linking Rushall Train Station to the existing path at the end of Holden Street, North Fitzroy.

Council is exploring options for a shared path to provide an alternative route along the Merri Creek Trail/Capital City Trail which would avoid the pedestrian underpass and bridge at Rushall Station. Please see the map of the area below.

The goal of the community consultation is to determine a design that is acceptable to all users of Rushall Reserve. Once the design concept is finalised it will be circulated to the community, prior to being put to a Council meeting in June 2015.

HOW YOU CAN PROVIDE YOUR FEEDBACK -

| Activity | Description | Timing | How to get involved |
|---------------------------------------|--|--|---|
| Community Workshop Series | Facilitated community workshop sessions to consider issues and work towards a solution | Tuesday 21 April and Tuesday 28 April from 6.30 – 9pm at the Mark Street Hall, 1 Mark Street, North Fitzroy Note: Participants are required to attend both sessions | Please RSVP your attendance to OpenSpace@yarracity.vic.gov.au by Tuesday 14 April. |
| Direct Feedback | Email, phone or write to Council with your ideas | By Tuesday 28 April | Email OpenSpace@yarracity.vic.gov.au or Contact Kevin Ayrey on 9205 5770. |
| Web Discussion Forum – Bang the Table | Provide your thoughts and see those of others on an open webpage | Ongoing | Via the City of Yarra website. www.yarracity.vic.gov.au/Your-Council/Consultation/ |

For more information please email: OpenSpace@yarracity.vic.gov.au or contact Kevin Ayrey on 9205 5770.

Yours Sincerely,
Justin Hanrahan,
Manager - Open Space and Recreation



Attachment 3 - Consultation Letter to Residents

Rushall Reserve Proposed shared path



Attachment 3 - Consultation Letter to Residents

Rushall Reserve mail out area.

Local park – 200-300m catchment



Attachment 4 - Consultation Feedback Summary

Rushall Reserve proposed shared path – Consultation Feedback summary

A variety of views have been expressed to Council during the community consultation on the above proposal, these are summarised below. **The majority of respondents favour leaving the reserve as it is, and investigating other options for shared path improvements that don't include Rushall Reserve.**

General feedback:

- The path would be a suitable link in the Merri creek trail network, and avoid having to go onto roads.
- Other options already exist for cyclists so this proposal is not required.
- A number of people ride into the reserve looking for the connection.
- If a path was to be implemented run it along the railway track side of the park and separate it with a fence from the park.
- The reserve is close to the reported signing of the Batman - Woiwurrung treaty, could some recognition of aboriginal significance of the area be considered.
- The proposal would reduce the conflict on the Rushall station pedestrian bridge.
- The number of people cycling is increasing.
- The number of people needing a place to walk their dog increases with the population density increase.
- The park is a peaceful, 'natural' space and this should be preserved.

Concerns raised:

- Shared paths feel unsafe to walk on because some cyclists travel too fast and behave as if pedestrians should not be there.
- Dog owner liability if their dog caused an accident with a cyclist.
- Losing Rushall Reserve amenity. Currently it is a 'cul de sac' park with no through traffic and the dogs can be off lead without a conflict of use.
- Many riders do not dismount at the underpass, as the sign directs them to.
- The path link would make the path area on the north side of Rushall Station more confusing, as there would be traffic going in different directions.

Shared path suggestions made:

- Gather more information on how many cyclists would be likely to use the proposed path.
- Gather more detailed information on how many cyclists would continue to use the underpass.
- Further investigate improving the underpass for cycle use in terms of cost and feasibility and VicTrack / Metro trains requirements.
- Improve the St Georges Rd underpass connection on the Merri Creek Trail.
- Implement measures to slow cyclists down and reinforce pedestrian priority.
- Provide more and improved signage around the existing shared paths.

Attachment 5 - Petition to Council

Petition to the Councillors of the City of Yarra

Saving Rushall Reserve for future generations as a unique cul-de-sac open space

We the undersigned residents and ratepayers of the City of Yarra and other users of Rushall Reserve request that you recognise the value of the Rushall Reserve as a community facility.

We further request that the City of Yarra:

- keep this open space as open space with entry and exit from Holden Street and the Merri Pde railway walk-bridge only
- understand that local residents are adamant that the City of Yarra retain this unique patch of undeveloped reserve with no fences and no new paths
- accept that residents and users of this open space believe that pedestrians, children, off leash dogs, and cycling do not mix
- commit to preserving the unique sanctuary that Rushall Reserve has provided for many decades to both residents and their families and other reserve users from outside the City of Yarra

| Name (print) | Address (print) | Signature | Are you a bike rider? |
|--------------|-----------------|-----------|-----------------------|
| | | | |

Attachment 6 - Rushall Reserve Cultural Heritage Advice



www.ehpartners.com.au

Kevin Ayrey
 Landscape Architect
 City of Yarra
 PO Box 168
 Richmond 3121

22 June 2015

Our ref: 7002

Dear Kevin,

RE: Cultural Heritage Letter of Advice for the Proposed Rushall Station Pathway, Fitzroy North, Victoria

Ecology and Heritage Partners Pty Ltd was commissioned by the City of Yarra to provide a cultural heritage letter of advice (LoA) for the proposed Rushall Station Pathway, Fitzroy North, Victoria (hereafter referred to as the study area).

The purpose of the LoA was to identify the known cultural heritage values that may be present within the study area including Aboriginal and historical heritage sites, and to provide advice regarding the requirement for further assessment, e.g. for an Aboriginal Cultural Heritage Management Plan (CHMP). Information gathered for the LoA was used to determine potential legislative implications (associated with cultural heritage values) for the proposed pathway development.

1 Background

It is understood that the City of Yarra are proposing to install a shared pathway within the Rushall Reserve. The proposed pathway will most likely run along the embankment on the north-western side of the (Epping) train line, immediately west of Rushall Station. The pathway will link the existing bitumen path, east of Rushall Station with the concrete path which runs on the south-western side of the railways tracks, meeting at the end of Holden Street (Attachment A).

2 Methods

The following tasks were undertaken as part of this assessment:

- A desktop assessment, with all relevant cultural heritage databases and mapping programs examined including:
 - the Victorian Aboriginal Heritage Register (VAHR), administered by the Office of Aboriginal Affairs Victoria (OAAV);
 - the Victorian Heritage Register (VHR) and Victorian Heritage Inventory (VHI), administered by Heritage Victoria (HV);

| | | | | | | | |
|-----------------|--|-----------------|--|----------------|---|------------------|--|
| ADELAIDE | 8 Greenhill Road, Wayville, SA 5034 P (08) 8372 7829 | BRISBANE | Level 7, 140 Ann Street, Brisbane, Qld 4000 P (07) 3221 3352 F (07) 3002 6499 | GEELONG | Suite 6 / 32 Myers Street, Geelong, Vic 3220 P (03) 5221 8122 F (03) 5221 2760 | MELBOURNE | 292 Mt Alexander Rd, Ascot Vale, Vic 3032 P (03) 9377 0100 F (03) 9377 0199 |
|-----------------|--|-----------------|--|----------------|---|------------------|--|

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ABN : 65 685 233 760

Attachment 6 - Rushall Reserve Cultural Heritage Advice



- the City of Yarra Heritage Overlay (HO);
 - the National and Commonwealth Heritage Lists (NHL and CHL);
 - the Ecology and Heritage Partners library of reports and knowledge of the area;
 - relevant federal and state legislation and policies;
 - a site inspection of the landforms; and
 - aerial photography of the study area.
- Assessment of the likelihood of Aboriginal and historical cultural heritage sites being present within the study area and of the requirement for further investigation;
 - Identification of potential legislative implications (associated with cultural heritage values) for future development of the study area; and
 - Presentation of the results in this letter report.

3 Limitations

The cultural heritage information used to inform this assessment is limited to that obtained through the desktop assessment.

The level of assessment undertaken for this site visit is not considered to meet the requirements for a formal archaeological survey in accordance with Heritage Victoria and Office of Aboriginal Affairs guidelines (HV 2008; Duncan et al. 2008; OAAV 2010).

This report is an opportunity to provide a broad understanding of the study area and to identify potential areas that may contain Aboriginal or historical sites and to identify relevant legislative implications (Section 7). Aboriginal cultural heritage may occur anywhere in the landscape and it is important to note that the assessment of likelihood is based on the balance of probability; it is our opinion based on an assessment of landforms and the extent of previous ground disturbance, compared to the general archaeological character of the region as assessed via desktop review. It is not a categorical statement that Aboriginal cultural heritage will or will not be present.

4 Study Area

The study area comprises all the land within Lot 1-11A and Lot 2011/PP2796E known as Rushall Crescent, Fitzroy North. The parcels where the proposed pathway is to be installed are roughly 1.3 ha in size. The study area is bound by the Merri Creek to the northwest and the rail line and Holden Street to the south and east (Figure 1). The study area comprises a largely modified creek terrace landform, used primarily as a recreation reserve and bike trail.

According to the Department of Environment and Primary Industry's (DEPI) Biodiversity Interactive Map (DEPI 2015), the study area occurs within the Victorian Volcanic Plain (VVP) bioregion. The study area also falls within the jurisdiction of the Port Phillip and Westernport Catchment Management Authority and lies within the City of Yarra Local Government Area. It is currently zoned Public Park & Recreation (PPRZ). Merri

Attachment 6 - Rushall Reserve Cultural Heritage Advice



Creek (an area of identified cultural heritage sensitivity under the *Aboriginal Heritage Regulations 2007*) is located immediately east of the study area (within 10 m).



5 Heritage Database Searches

5.1 Aboriginal Heritage

A search of the VAHR was carried out on 15 June 2015 for Aboriginal Places within a 2 km radius of the study area. The search identified a total of four registered Aboriginal Places within the search area. These places consist of a total of four site types (Table 1) (Attachment B). One of these places is located within the study area (see Batman – Woiwurrung Treaty Signing Site, see below).

Attachment 6 - Rushall Reserve Cultural Heritage Advice

**Table 1:** Summary of Previously Identified Aboriginal Place Types within 2 km of the Study Area.

| Site/Component Type | Quantity | Percentage (%) |
|--|----------|----------------|
| Artefact Scatter | 1 | 25 |
| Object Collection | 1 | 25 |
| Aboriginal Cultural Place/Historical Place | 1 | 25 |
| Aboriginal Historical Place | 1 | 25 |
| Total | 4 | 100 |

5.1.1 *Batman – Woiwurrung Treaty Signing Site*

This Aboriginal Place marks the approximate location where on 6 June 1835, John Batman, an Australian grazier and explorer and a group of Woiwurrung elders signed the treaty which granted land around Port Phillip Bay for the establishment of the new colony of Melbourne (then New South Wales) (Figure 2). According to the VAHR records, the Aboriginal Place extent is determined by the riverbank (Merri Creek), landform and viewshed to the enclosed 'West Bend' of Merri Creek. The place extent is defined arbitrarily by the railway on the top of the escarpment to the west and south (within the study area). While evidence of the former creek flats is obscured by land fill, the extent of the filled area within the stone cutting works allotment indicates where the low lying flats were, and is therefore the eastern boundary. The northern boundary is determined by the natural viewshed formed by the rising ground and the bend in the creek. While it has been largely established from historical records (Harcourt 2001) that the site was located on the eastern side of the Merri Creek, the current site boundary and associated buffer, although arbitrary, includes most of the current activity area (west of the Merri Creek).

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Figure 2: John Wesley Burt, *Batman's treaty with the Aborigines at Merri Creek, 6th June 1835, c1875*

5.2 Historical Heritage

A search of the VHR, VHI, HO, NHL and CHL was conducted on 15 June 2015 for Historical Heritage Places within a 2 km radius of the study area. The search identified a total of eight registered Heritage Places within the search area. None of these sites are located within the study area, although H7822-2331 (Possible Batmans Treaty Monument Ruin) abuts the study area to the east. A full list of Heritage Places in the search area is provided in Table 2.

Table 2: Historic Heritage Places within 2 km of the Study Area.

| Register & Site Number | Site Name | Site Type | Within Study Area? |
|------------------------|--|-----------|---|
| H7822-0058 | Northcote 8 | VHI | No |
| H7822-0061 | Groves Lattice Factory Northcote 11 | VHI | No |
| H7822-0919 | Albion Hotel | VHI | No |
| H7822-0946 | Macmeakin & Co, Northcote Office | VHI | No |
| H7822-2234 | Former North Fitzroy Cable Tram Car Shed | VHI | No |
| H7822-2240 | Former Clifton Hill Cable Tram Car Shed | VHI | No |
| H7822-2254 | Former North Fitzroy Cable Tram Car Shed Track Pre | VHI | No |
| H7822-2331 | Possible Batmans Treaty Monument Ruin | VHI | No but abuts the study area to the east |

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6 Site Visit

A site visit was carried out on 3 June 2015 by Ecology and Heritage Partners Archaeologist/Cultural Heritage Advisor Bradley Ward. The study area comprises a gently sloping to moderately sloping modified creek terrace, east of the Merri Creek (Plate 1). The northern and westernmost extent of the study area runs under the rail bridge (Plate 2), intersecting the previously constructed bitumen pathway (Plate 3) and connecting the eastern end of Holden Street (Plate 4). The southernmost extent of the study area connects the previously constructed bitumen pathway immediately north west of Rushall Station (Plate 5). It is in this section that the study area is at its narrowest. The study area then follows the rail line embankment (Plate 6) (as the western boundary) and widens to meet with the banks of the Merri Creek (the eastern boundary). The embankment itself is some 8-10 m high adjacent to the rail bridge (Plate 7). The study area largely comprises completely grassed and landscaped parkland with an existing bitumen pathway running northwest – southeast, following the course of the Merri Creek (Plate 8). Poor ground surface visibility (GSV) (<5%) was noted throughout the entire activity (Plate 9), with ground surface exposures limited to around the bases of trees (Plate 10) and also the pedestrian worn dirt paths (which unsurprisingly approximately follow the proposed alignment for the proposed pathway) (Plate 11). The study area also contains native and exotic vegetation, particularly in close proximity to the creek and also along the rail embankment (Plate 12).

6.1 Landforms

The study area comprises one heavily modified landform, being the Merri Creek terrace, west of the Merri Creek. The Merri Creek in this area has cut through the underlying basalt geology which is observable in a 5 m deep section, immediately north east of Rushall Station.

6.2 Previous Ground Disturbance

Previous ground disturbance is extensive within the study area and is primarily associated with previously installed rail infrastructure and underground services. Heavy ground disturbance in the study area includes, but is not limited to:

- The previously constructed pathways which would have involved the stripping of topsoil, soil compaction, grading, gravel boxing and the laying and rolling of the bitumen pavement;
- Construction of the rail line embankment;
- Excavation of drains and cuttings alongside the rail line embankment;
- Installation of water services;
- Installation of overhead and underground high voltage electricity services;
- Installation of telecommunication services;
- Victrack fibre optic cables;
- High pressure gas infrastructure;
- Sewer easements and the installation of sewer man holes;

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- Construction of fences; and
- Landscaping, including stripping and levelling of much of the study area.

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Plate 1: Merri Creek, immediately east of the activity area, facing southeast.



Plate 2: Rail bridge passing over the previously constructed bitumen pathway, facing northeast.



Plate 3: Bitumen pathway, west of the rail corridor, facing southeast.



Plate 4: Eastern end of Holden Street, with sign marking the location of a high pressure oil pipeline in the foreground and previously installed pathways in the background, facing east.

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Plate 5: Southern extent of the study area, with previously installed pathways adjacent to Rushall Station, facing south west.



Plate 6: Western extent of the study area, marked by the rail embankment, facing south.



Plate 7: Rail embankment adjacent to the rail bridge, facing south west.



Plate 8: Bitumen pathway running along the eastern section of the study area, facing north west.

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Plate 9: Generally poor GSV within the study area due to dense grasses, basalt bedrock is also exposed in some areas suggesting a relatively shallow soil profile.



Plate 10: Area of isolated exposure around the base of a tree in the study area, showing a dark reddish brown silty clay soil.



Plate 11: Pedestrian worn dirt pathway, which follows the approximate alignment for the proposed pathway, facing west



Plate 12: Study area, showing a large landscaped area with native and exotic vegetation, right of the rail embankment (adjacent to the alignment of the proposed pathway), facing east.

7 Legislative and Policy Implications

7.1 Environment Protection and Biodiversity Conservation Act 1999

The *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) provides a national framework for the protection of heritage and the environment and the conservation of biodiversity. The EPBC Act is administered by the Australian Government Department of the Environment (DoE). The EPBC Act established the National Heritage List (NHL), the Commonwealth Heritage List (CHL) and the World Heritage List (WHL) for statutory protection of heritage places of national or international significance. Where Matters of National Environmental Significance (NES), including National Heritage Places, will or may be impacted by

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a development, then a referral to the Minister will be required to determine whether an approval under the EPBC Act is required.

DoE also administers the Register of the National Estate (RNE). The RNE is no longer a statutory register and listed sites are no longer protected (unless registered on another statutory register).

Implications for the project

There are no known Matters of NES within the study area. It is considered unlikely that any cultural heritage sites of National Significance will be located in the study area. Therefore no referral or further works would be required under the EPBC Act 1999.

7.2 Aboriginal Heritage Act 2006

The *Aboriginal Heritage Act 2006* protects Aboriginal heritage in Victoria. If certain high impact activities are undertaken as stated in the *Aboriginal Heritage Regulations 2007* (the Regulations) then preparation of an Aboriginal Cultural Heritage Management Plan (CHMP) may be required to be approved by the OAAV or the Registered Aboriginal Party (RAP) prior to lodging a planning permit.

Triggers for mandatory preparation of a CHMP include whether certain criteria are met under the Regulations, required by the Minister, or if the activity requires an Environmental Effects Statement (EES) under Sections 46 to 49 of the *Environmental Effects Act 1978*.

The Regulations require a mandatory CHMP if:

- 1) All or part of the proposed activity is a high impact activity; and
- 2) All or part of the activity area (study area) is an area of cultural heritage sensitivity (subject to whether the entire area of cultural heritage sensitivity has been subject to *significant ground disturbance*).

Implications for the project

It is considered likely that Aboriginal heritage will be found in the study area. Despite extensive disturbance in the study area, it is not clear if 100% of the original topsoil has been removed. In addition there is one previously recorded Aboriginal Place that exists within the study area (Figure 3). This Aboriginal Place, although an intangible place, is of great importance to the Wurundjeri Community in particular, as it marks the broad location (thought to be on the other side of the Merri Creek) where Batman and Woiwurrung elders signed the land treaty. A CHMP in this case would be used to assess the Aboriginal heritage and manage this heritage in the context of an impact such as an installation of a pathway. The following considerations are made with respect to the mandatory preparation of a CHMP:

- Under Regulation 22, the activity area is located within an area of cultural heritage sensitivity as it is located within 50 m of one registered cultural heritage place which is listed on the Victorian Aboriginal Heritage Register (VAHR):
 - VAHR 7822-3559 (Batman – Woiwurrung Treaty Signing Site).

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- Under Regulation 23, the activity area is within an area of cultural heritage sensitivity as it is located within 200 m of a waterway, namely the Merri Creek;
- Under Regulation 44, the proposed activity is a high impact activity as it involves the construction of a specific item of infrastructure, being a walking track with a length exceeding 100 m (r.44[b]/[f]);

Therefore a mandatory Aboriginal CHMP is required for this activity.

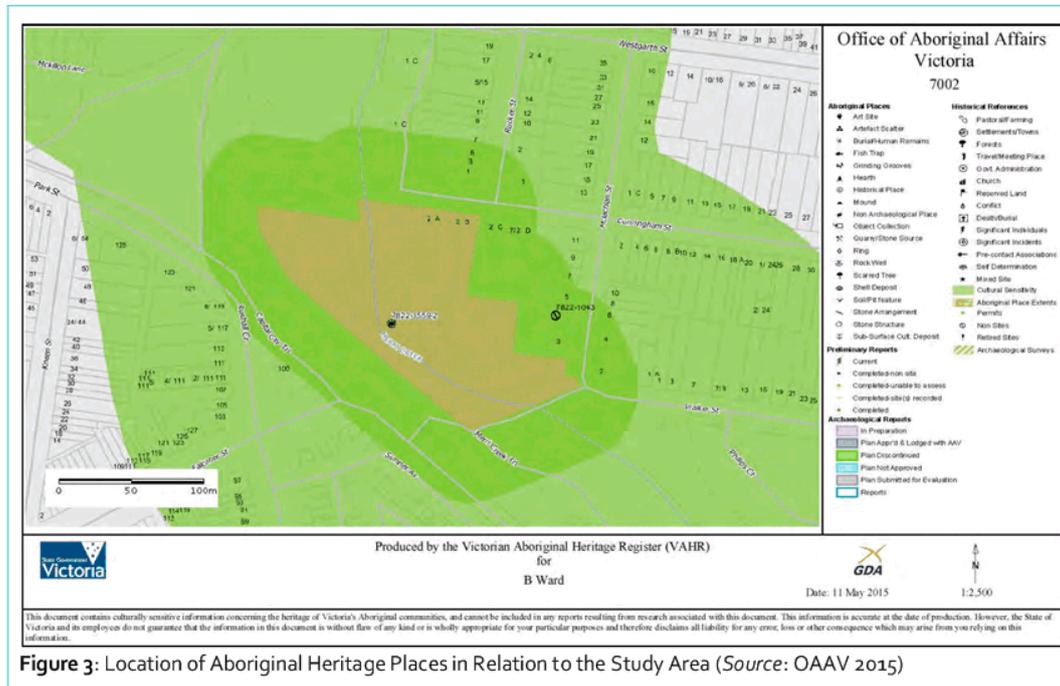


Figure 3: Location of Aboriginal Heritage Places in Relation to the Study Area (Source: OAAV 2015)

7.3 Planning and Environment Act 1987

All municipalities in Victoria are covered by land use planning controls which are prepared and administered by State and local government authorities. The legislation governing such controls is the *Planning and Environment Act 1987*. Places of significance to a locality can be listed on a local planning scheme and protected by a Heritage Overlay (or other overlay where appropriate). Places of Aboriginal cultural heritage significance are not often included on local government planning schemes. The study area is governed by the Yarra City Council Planning Scheme. In addition to the Heritage Overlay, Clause 52.37 of the Particular Provisions provides protection to post boxes constructed before 1930 and dry stone walls constructed prior to 1940 (if listed in the schedule).

Implications for the project

There are no heritage places or dry stone walls listed on the City of Yarra Planning Scheme within the study area. Therefore there are no implications for this project.

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7.4 Heritage Act 1995

This Act protects all heritage places deemed to be of State significance by registration on the VHR. Proposed impacts to any site registered on the VHR will require Permit from Heritage Victoria. This Act also protects all non-Aboriginal archaeological sites older than 50 years. If an archaeological site is of State Significance it is listed on the VHR and a Permit from HV is required to damage it. If an archaeological site is not of State significance and has archaeological value it is usually listed on the VHI and a Consent from HV would be required to damage it.

Implications for the project

There are no historical sites listed on the VHR or VHI within the study area.

Under Heritage Victoria policy a historical heritage report must be submitted when *any* archaeological survey is carried out. If a CHMP is required under the *Aboriginal Heritage Act 2006* (Section 7.2), then a separate Historical Heritage Assessment (HHA) would also need to be prepared. A survey would confirm whether any historical sites are located within the activity area.

8 Conclusion

On the basis that one previously recorded Aboriginal place (Batman – Woiwurrung Treaty Signing Site) is located within the study area, a CHMP is required for this project.

I hope this information meets your requirements. Please do not hesitate to call either myself on 0422 811 989 or Oona Nicolson, Director/Principal Heritage Advisor on (03) 9377 0100 if you have any questions or require further information.

Yours sincerely,

A handwritten signature in black ink that reads "B Ward".

Bradley Ward
Archaeologist/Cultural Heritage Advisor
Ecology and Heritage Partners Pty Ltd

Attachment 6 - Rushall Reserve Cultural Heritage Advice



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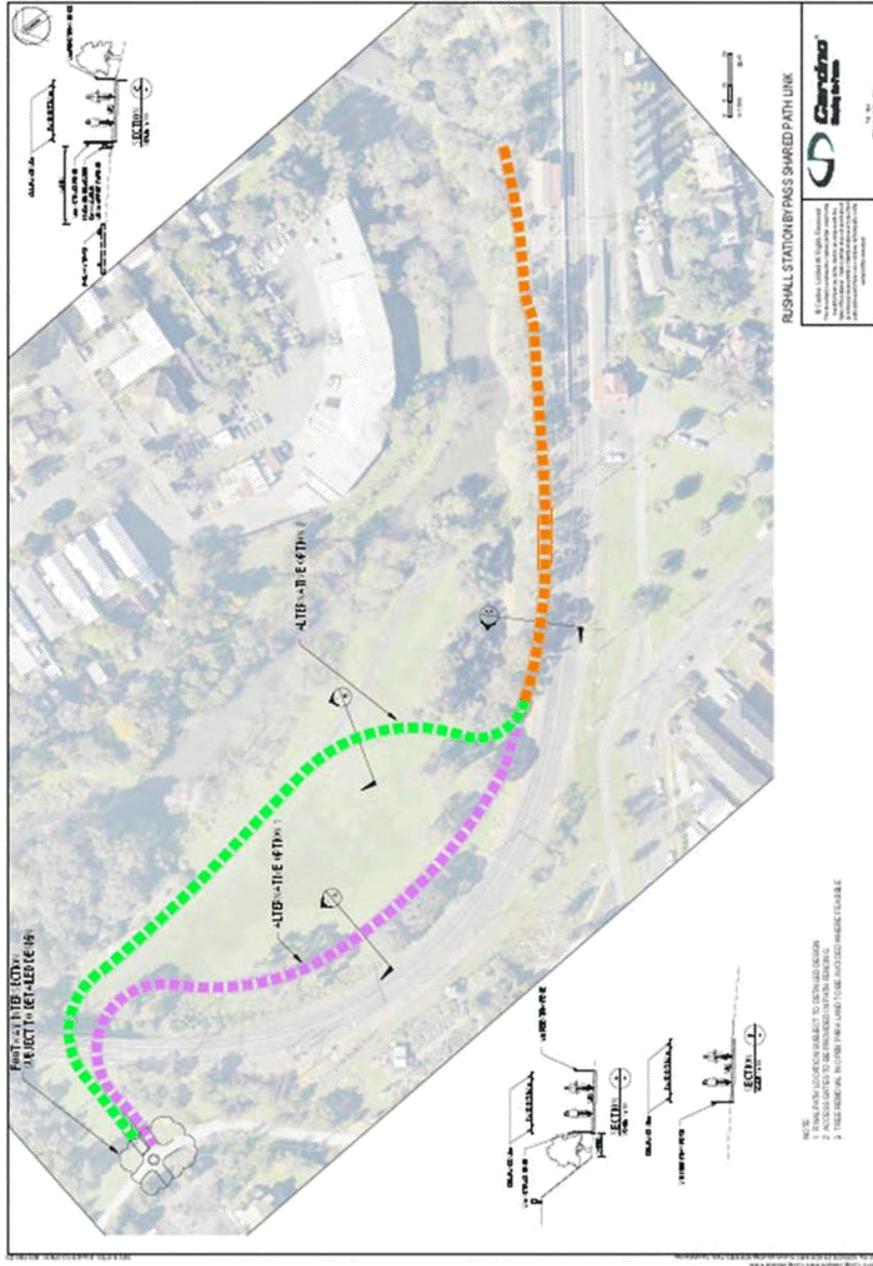
Attachment 6 - Rushall Reserve Cultural Heritage Advice



Attachment A

Development Plan

Attachment 6 - Rushall Reserve Cultural Heritage Advice



Attachment 6 - Rushall Reserve Cultural Heritage Advice



Attachment B

Aboriginal Places within 2 km of the Study Area

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| VAHR Site Number | Site Name | Site Type | Within Activity Area? |
|------------------|---|--|-----------------------|
| 7822-2711 | Merri Creek Blyth Street | Object Collection | No |
| 7822-3559 | Batman – Woiwurrung Treaty Signing Site | Aboriginal Cultural Place/ Aboriginal Historical Place | Yes |
| 7922-1185 | Dights Falls 1 | Artefact Scatter | No |
| 7922-1185 | Dights Falls 1 | Aboriginal Historical Place | No |

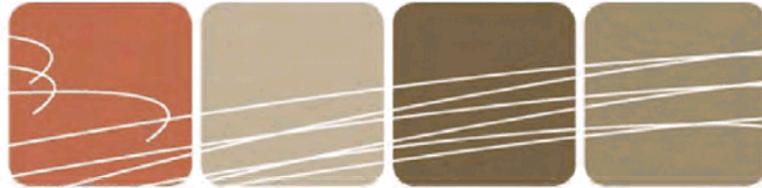
Attachment 6 - Rushall Reserve Cultural Heritage Advice



Attachment C

Significant Ground Disturbance (OAAV Practice Note)

Attachment 6 - Rushall Reserve Cultural Heritage Advice



Aboriginal Heritage Act 2006
Practice Note:
Significant Ground Disturbance

This Practice Note provides guidance about the meaning of **significant ground disturbance** as it relates to requirements to prepare Cultural Heritage Management Plans under the *Aboriginal Heritage Act 2006*.

The Practice Note covers:

- when a Cultural Heritage Management Plan is required
- why significant ground disturbance should be assessed
- what significant ground disturbance means
- who needs to provide proof
- how to determine significant ground disturbance
- who can determine this
- what is the role of the responsible authority
- how Aboriginal cultural heritage is protected in areas of significant ground disturbance.

Background

The *Aboriginal Heritage Act 2006* (Act) and *Aboriginal Heritage Regulations 2007* (Regulations) provide protection in Victoria for all Aboriginal places, objects and human remains regardless of their inclusion on the Victorian Aboriginal Heritage Register or whether they are located on public or private land.

When is a Cultural Heritage Management Plan required?

A Cultural Heritage Management Plan is required for an activity (i.e. the use or development of land) if the activity:

- is a high impact activity
- falls in whole or in part within an area of cultural heritage sensitivity.

The terms 'high impact activity' and 'cultural heritage sensitivity' are defined in the Regulations.

A Plan must also be prepared when an activity requires an Environmental Effects Statement, or when the Minister for Aboriginal Affairs requires.

High impact activities are categories of activity that are generally regarded as more likely to harm Aboriginal cultural heritage. Most high impact activities provided for in the Regulations are subject to a requirement that the activity results in significant ground disturbance. The term 'significant ground disturbance' is defined in the Regulations.

Areas of cultural heritage sensitivity are landforms and land categories that are generally regarded as more likely to contain Aboriginal cultural heritage. A registered Aboriginal cultural heritage place is also an area of cultural heritage sensitivity.



Attachment 6 - Rushall Reserve Cultural Heritage Advice



If part of an area of cultural heritage sensitivity (other than a cave) has been subject to significant ground disturbance that part is not an area of cultural heritage sensitivity.

If a Cultural Heritage Management Plan is required for an activity it must be approved before the sponsor can obtain any necessary statutory authorisation for the activity and/or before the activity can start. For more information about Cultural Heritage Management Plans see Aboriginal Affairs Victoria's (AAV) website (www.aboriginalaffairs.vic.gov.au).

Why should significant ground disturbance be assessed?

It is important to assess significant ground disturbance when considering whether a cultural heritage management plan is required because:

- A Cultural Heritage Management Plan does not need to be prepared for a high impact activity if all the area of cultural heritage sensitivity within the activity area has been subject to significant ground disturbance.
- Some types of activity will not be a high impact activity, meaning a Cultural Heritage Management Plan would not need to be prepared, if the activity does not cause significant ground disturbance.

The Regulations specify the landforms and land categories that are areas of cultural heritage sensitivity. Areas of cultural heritage sensitivity are displayed in a series of maps available on AAV's website. The areas delineated on these maps however do not take account of the past history of land use and development that may have caused significant ground disturbance in localised areas.

How is significant ground disturbance defined?

'Significant ground disturbance' is defined in r.4 of the Regulations as meaning disturbance of –

- (a) the topsoil or surface rock layer of the ground; or
- (b) a waterway – by machinery in the course of grading, excavating, digging, dredging or deep ripping, but does not include ploughing other than deep ripping.

The words 'disturbance', 'topsoil', 'surface rock layer', 'machinery', 'grading', 'excavating', 'digging', 'dredging', 'ploughing' (other than deep ripping) are not defined in the regulations and therefore have their ordinary meanings.

The Victorian Civil and Administrative Tribunal (VCAT) has determined that the words "topsoil or surface rock layer" include the former topsoil or former surface rock layer if that topsoil or surface rock layer is a naturally occurring surface level that is readily ascertainable and does not include the current topsoil or current surface rock layer if established by the mere filling of the land.

Ploughing (other than deep ripping) to any depth is not significant ground disturbance. Deep ripping is defined in the regulations to mean 'ploughing of soil using a ripper or subsoil cultivation tool to a depth of 60 centimetres or more'. None of the words used in this definition are defined, and therefore have their ordinary meanings. VCAT has determined that a ripper or subsoil cultivation tool must be distinguished from conventional ploughs or topsoil cultivation tools such as disc ploughs or rotary hoes which are not sufficient to show significant ground disturbance.

Deep ripping will result in significant ground disturbance regardless of the degree of disturbance caused to the topsoil or surface rock layer of the ground.

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A level 1 or 2 inquiry will commonly provide sufficient information as to whether or not the activity area has been subject to significant ground disturbance, and a level 3 or 4 inquiry should not be required as a matter of course.

There will be cases when the responsible authority is simply not persuaded or where there remains genuine doubt about significance ground disturbance regardless of the level of inquiry. In these circumstances the default position is that a Cultural Heritage Management Plan is required. This is in line with the purpose of the Act and Regulations to provide for the protection of Aboriginal cultural heritage in Victoria.

Who can provide expert advice about significant ground disturbance?

A person needs to have expertise to decide, based upon an inspection of the land or interpreting primary documents, whether the land has been subject to significant ground disturbance.

A cultural heritage advisor may not necessarily have this expertise. Under section 189 of the Act, an advisor must have a qualification directly relevant to the management of Aboriginal cultural heritage such as ‘anthropology, archaeology or history’ or have extensive experience or knowledge in relation to the management of heritage. An advisor appropriately qualified in archaeology may be able to assist where excavation is required to determine significant ground disturbance.

Other experts such as a land surveyor, geomorphologist or civil engineer could also have the necessary expertise (depending on the circumstances). For example, a civil engineer should have the qualifications and experience to determine the extent of previous engineering works along a watercourse or road, and therefore the extent of significant ground disturbance.

What is the role of the responsible authority?

The responsible authority determines whether a Cultural Heritage Management Plan is required for an activity. It may require the applicant to provide information to satisfy it that an area has been subject to significant ground disturbance.

Evaluating information relating to the occurrence of significant ground disturbance may be critical in deciding whether a Cultural Heritage Management Plan is required and therefore whether a statutory authorisation can be granted. This question should be resolved at an early stage in planning a proposed development. Applicants for statutory authorisations and the responsible authority should therefore seek to agree at an early stage about whether a Cultural Heritage Management Plan is required. In the event of a dispute this can be brought without delay to VCAT for resolution. The responsible authority should take care to document the steps taken in each case.

What if Aboriginal cultural heritage is discovered in an area determined to have been subject to significant ground disturbance?

It is possible that there are Aboriginal cultural heritage places, objects or human remains within areas determined to no longer be areas of cultural heritage sensitivity due to significant ground disturbance. It is also possible that Aboriginal cultural heritage could be harmed by activities which do not amount to high impact activities.

These Aboriginal places are still protected under the Act. In particular, it is an offence under sections 27 and 28 of the Act to harm Aboriginal cultural heritage unless acting in accordance with a Cultural Heritage Permit or approved Cultural Heritage Management Plan (regardless of whether a Plan was required).

** This Practice Note is based on VCAT’s determination about significant ground disturbance. For further details see VCAT, Reference No. P1020/2008 – Mainstay Australia vs Mornington Peninsula SC and Reference No. P1204/2010 – Colquhouns & Ors vs Yarra SC.*

4 Practice note – significant ground disturbance

11.2 GTV 9 , Bendigo Street, Richmond – Naming of the Community Hub and Associated Rooms

Trim Record Number: D15/89973

Responsible Officer: Group Manager - People, Culture and Community

Purpose

1. To consider and recommend the naming of the community hub located at the former GTV 9, Studio 2 site, 63 Bendigo Street, Richmond.
2. The construction of the centre is nearing completion with occupancy anticipated as August 2015, and a formal opening in October 2015.

Background

3. The ownership of the Studio 2 site at the former Channel 9 television was transferred between Lend Lease Development Pty and Yarra City Council under a Section 173 Agreement. Under the terms of the agreement the site is to operate as a community facility.
4. The design and construction of the interior has been carried out by Yarra City Council. The GTV9 'Studio 2' facility will represent a modern, flexible and inclusive multi-purpose public building which will meet the needs of the residents of the GTV9 development and wider community.
5. The Richmond Community Learning Centre (RCLC) is to operate the hub as the lead tenant following an extensive expression of interest and engagement process.
6. Stakeholders in the project including RCLC and the Venues and Events team from Council have been actively engaged in the consultation process to develop the design elements, furniture and equipment fit out and operational suitability.
7. The builder is set to hand over the site on or about the 10 August 2015.
8. It is intended to name the building and the community rooms within. This paper seeks to discuss and advise Council of the process and recommendations for consideration mindful of the community engagement process and the input by the Richmond & Burnley Historical Society and RCLC.

Consultation

Community Consultation

9. Whilst the Facility is not a "road, feature or locality" as defined in the Guidelines for Geographic Names 2010, Council determined to undertake a consultation process modelled on that set out in Council's *Naming of Roads, Features, and Localities Policy*. This process was undertaken by the Governance unit earlier this year, with the formal exhibition of the proposal happening from 16 March to 24 April, 2015.
10. The consultation process included newspaper advertisements, placement on Council website and direct mail to stakeholders including the local historical society and the Wurundjeri Tribe. Given the profile of the facility and the lack of response, follow up emails were sent to the Wurundjeri Tribe on 27May and 22June 2015, Despite these efforts, no submission was received.

Richmond & Burnley Historical Society Consultation

11. In March this year advice was sort and recommendations received from the Richmond & Burnley Historical Society of names based on their local knowledge and community interest.

12. David Langton, on behalf of the Richmond & Burnley Historical Society advised that the hub can have the title 'Television City'. This was the earlier name for the site, when television commenced.
13. Mr Langton advised that "*Television City*" appears on the front wall of the building in Bendigo Street. It symbolises the vast talent and entertainment that was produced on the site over the last 60 years
14. Council acknowledges the historical context of the name "Television City" but upon review notes that the site of the hub is not a scale that the name "City" confers and believes, on balance, this recommendation should be discounted.

Richmond Community Learning Centre

15. Since neither RCLC or its members had responded through the public engagement process Council issued a short list of room and centre names for a response by the RCLC Committee of Management (COM).
16. The Manager of RCLC, Simone Gardiner advised that "*having consulted our volunteer COM of management, who represent the diversity of Richmond, the suggestion is Hub 3121 or 3121 Hub. Local passionate residents use 3121 in conversation, and its usage is moving into social media and local businesses etc. It is contemporary and also widely understood. All residents can identify with this term*".
17. "*RCLC further noted that there needs to be some caution in adopting a name that is associated with the GTV 9 site as this could reinforce a sense of ownership by Lend Lease residents especially as the facility is located within the Studio 9 space. Other existing local residents may also see this as precluding them. This has been one of the common themes during the community consultation and development of the Burnley Backyard project – which the community space at GTV 9 would be for Lend Lease residents only. Incorporating 3121 and the word hub clearly articulate the space as a place for multiple activities that is Richmond centric*".
18. Whilst officers acknowledge the opportunity to represent the diversity of the Richmond community, in using the name Hub 3121 or 3121 Hub, using the post code 3121, in one ward and in a less prominent location is not recommended. Particularly, as the opportunities and services to be offered are not known and, may or may not, take a particular slant in the future, effectively limiting the sense of diversity. Thus diversity is not guaranteed.

Officer recommendations

19. The officer recommendation is for either Studio 1 or the Hugo Wertheim Centre.
20. The initial development of the site and the exact location of the hub are in the former Studio 1 of the Channel 9 site. This name is relevant to the site and its history; it is not readily aligned with GTV 9, there are no known intellectual property interests and, also suggests a contemporary place for a modern social concept in local government service delivery.
21. An alternative name is the Hugo Wertheim Centre. The original building began as the Wertheim Piano Factory in 1909, at a cost of 75,000 pounds. It was opened by the Prime Minister Alfred Deakin in October, 1908. This represents the maintenance and support of the strong local history of the site.
22. On balance it was felt that the name Studio 1 offers the right combination of historical context and modern understanding of creative space without commitment to any particular interests.

Community hub room names

23. There are five (5) rooms to be named: the largest, community room 1, which will be on the council booking system, community room 2 and 3 largely are associated with training and development and, 2 meeting or consultations rooms as required.
24. The suggestions of the RBHS for the room names included mostly Television names.
25. These names together with the recommendation by officers of the use of the Womin je ka (Welcome) room (subject to permission and licence by the Wurundjeri Tribe, and the Melba room were forwarded to RCLC.
26. RCLC affirmed the preferred use of these names for the rooms:
 - (a) Womin je ka Room - Community Room 1/lounge. The place of welcome into the facility;
 - (b) The Green Room- Community Room 2, a co-working space/training room. This is a reference to the sites historical use as a television studio;
 - (c) Radio Room – Community Room 3, a co-working space/training room. This is a reference to the sites historical use as a radio studio;
 - (d) Helen Porter Mitchell Room – Consultant Room1. An opportunity to use Melba's birth name and the name she used until she left Australia rather than the name commonly associated with this famous daughter of Richmond; and
 - (e) Hugo Wertheim Room – Consultant Room 2. This is a reference to the site's historical use as a piano factory.

Financial Implications

27. This is a fully budgeted item within the larger project for development of the GTV 9 site.

Economic Implications

28. It is considered that there will be no economic implications contingent with the naming of the GTV 9 site.

Sustainability Implications

29. It is considered that there will be no sustainability implications contingent with the naming of the GTV 9 site.

Social Implications

30. Not Applicable.

Human Rights Implications

31. There are no Human rights issues.

Communications with CALD Communities Implications

32. The process for community engagement was conducted through the Council standard communications process which includes multilingual advertising, on the web site and advertisements.

Council Plan, Strategy and Policy Implications

33. The Council Plan 2013-17 includes the following strategic objectives which apply to this project:
 - (a) supporting Yarra`s community; and
 - (b) making Yarra more liveable.

Legal Implications

34. Once approved by Council, the use of the Womin je ka name is subject to the issue of a licence by the Wurundjeri Tribe.

Other Issues

35. Not applicable.

Options

36. Not applicable.

Conclusion

37. The recommendation for the naming of the building has followed due process. The recommendations were developed following a lack of response to the public process.

RECOMMENDATION

1. That Council:
 - (a) approves the naming of the site known as GTV 9 Lot C, 22 Bendigo Street, Richmond as Studio 1; and
 - (b) notes the room names at Studio 1 as:
 - (i) Community Room 1/lounge: Womin je ka Room;
 - (ii) Community Room 2: The Green Room;
 - (iii) Community Room 3: Radio Room;
 - (iv) Consultant Room 1: Helen Porter Mitchell Room; and
 - (v) Consultant Room 2: Hugo Wertheim Room.

CONTACT OFFICER: Ann Limbrey
TITLE: Projects Manager Buildings
TEL: 9205 5713

Attachments

There are no attachments for this report.

11.3 Submission in Response to the Better Apartments Discussion Paper

Trim Record Number: D15/93851

Responsible Officer: Director Planning and Place Making

Purpose

1. The purpose of this report is for Council to make a submission to the Department of Environment, Land, Water and Planning (**DELWP**) in response to the discussion paper "Better Apartments".

Background

2. Like many Council's (particularly those in the inner city), the City of Yarra is seeing an increase in the number of apartment buildings being proposed and constructed. This increase is due to market forces and supported by successive State Government policies (Melbourne 2030 and now Plan Melbourne) for the intensification of use and development in areas with good access to public transport and other infrastructure.
3. To date, guidance on the internal quality of apartments (particularly for development of 5 or more storeys) has been provided by the *Guidelines for Higher Density Residential Development (GHDRD)*, which is a *reference document* to the Yarra Planning Scheme and was finalised in 2004. Additional direction has been provided at times by local policies in the Planning Scheme (such as Clauses 22.05 and 22.10 and the proposed Clause 22.17), Design and Development Overlays and Structure Plans. These tools have not been entirely effective for a variety of reasons, albeit Council has managed to push for good ESD outcomes in many instances, through officer initiative, supported by the developing policy framework.
4. The various development outcomes in inner Melbourne, which have resulted from the current policy framework, have led to strong feedback to the State Government on the need for more effective policy direction.
5. In response, the DELWP has prepared a discussion paper and commenced consultation on the development of apartment design guidelines. These guidelines are proposed to deal with the internal quality of apartment buildings only and do not deal with other planning related issues such as the appropriate location for apartment buildings, neighbourhood character, heritage, amenity impacts on neighbours, car parking provision and the like. Submissions are due by 31 July, 2015, but it is also noted that stakeholder forums and workshops are also proposed in July to end of August. The program is then for DELWP to develop and analyse options for consideration from September to December 2015.
6. The time provided for comment this stage (end July) has not allowed for input into Council's submission by the community, however, individuals can lodge submissions direct to DELWP.

N.B. It is also noted that a number of macro-economic matters that impact on housing trends are not part of this review (many of which relate to Federal policy).

Submission

Preferred form of apartment guidelines

7. The Discussion Paper seeks responses based on a template approach (see *Attachment 2*). The attached draft submission follows this format. The Discussion Paper firsts asks for feedback on the preferred form of any future apartment guidelines. Four possible options are put forward in the Discussion Paper as follows:
 - (a) regulatory approach (mandate minimum standards in the planning schemes);
 - (b) performance based (a 'rescode' for apartments);
 - (c) policy based (revise the GHDRD); and
 - (d) market based (work with the market to encourage good design).

8. It is considered that options (c) and (d) are not appropriate given they effectively represent current circumstances. This approach has led to mixed (and sometimes poor) internal quality outcomes across inner Melbourne and calls for stronger guidance.
9. A combination of options (a) and (b) should provide the best solution. There are components of apartment design which officers believe should be mandated, while others should be assessed on merit using a rescode style assessment tool.

Apartment guidelines content

10. The discussion paper nominates 14 apartment design *issues* and then identifies *potential impacts* and *relevant factors to consider*. The Yarra context and preferred outcomes with reference to these potential impacts and relevant factors are discussed in Attachment 1.

Financial Implications

11. There are no known financial implications to submitting this review.

Economic Implications

12. There are no known economic implications to submitting this review. Macro-economic drivers in the housing activity area, whilst very important, are outside the scope of the discussion paper by the State Government. Other forums exist for Local Government to advocate on those points that impact on housing activity.

Sustainability Implications

13. The internal layout of apartments does impact on energy usage due to heating, cooling and lighting.

Social Implications

14. Internal amenity of apartments can have impact on people's quality of life. This needs to include 'universal design' so that all apartments are suited to people of all ages. It is understood that the cities of Hong Kong and New York have planning provisions relating to internal liveability.

Human Rights Implications

15. There are no particular known human rights implications.

Communications with CALD Communities Implications

16. There is no requirement for Council to engage with CALD communities in this review, and time does not permit.

Council Plan, Strategy and Policy Implications

17. The proposed submission is consistent with the broad intent to improve effectiveness and efficiencies in the Statutory Planning processes and outcomes.

Legal Implications

18. There are no known legal implications.

Conclusion

19. The development of strong apartment guidelines in the Victorian Planning system is overdue and important. Council should encourage and support their development in a form which provides the strongest statutory weight and the best apartment quality outcomes. It is considered that the recommendations as identified in Attachment 1 would assist in the progress of this outcome.
20. There will also be other forums and processes for Local Government to advocate on these topics (e.g. July to August), and broader issues such as macro-economic aspects (to Federal and State Government).

RECOMMENDATION

1. That:

- (a) Council note the report of officers in relation to the exhibited document by the Minister of Planning entitled "Better Apartments - a Discussion Paper" (May 2015);
- (b) Council authorise the Director, Planning and Place Making, to forward a submission on behalf of Council, outlining support for the preparation for strong apartment guidelines with a combination of regulatory and performance based approaches; and
- (c) the submission include comment on the possible content of the design guidelines broadly as outlined shown in Attachment 1 to this report.

CONTACT OFFICER: Tarquin Leaver
TITLE: Coordinator Statutory Planning
TEL: 9205 5147

Attachments

- 1 City of Yarra submission to Better Apartments Discussion Paper
- 2 Better Apartments Discussion Paper - May 2015

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

Submission

This submission follows the format outlined in the Discussion Paper. This includes ideal form of the guidelines and then comments in relation to the 14 identified 'issues'.

Preferred form of apartment guidelines

The discussion paper asks for feedback on the preferred form of any future apartment guidelines. Four possible options are put forward in the Discussion Paper as follows:

- (a) Regulatory approach (mandate minimum standards in the planning schemes);
- (b) Performance based (a 'rescode' for apartments);
- (c) Policy based (revise the GHDRD); and
- (d) Market based (work with the market to encourage good design).

Options (c) and (d) are not considered appropriate given they effectively represent current circumstances. This approach has led to mixed (and sometimes poor) outcomes in inner Melbourne and calls for stronger guidance.

A combination of options (a) and (b) would provide the best solution. There are components of apartment design which Council believe should be mandated (see below for identification of these), while others considered best assessed on merit using a rescode style assessment tool.

Apartment guidelines content

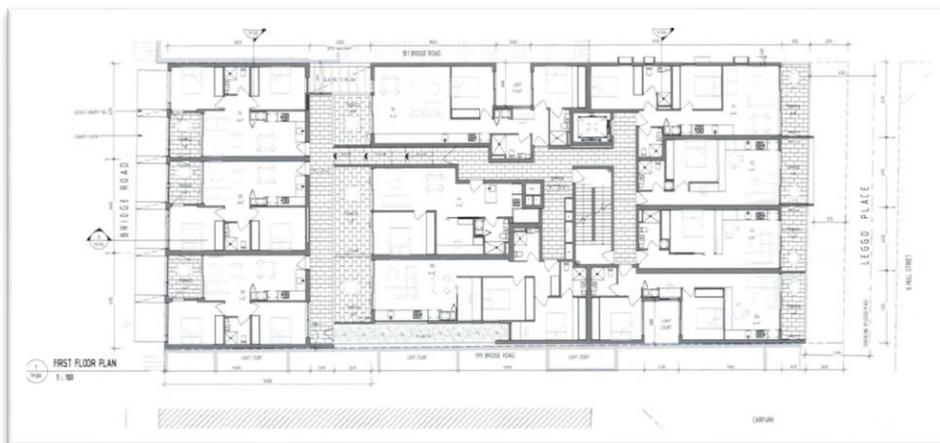
The discussion paper nominates 14 apartment design *issues* and then *identifies potential impacts* and *relevant factors to consider*. The Yarra context and preferred outcomes are discussed below with reference to these potential impacts and relevant factors:

1. Daylight

Issue: lack of adequate natural daylight within the apartment.

Yarra Context

The form of many of the sites in Yarra's activity centres (long, narrow lots) has led to substantial issues with daylight access. Many development proposals have included apartments with borrowed light to bedrooms, long saddleback arrangements to bedrooms, or reliance on small central lightcourts running the full height of buildings. In some instances single aspect apartments have been proposed centrally on the site, relying on small setbacks and neighbouring properties for daylight access.



Example: Layout includes borrowed light to bedrooms, saddleback apartment and heavy reliance on lightcourts.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

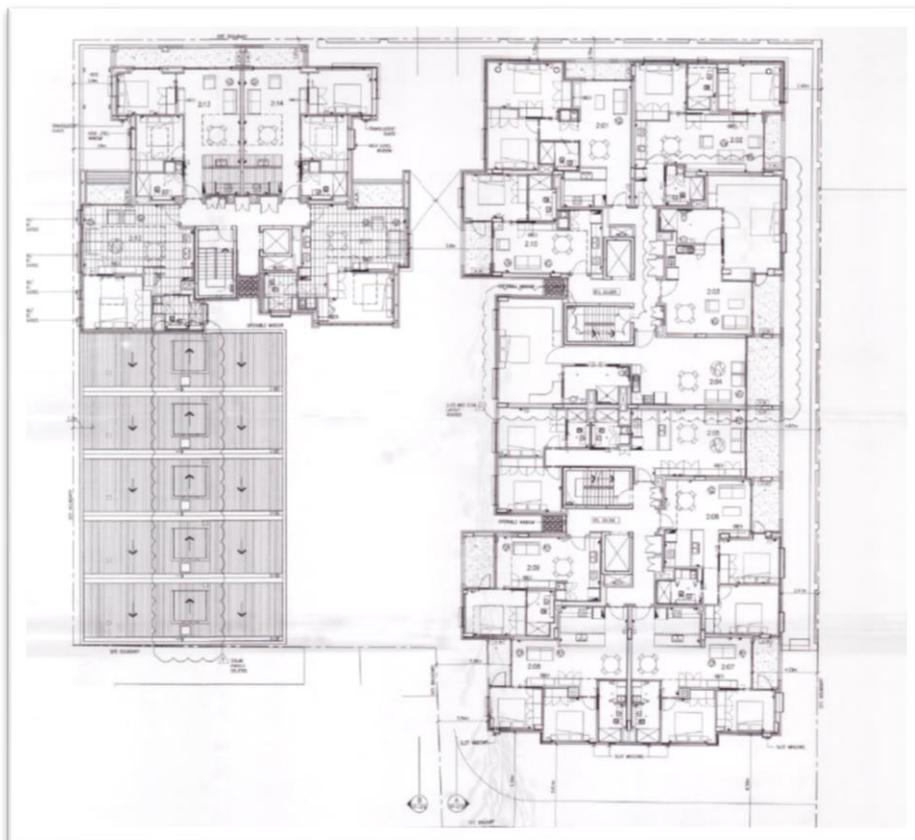
Preferred Outcome

The Council’s proposed Environmentally Sustainable Design (ESD) policy (and the Built Environment Assessment Scorecard (BESS) assessment tool) currently used to guide applicants, provides for daylight provision as follows:

- Achieve a minimum daylight factor of 1.0% for living areas and 0.5% for bedrooms (for 90% of the floor area of the room). A daylight modelling report is required for larger developments.
- Limit habitable rooms to a maximum depth of 8 metres.
- A minimum ceiling height of 2.7 metres for habitable rooms.
- Avoid the use of light courts for daylight provision.
- Limit the number of apartments with internal (borrowed light) bedrooms to a maximum of 10% of the total apartments proposed.
- Limit the height of courtyards to a maximum of 4 storeys to ensure adequate daylight access to the open space areas of apartments.

Daylight access to living areas is most critical, while bedrooms are important (but less so than living areas). This is reflected in the minimum daylight factor identified above. Minimum daylight levels for living areas and bedrooms in new developments should be mandatory for new buildings but may need some flexibility when retrofitting existing buildings.

Other areas, such as bathrooms and hallways, would benefit from daylight access but acknowledge that this may be difficult to achieve in many circumstances; and in this context is considered desirable but not critical.



Example: Good light access created by setbacks and dual oriented units.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

2. Sunlight

Issue: Lack of controlled sunlight access to apartments.

Yarra Context

The orientation and dimensions of many lots in Yarra plays a large role in dictating a development’s ability to provide direct sunlight access to a majority of apartments. Long, narrow lots with a north-south orientation, often means a higher percentage of apartments with a southern orientation (for urban design, public realm interaction purposes).

The benefits of direct sunlight access are generally well known and accepted by all parties. This aspect has therefore been reasonably well managed in most new apartment building proposals.

Preferred Outcome

Council’s proposed ESD policy (and the assessment tool BESS), includes best practice for sunlight access as follows:

- Design living areas and private open spaces so that at least 70% of apartments receive a minimum of three hours direct sunlight between 9am and 3pm in mid-winter.

This may be difficult to achieve in some instances, particularly for long, narrow, north-south oriented lots. Variations could be allowed where there is a need to provide more south facing units to achieve competing objectives (as identified above) and thermal comfort can be controlled in other ways.

For apartments that do have good sunlight access, consideration should be given to external shading devices, ceiling fans and operable windows to help control thermal comfort.

Separation distances between buildings should be provided so that direct sunlight access is maintained (sufficient separation is also necessary for daylight access and outlook). The separation distances for sunlight access could be dictated by the standard for sunlight access (such as that outlined above).



Example: Large central light court allows all but three apartments to gain direct sunlight access despite a primary frontage to the south.

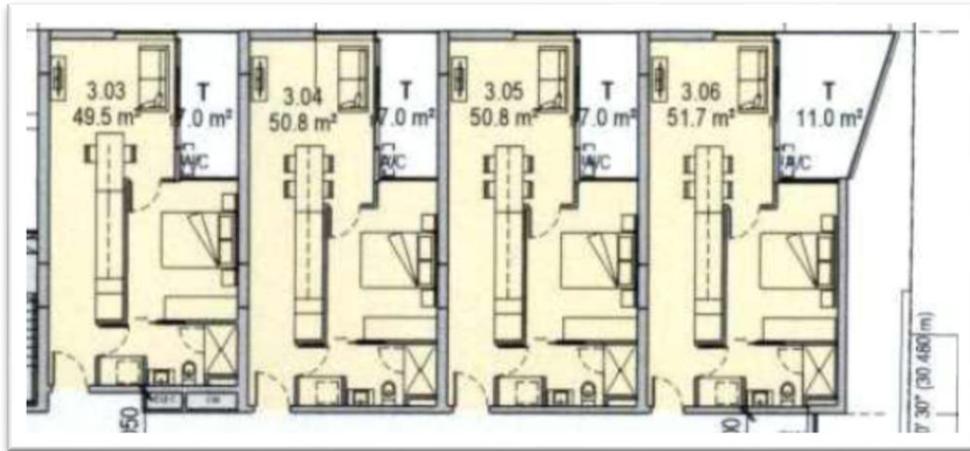
Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

3. Space

Issue: Apartments are too small or poorly planned.

Yarra Context

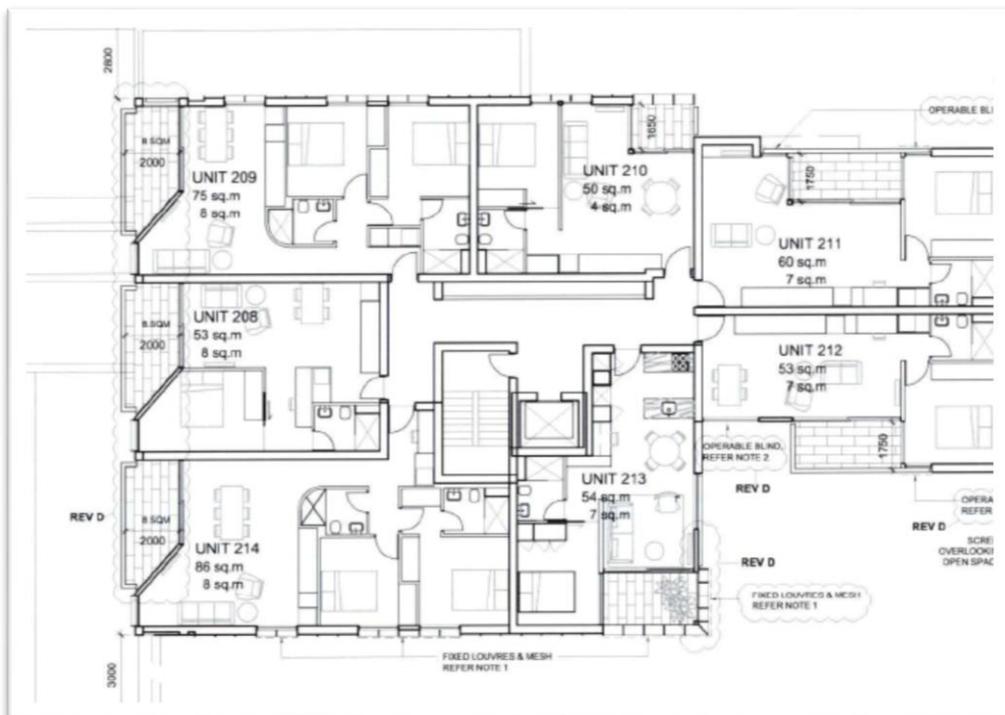
Site dimensions and a desire by developers to maximise apartment numbers has at times led to small and poorly planned apartments proposed with undersized living areas and bedrooms, poor light access, excessive corridor use and limited storage.



Example: Apartment layout (small living areas, long corridor combined with kitchen) can lead to poor usability.

Preferred Outcome

Consideration should be given to a combination of mandatory minimum apartment size (with size dependant on number of bedrooms) and the use of performance standards. Some variation to the size requirement could potentially be allowed where all performance standards are shown to be met (performance standards should deal with the issues identified above).



Example: Good sized living areas and bedrooms, good daylight access and limited corridor lengths lead to a far more usable product.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

The provision of minimum unit sizes (or alternatively minimum living area and bedroom dimensions) should allow sufficient space for internal storage. Externally accessible storage areas (current requirement is 6 cubic metres) could be varied down to 3 cubic metres for smaller apartments.

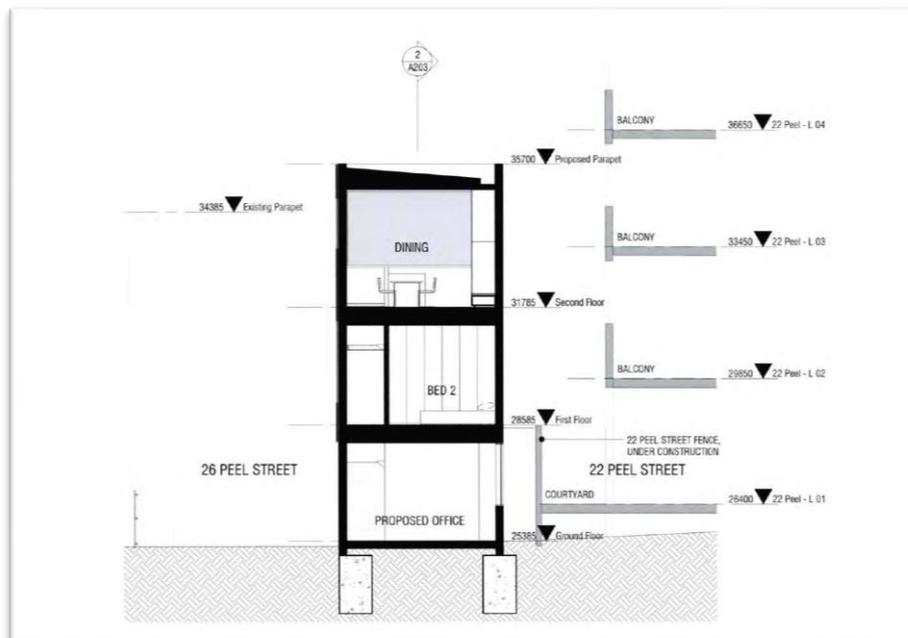
Some variety of apartment size and type should be required in larger developments; however, care must be taken with how this is done. The need for particular housing types is market driven and may change over time. Providing flexibility in the floorplates could resolve many of the issues which may arise.

4. Outlook

Issue: Achieving a quality outlook from all apartments.

Yarra Context

An increase in the number and size of apartment buildings has clearly shown a need to carefully consider setbacks from abutting private land and narrow laneways to ensure ongoing amenity protection and equitable development opportunities. In some instances, there has been a failure of designers to properly consider future development on adjacent sites which has led to poor designs.



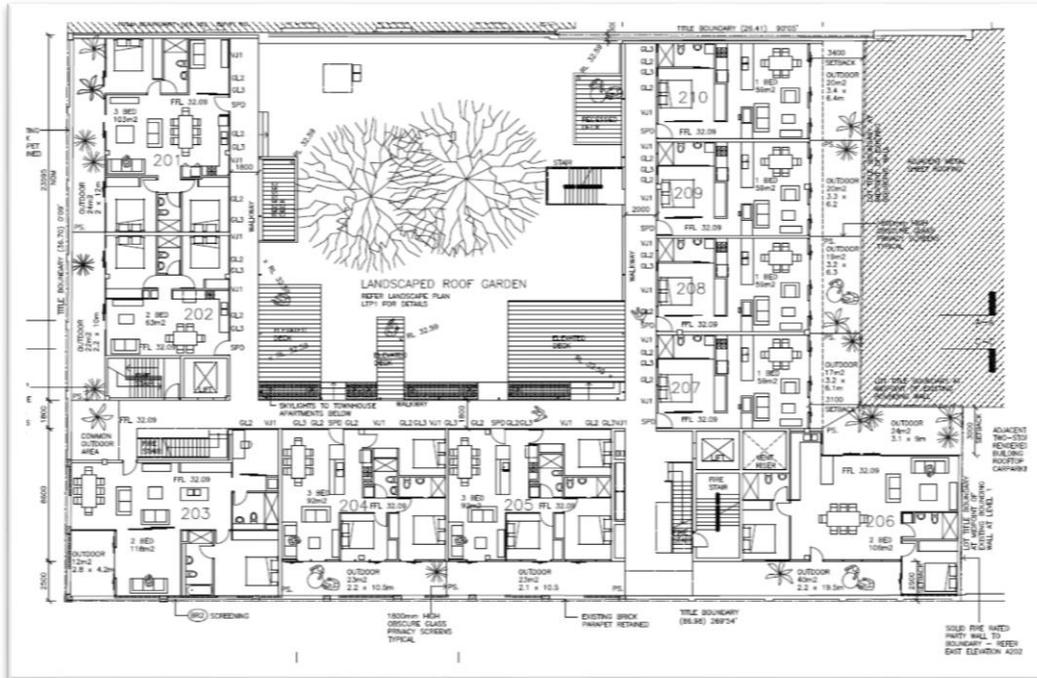
Example: Failure to provide adequate setbacks can lead to loss of any outlook.

Preferred Outcome

The living and open space areas of apartments should be oriented over a public area to ensure ongoing access to a reasonable outlook. This has the added bonus of providing urban design and public surveillance benefits. Outlook from other areas (such as bedrooms) over public areas is less critical, but should be provided where possible.

Where outlook over a public area is not possible and apartments face over private land, a minimum separation distance should be provided between buildings, starting at 9 metres at lower levels to allow apartments to avoid the need for overlooking screening and increasing with building height. This 9 metre separation can be shared between properties, resulting in a requirement for a 4.5 metres setback.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper



Example: Good separation maintains reasonable outlook for inward facing units and separation from neighbouring properties allows equitable development opportunity.

5. Natural Ventilation

Issue: Lack of adequate natural ventilation of apartments.

Yarra Context

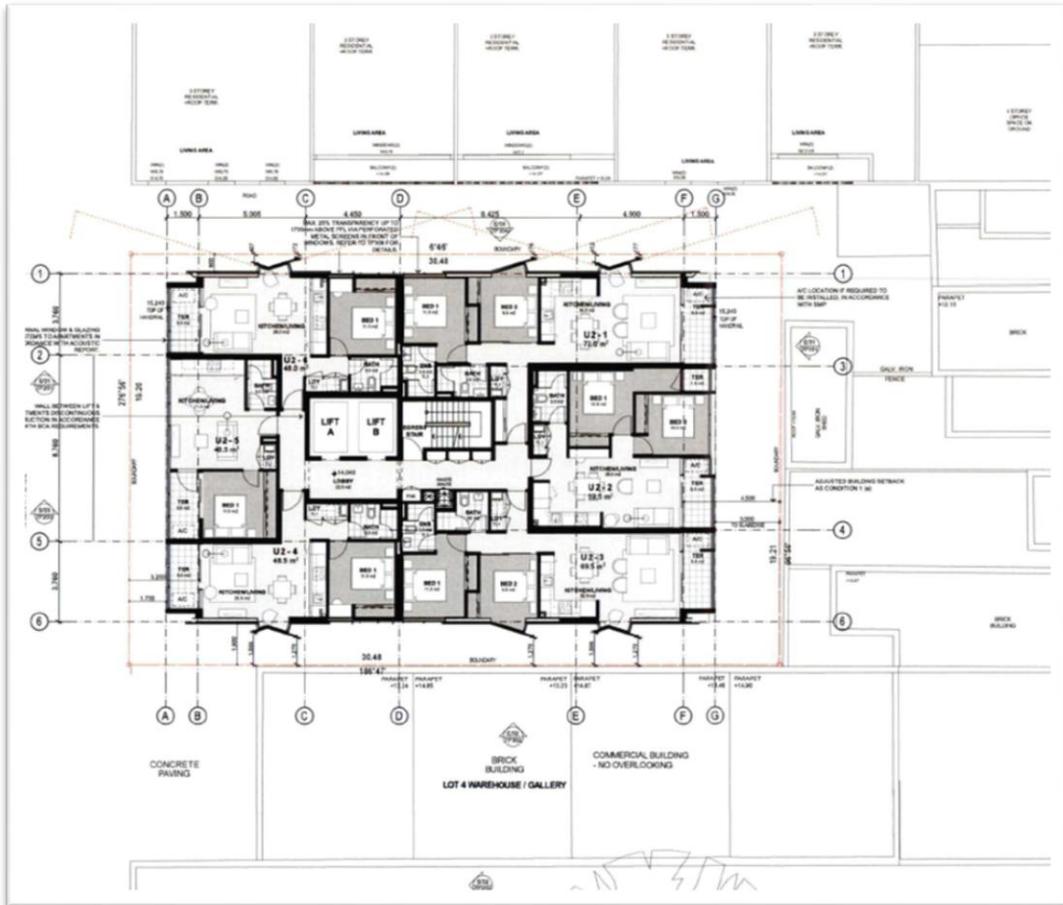
There tends to be an increase in the number of deep, single sided apartments proposed which creates problems with providing effective natural ventilation.

Preferred Outcome

The Councils' proposed ESD policy (and the BESS assessment tool) provides useful criteria to provide natural ventilation – these are as follows:

- Design for at least 50% of a development's apartments to effectively naturally ventilate, either via cross ventilation, single-sided ventilation or a combination.
- For adequate single-sided ventilation, room depth should be no more than 5m.
- For adequate cross-ventilation:
 - The length of the breeze path should be a maximum of 15 metres;
 - Ventilation openings should be at least 1m²;
 - Ventilation openings on adjacent walls should be at least 3m apart;
 - There should not be more than 1 doorway or opening between ventilation openings; and
 - Any doors in the breeze path should be provided with door catches. Where the doorway is a front door, a security screen door must be provided.
- Provide openable windows to circulation corridors and lift lobbies to facilitate natural ventilation.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper



Example: Setbacks on all sides allows multiple natural ventilation points. Single oriented apartments can achieve this if they are wide rather than deep.

6. **Noise**

Issue: External noise, Acoustic privacy.

Yarra Context

There are a large number of potential noise sources which may affect any given development, primarily due to the location of many of these developments in commercial or mixed use zones and close to public transport, main roads and commercial operations. Clause 22.05 and 52.43 of the Planning Scheme allows officers to require an acoustic report for larger developments.

Preferred Outcome

Developments should self-protect from external noise sources in all instances, both to protect residents and to protect the legitimacy and functionality of nearby uses.

It is important that the allowable noise level within particular rooms such as living areas and bedrooms needs to be specified, as does the point of measurement for noise levels.

Designers proposing that buildings “turn their back” on noise generators can lead to poor urban design and public realm surveillance proposals. These competing needs must be considered as part of the overall package of the development, rather than requiring that noise be considered in isolation. Changes to SEPPN-1 and SEPPN-2 to achieve these outcomes are probably required.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

7. Outdoor Space

Issue: Access to outdoor spaces from apartments.

Yarra Context

Undersized or poorly dimensioned balconies are sometimes proposed, affecting the amenity of apartments. In some instances this would make balconies unusable for anything other than short occupation.



Example: Narrow balconies can limit the usefulness of balconies

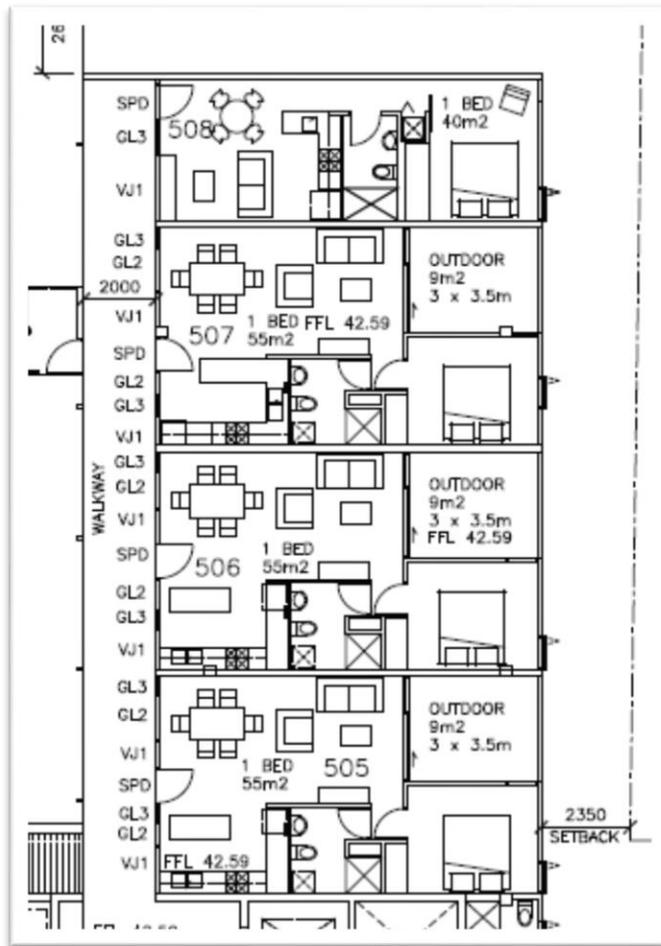
Preferred Outcome

All new apartments should be provided with a personal balcony space. The size of that space should vary according to the apartment type it serves and the size should be mandatory for new buildings. Apartments without balconies when retrofitting existing buildings may, however, be appropriate.

In many instances the dimensions of the balcony are of greater importance than the size (although clearly they are related). Dimensions which comfortably allow for outdoor furniture ensure balconies can be used for longer times.

Air conditioning units should not be allowed to impinge on the minimum size or dimension requirements of balconies. Where possible, they should not be located on balconies at all but an integrated feature in the design of the building.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper



Example: Well dimensioned balconies make these spaces more usable.

Importantly, communal outdoor spaces are of value in larger developments and complement private spaces (but should not replace them). These areas should be encouraged.

8. Adaptability

Issue: Apartment buildings will last a long time but are difficult to modify once built.

Yarra Context

Adaptability of floor plates has not been a common feature in designs proposed - although it is noted that there are often multiple instances of amendments to approved developments which seek the merging of multiple apartments to create larger products.

Preferred Outcome

Some adaptability within a particular use type can be included in designs (such as the strategic placement of load bearing walls and columns) and this should be encouraged.

It is acknowledged, however, that adaptability between land use types may be more difficult than adaptability within the same use given differing requirements in terms of daylight access, open space provision and the like.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

9. Landscape

Issue: Intensive urban development affects the landscape.

Yarra Context

Many apartment buildings in Yarra are proposed in commercial or mixed use precincts with little landscape character. In areas with a landscape character some developments provide high site coverage and basements which limits landscaping opportunities.

Preferred Outcome

Developments should respond to their context. In commercial precincts, ground level open space and planting may be unrealistic; however, creative solutions such as green roofs, walls and facades or planting within communal open areas can provide positive outcomes (where these do not significantly conflict with other policy, such as heritage requirements). A contribution towards public planting could also be encouraged to offset any lack of on-site planting.

In areas where ground level open space and substantial planting form part of the character, landscaping should be provided to reflect this.

Council's proposed ESD policy (and the BESS assessment tool) requires the following:

- Protect existing vegetation on-site.
- Provide additional vegetated areas.
- Incorporate indigenous and/or productive gardens into the design.
- Incorporate green roofs, walls and facades into the design.
- Provide tap and floor waste on balconies and courtyards

10. Universal Design

Issue: Apartments are not suited to people of all ages and abilities.

Yarra Context

Details of universal design in apartment buildings, has generally been limited other than ensuring ground level access for those with limited mobility in larger developments.

Preferred Outcome

The majority of apartments should be designed for (or adaptable to be designed for) people with limited mobility. This can be by providing reinforced walls in bathrooms, showers and toilets for the later addition of grab-rails, as well as providing accessible path of travel from the street to the entry level of the building; and provide easy access through doors, corridors and living spaces for prams and mobility aids.

11. Energy and Resources

Issue: Design of apartment buildings affects household energy and resource consumption.

Yarra Context

Energy and resource efficient design has been strongly encouraged by Council officers utilising the Sustainable Tools for Environmental Performance Strategy (STEPS), and now Built Environment Assessment Scorecard (BESS) tools, with this guidance most developments now include a Sustainable Design Assessment (SDA) or Sustainability Management Plan (SMP). These tools have been effective but are still resisted by some applicants.

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

Preferred Outcome

Building regulations are inadequate and need to be expanded on and improved through planning controls. It is noted that Council's proposed ESD policy (and the BESS assessment tool) requires the following:

- Achieve a thermal energy efficiency standard at least 10% above minimum National Construction Code (NCC) compliance;
- Install energy efficient hot water, heating and cooling systems within one energy star rating of the best available;
- Install energy efficient lighting to achieve an improvement of at least 10% above NCC compliance for lighting power density.
- Provide daylight and occupancy sensors for external lighting.
- Provide external natural clothes drying facilities.
- Provide on-site renewable energy generation.
- Ensure basement carparks are either fully naturally ventilated, or use CO (carbon monoxide) monitoring to control the speed and operation of ventilation fans.
- Install Water Efficiency Labelling Standards Scheme (WELS) rated fittings within one Star of best available.
- Install a rainwater tank that is sized to capture the vast majority of otherwise discharged rainwater and plumbed to a consistent year round water use such as toilet flushing.
- Reduce water use for landscape irrigation by planting a low water use garden.
- Incorporate measures to reduce water consumption for fire safety system testing, such as re-using water on site and fitting isolation valves or shut off points for sprinkler systems on each floor.
- Provide individual metering to encourage occupants to be responsible for their resource use.

While it is appropriate to include direction on energy and resources in the apartment guidelines, this is a substantial issue and requires additional material to advocate and educate proponents.

12. **Waste**

Issue: Household waste management is reliant on building-wide systems.

Yarra Context

Waste management is generally dealt with adequately by the provision of a waste management plan as part of planning approvals.

Preferred Outcome

In this regard, a waste management plan should be provided for all larger apartment developments. This should provide the ability to separate recycling and compost from general waste built into the waste systems, with all waste types disposal units being equally convenient for residents.

13. **Car Parking**

Issue: Impact of on-site car parking provision on building design.

Yarra Context

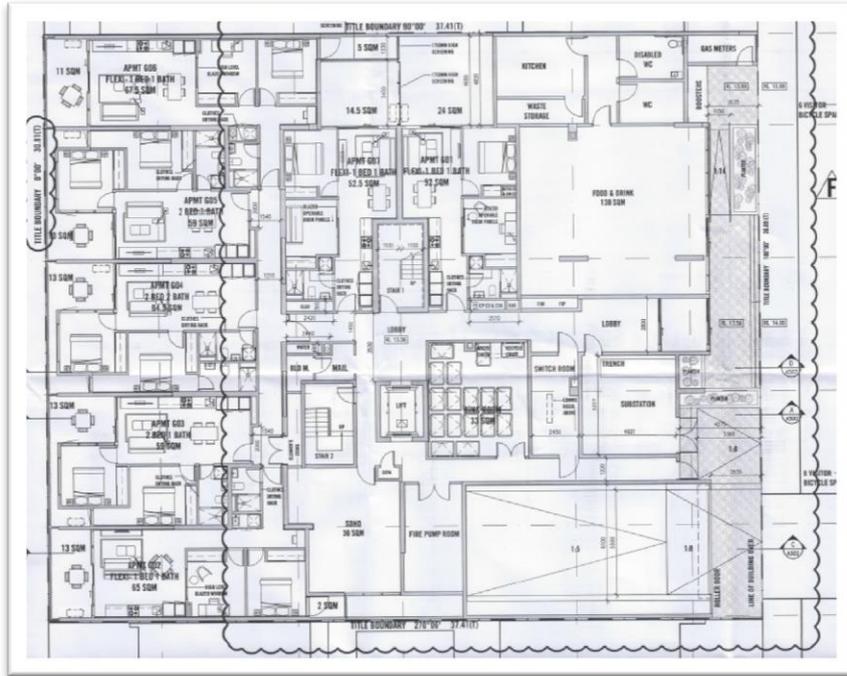
Car park entries are generally quite well managed, as most car parking is provided in basements, with many having access from rear lanes. There are, however, some

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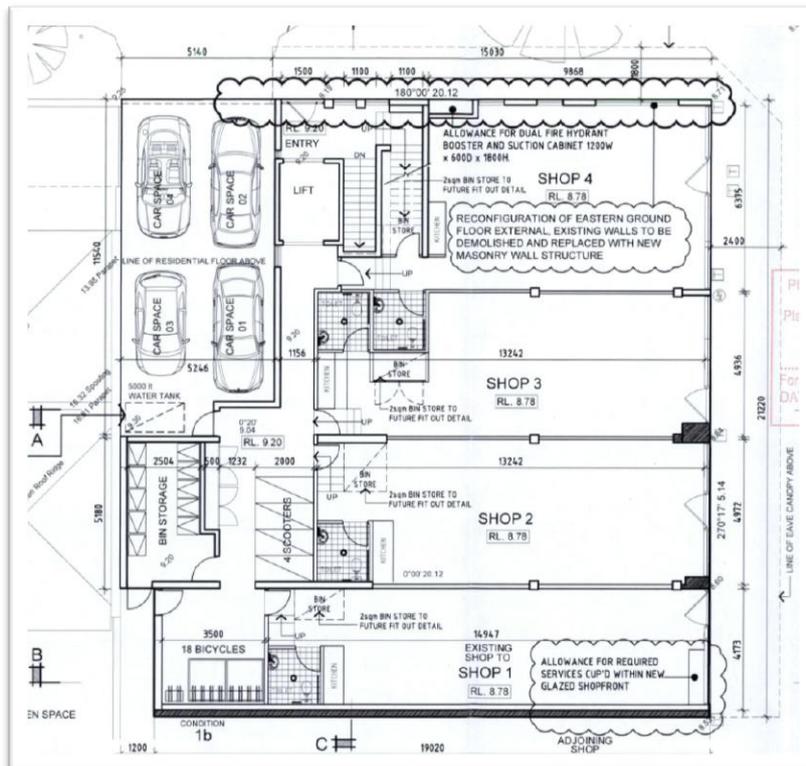
instances where vehicle entry points have been proposed with service areas, resulting in large inactive ground floor areas.

Preferred Outcome

Car parking areas should be largely hidden from public view. Podium car parks to a street are a poor urban design outcome and should be strongly discouraged. Vehicle access areas should not be combined with service areas where this will result in large stretches of inactive frontage, particularly to named roads.



Example: A combination of vehicle access and services (including a substation in this instance) can lead to an excessive amount of “dead” frontage.



Example: use of side-street can allow full activation of a main street and provision of scooter and bicycle spaces can compensate for a shortfall in car provision.

Improved parking provisions should also require the following:

Attachment 1 - City of Yarra submission to Better Apartments Discussion Paper

- Provide at least one secure bicycle parking space per dwelling and one visitor bicycle parking space per 4 dwellings.
- Incorporate electric vehicle charging infrastructure into the development.
- Allocate 5% or at least 5 parking spaces for motorbikes and/or small vehicles.

14. Entry and Circulation

Issues:

- Poorly defined entrances.
- Inactive building frontages.
- Long internal corridors.

Yarra Context

Entry points are generally well managed in larger developments, but there are proposals where smaller developments rely on entry from long, unlit laneways. These can be particularly problematic where visibility of entrance points from nearby roads is restricted.

Circulation spaces in all developments can be long and narrow.

Preferred Outcome

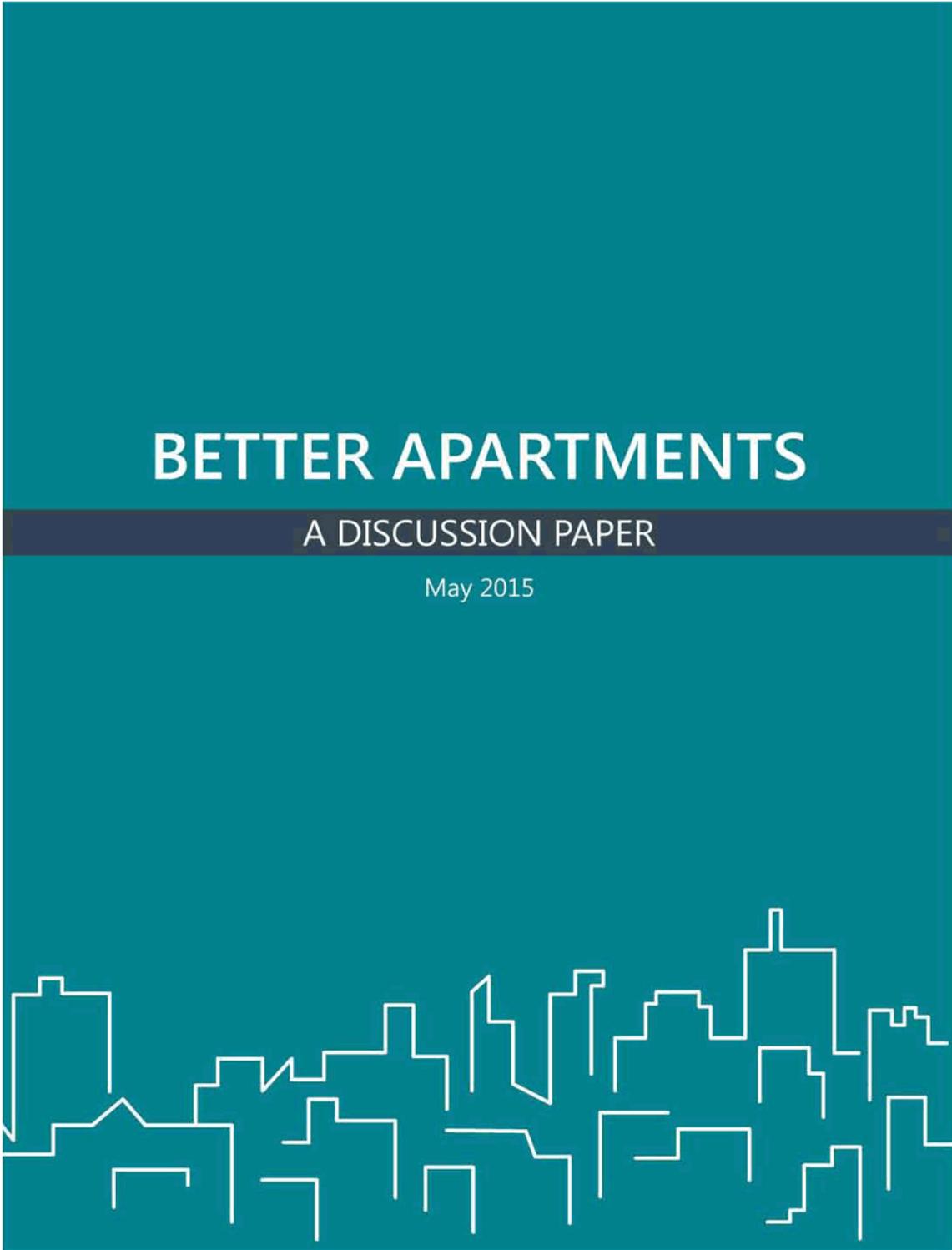
Apartment buildings need to have clear and visible entry points.

Internal corridors should provide for the movement of furniture and universal access. These requirements should be made mandatory for new buildings.

Natural light and ventilation to corridors is preferred but there are circumstances where this may not be possible.

The number of dwellings per core (stairs and lifts) should be specified, as does the maximum distance between a core and the front door of an apartment. Lifts should be mandatory for buildings of a specified height (say over 3 storeys).

Larger developments should make provision for moving trucks, deliveries and trade access. For smaller developments, such activity can be managed on-street or within on-site car parking areas.



Attachment 2 - Better Apartments Discussion Paper - May 2015

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Attachment 2 - Better Apartments Discussion Paper - May 2015

1 Minister's foreword



For the past four years Melbourne has won the title of 'World's Most Liveable City' based on its excellent access to healthcare and education, vibrant cultural life, healthy environment and strong infrastructure base.

The Andrews Government is committed to maintaining and building on these strengths, and making sure the benefits of this most liveable city are available to all Victorians.

What we do well now, we will do better in the future by aspiring to be world leaders in urban design and renewal. We will continue to invest in our cities and towns, open spaces, access to and provision of public transport and, importantly, our housing standards and quality.

Planning plays a leading role in supporting sustainable growth and accommodating an anticipated increase in population. Medium and higher density residential development will be a key component of this as our city changes shape. In Melbourne alone it is estimated that an additional 480,000 apartments will be required to accommodate a projected population of 7.7 million by 2051. The demography of Melbourne is also changing. More and more people, including families and the elderly, are choosing to live in apartments.

There are approximately 650 hectares of developable land on the doorstep of our Central Business District, including Fishermans Bend, E-Gate, Docklands and the Arden-Macaulay precinct in North Melbourne. Many of these areas will feature apartment buildings as the dominant form of residential development. It has also long been government policy to support medium density development around train stations, in activity centres and along public transport corridors. The opportunity to influence apartment design is very real and immediate.

The right mechanisms must be put in place to promote sustainable, high quality apartment living opportunities. Now is the time for a discussion on what these apartments should look and feel like. This discussion paper Better Apartments is the beginning of a wider conversation the Andrews Government is having with Victorians on how to maintain liveability, while planning for our growing population. It is supported by the Government's refresh of Plan Melbourne, and is a demonstration of our commitment to transparency in planning processes. We will continue to engage with the wider community in planning for our city's future.

I invite you - our community - to embark on this journey with us, to read and get involved in the discussion on Better Apartments. We have the opportunity now to set the groundwork to ensure that as our state grows, so does our capacity for excellence in design, and provision of quality living opportunities for all Victorians.

A handwritten signature in blue ink that reads "Richard Wynne". The signature is fluid and cursive.

Hon. Richard Wynne
Minister for Planning

Attachment 2 - Better Apartments Discussion Paper - May 2015

2 Purpose

Time to take stock

The population of Victoria – and Melbourne in particular – is growing and this is expected to continue. By 2051, the number of households in greater Melbourne is projected to almost double from 1.59 million in 2011 to 3.11 million. We face a huge challenge to ensure there is sufficient housing to meet the needs of future households.

Apartments are an important part of our housing mix. The number of apartments being approved and built in Victoria makes up nearly one third of all new dwellings approved across the state – more than at any time in our history.

Since 2009, Melbourne has experienced successive years of record apartment approvals and development. For the first time there are more apartments being built than houses in Melbourne’s growth areas.

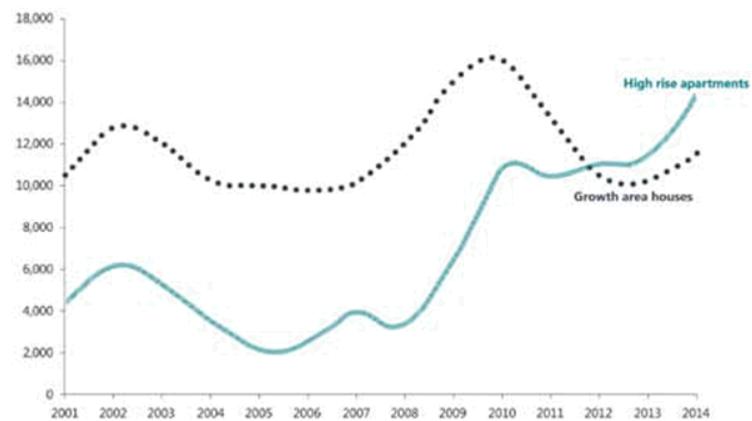


Figure 1: Annual approvals of dwellings by type, Melbourne 2001-2014

(Source: ABS Building approvals, cat.no. 8731.0)

With this growth comes natural ‘growing pains’ and there are concerns across the community about the quality of apartments being built in Victoria.

The Victorian Government is committed to ensuring apartments are designed to meet the needs of all occupants now and in the future, while ensuring an adequate supply and mix of apartments.

We believe apartments should be somewhere that people can enjoy living throughout their lives. An apartment should be a well-made, well-designed asset.

Attachment 2 - Better Apartments Discussion Paper - May 2015

The Victorian Government understands the pressures on industry and councils to design, assess and construct apartments in a timely fashion, and also realises that these pressures are often competing. Everyone, including developers and decision-makers, would benefit from greater clarity on what is appropriate, in what circumstances, and where discretion could be used.

There is now an opportunity to assess our current development and design controls to ensure apartments are well designed for future generations.

With the release of this discussion paper, the Victorian Government is seeking input from the development industry, design professionals, councils, apartment residents and the wider community about how to improve the overall standard of internal apartment amenity.

In particular, we want to know where or when any new guidelines should apply and how they should be implemented. The final product or outcome is also part of this discussion process.

Building on recent engagement

Over the past few years the Office of the Victorian Government Architect has led a program of targeted stakeholder consultation on the amenity of apartments in Victoria.

This input has been invaluable in terms of helping to establish the scope of this discussion paper and will continue to inform thinking around apartment design and assessment. The Victorian Government is now keen to broaden the debate to involve the wider community and potential owners and tenants of apartments.

The issue of apartment amenity was also raised by local government, architectural and industry bodies, and the media during consultation on Plan Melbourne. This discussion paper brings together existing ideas and weighs up housing needs, market demands and building standards with an overall target of maintaining Melbourne's liveability.

How you can participate

The Victorian Government will engage with a wide range of community, industry and other stakeholders including those who live in apartments.

We will be seeking your views on issues raised in this discussion paper through an online survey and submission form available at www.delwp.vic.gov.au/better-apartments.

The 'Tell us More' boxes throughout this discussion paper are intended to encourage debate and will be a prompt for those answering the online survey and submission form.

Attachment 2 - Better Apartments Discussion Paper - May 2015

Scope

This discussion paper focuses on how we can ensure the spaces within an apartment match peoples' needs and expectations during different phases of their lives. The paper provides a summary of issues related to the design and amenity of apartments and what we can potentially do to make 'better apartments'.

In particular, the purpose of the discussion paper is to:

- Provide a context to apartment living and discuss key issues
- Focus on the internal design, amenity and functionality of apartments and apartment buildings
- Consider other issues that affect amenity for those living in apartment buildings.

Contextual factors also impact on the amenity of apartment residents, such as 'what is next door to the apartment building?' and 'how does this development impact on the public realm?' These are important considerations that often have implications for the internal amenity of apartments but they are not the primary focus of this discussion paper.

At this stage the discussion is centred on the amenity of all new apartments regardless of the number of apartments in a development or the height of a building.

Implementation: getting the tools right

Any final product or outcome resulting from this discussion paper needs to be implemented in a practical way. There are several possible methods of doing this as shown in the table below.

| Approach | Possible planning outcome |
|-------------------|---|
| Regulatory based | Mandate minimum standards within planning schemes. Alternatively, or in addition, there may be a requirement to consider modifications to building regulations. This may also be in conjunction with design review and achieving design excellence. |
| Performance based | State Policy and Provision. Objectives, standards and decision guidelines (for variation to standards). A 'ResCode' for apartments. This may include an incentive based system (such as a 'code assess' framework) that helps to streamline the approvals processes. |
| Policy based | Revise Guidelines for Higher Density Residential Development document or similar guide to good practice with some standards and best practice. A reference document in the Planning Scheme. |

Attachment 2 - Better Apartments Discussion Paper - May 2015

| Approach | Possible planning outcome |
|--------------|---|
| Market based | Customer focused with more information to buyers to allow them to compare products. Work with the market to encourage good design. An apartment buyers' or consumers' guide and a publication defining good design. |

Any final product may include one or a combination of these approaches depending on the particular issue.

TELL US MORE

- What is the most appropriate implementation tool(s) for the Victorian context?
- What are the strengths and limitations of the various approaches?

3 Apartments and growth

What is an apartment?

An 'apartment' or 'flat' is a dwelling that does not sit on its own parcel of land but is part of a larger building and typically has other dwellings above and/or below it.

An apartment building comprises several such dwellings. An apartment building can have other uses as well, such as retail or commercial premises, often on the ground floor.

The owner of an apartment dwelling holds the title for that dwelling only (and potentially an ancillary area such as a car space). The remaining areas such as the entrance foyer, lifts and communal gardens/open space are owned and managed by an owners' corporation.

An apartment building can be a low or mid-rise development and may contain only a handful of dwellings. An apartment building can also be a major, high-rise development with a large number of apartments. The ABS census defines low-rise apartment buildings as up to four storeys. Apartment buildings over four storeys are considered as mid or high-rise. There are numerous layouts and floor plates for apartment buildings depending on size, height and function.

New apartments are usually marketed to buyers based on the number of bedrooms they provide, typically one, two or three. Examples can range from less than 25 square metres for a studio to more than 250 square metres for a penthouse.

Studio apartments are characterised by a single, multi-use space and have no separate bedroom. They may have a bed that folds away and sometimes contain a sleeping area separated by a moving partition.

Student or serviced apartments may be invariably smaller than other apartments on the market and are designed to serve a particular purpose.

One, two or three bedroom apartments typically have separate bedrooms each with space for a double bed and clothes storage. Some apartments are split level with bedrooms and living areas connected by an internal staircase, sometimes with direct access to the street.

Why do we need apartments?

Melbourne’s apartment growth

Melbourne has experienced several periods in its history when large numbers of apartments were constructed. For example, between 1962 and 1974, the Housing Commission of Victoria built 45 high-rise blocks in the inner suburbs of Melbourne. While these periods of apartment growth added to the diversity of Melbourne’s housing, up until recently the construction of detached housing dominated Melbourne’s housing development.

Significant change in apartment construction occurred in the 2007-08 period when apartment development commenced a significant expansion. In 2001-07 average apartment approvals were around 4,000 annually. By 2010 this had grown to more than 10,000 approvals and by 2014 approvals were over 14,000, making up nearly one third of all housing approvals in Melbourne.

Council areas experiencing growth

This apartment growth is not limited to Melbourne’s Central Business District. Large numbers of apartments are being built in areas with established transport infrastructure, services and leisure facilities, consistent with longstanding state and local planning strategies such as *Melbourne 2030* that promoted urban consolidation.

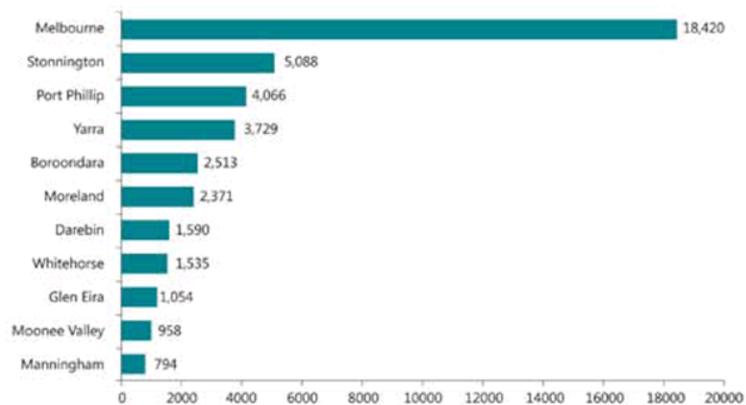


Figure 2: Number of apartments in buildings of four storeys or more approved 2011-2014 inclusive

(Source: ABS Building approvals, cat. No. 8731.0)

Attachment 2 - Better Apartments Discussion Paper - May 2015

Inner and middle ring suburbs – apartment demand

Increasingly, apartments are being built in the city’s middle ring suburbs. This includes areas where before 2010 there were very few apartments such as Preston (where there are now around 1,000 apartments), Doncaster (970 apartments), Coburg (650 apartments) and Box Hill (630 apartments). Industry sources suggest the number of apartments marketed and built in Melbourne’s middle ring is set to grow substantially.

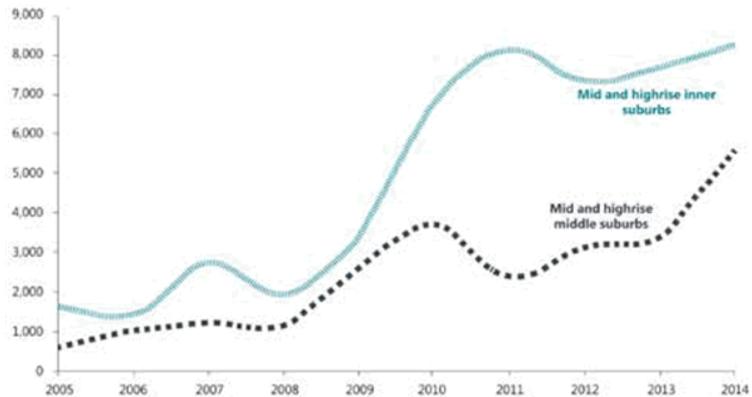


Figure 3: Annual number of building approvals of mid and high rise apartments in inner and middle Melbourne, 2001-14

(Source: ABS Building approvals, cat.no. 8731.0)

Size and variety

The ongoing development of new apartments in Victoria has raised questions about their size and variety. Based on a sample of 10,373 apartments that are currently either being marketed or constructed, 4,428 (or about 43%) are one bedroom apartments, most of which (72%) are between 41 and 50 square metres (Charter Keck Cramer report for the Department of Environment, Land, Water and Planning). Only a small proportion (7%) of single bedroom apartments are below 40 square metres.

There is more variation in the size of two bedroom apartments, which make up 52% of the apartments currently being marketed or constructed. Of these, 10% are 55 square metres or less; the majority are between 56 and 70 square metres; and 29% are 71 square metres or larger.

Only 5% of apartments currently being constructed or marketed include three or more bedrooms. This could mean that very few new apartments are suited to the long-term needs of households with children who tend to prefer more than two bedrooms.

Apartments and housing affordability

The price of apartments tends to make them relatively affordable especially compared with detached and semi-detached dwellings. The current median price of a 46-50 square metre, one bedroom apartment is \$411,000. This is cheaper than 70% of detached houses and 58% of all existing units and flats sold throughout Melbourne in 2014. For suburbs closer to the CBD, the contrast between apartment prices and detached houses is even greater. Nearly 95% of houses in city fringe suburbs in 2014 sold for more than \$411,000 (Analysis of Valuer-General Sales Data).

Attachment 2 - Better Apartments Discussion Paper - May 2015

The apartment market is maturing

Between 2015 and 2017, Charter Keck Cramer predicts over 35,000 apartments will be built across Melbourne. Much of this will involve the intensification of former commercial, industrial and mixed-use areas.

As a city it is likely we are undergoing a permanent change in housing preferences equivalent to other cities internationally, where apartment living is much more common. This means that high levels of apartment development is likely to continue. Despite the recent growth in apartment living, Melbourne still has comparatively few apartment blocks relative to other international cities, which reflects the longstanding dominance of detached housing as the city's preferred housing.

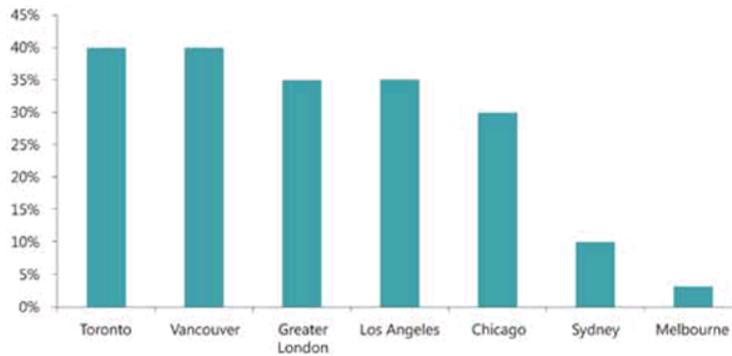


Figure 4: Proportion of dwellings in buildings of four or more storeys

(Source: ABS Census and various 2011-2013)

4 Issues affecting apartment amenity

A shift towards more apartment living in Victoria, and an increase in apartment supply, has raised many issues that our planning system is still coming to terms with. Questions about apartment size, direct access to natural light and a perceived lack of housing diversity in new developments are just some of the issues raised. These and other issues are discussed below, along with the general impacts on residential amenity of living closer together.

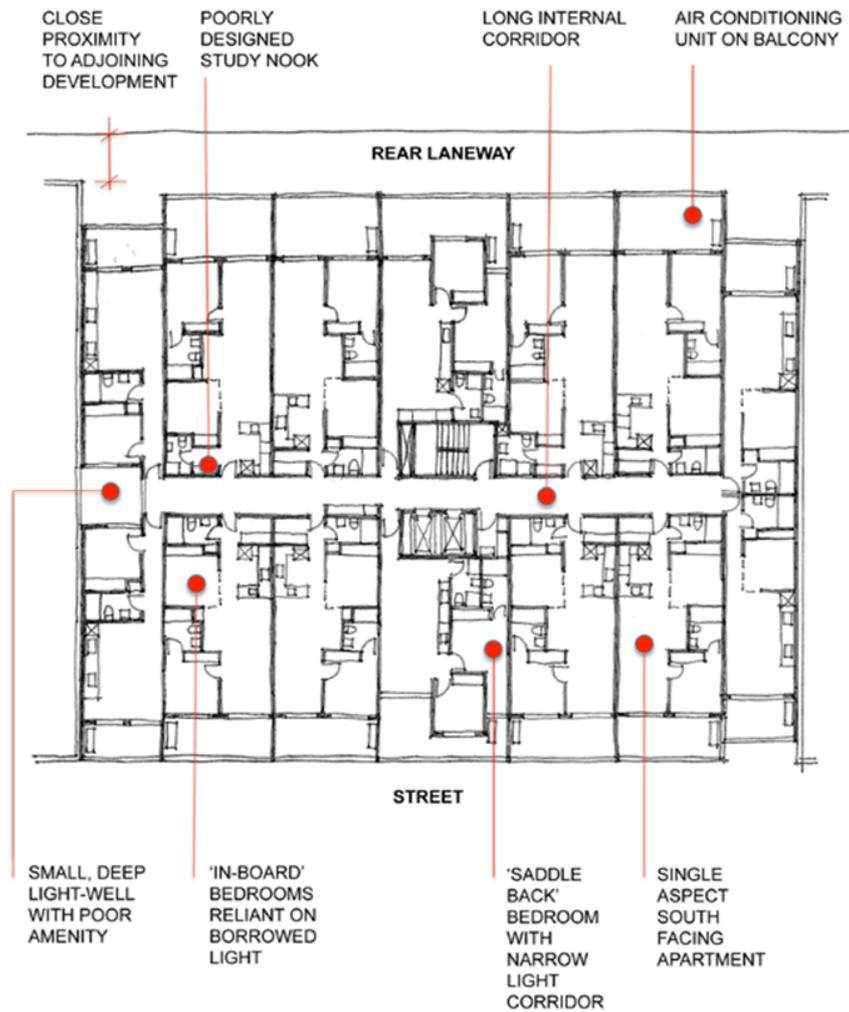


Figure 5: Upper floor plan of an apartment building.

ISSUE
1

Daylight

| Issue | Potential impact | Relevant factors to consider |
|---|--|--|
| Lack of adequate natural light within the apartment | Quality of life Increased energy usage due to need for artificial light | Distance to neighbouring property Depth of apartment and distance to windows Height of ceilings Size and position of window in room Vertical position of apartment in building Reliance upon 'borrowed' light |

Daylight is the natural ambient light available during the day. Access to daylight is important for people's health and wellbeing and also allows dwellings to be used and occupied without recourse to artificial lighting, thereby reducing energy consumption. Daylight is distinct from sunlight (see Issue 2).

The amount of daylight an apartment receives is primarily a factor of its orientation. Minimising the depth of apartments and maximising the ceiling height optimises daylight levels. The size and placement of windows is also important.

Many jurisdictions specify maximum apartment depths and minimum ceiling heights. Building separation is also important, especially in context with tower development.

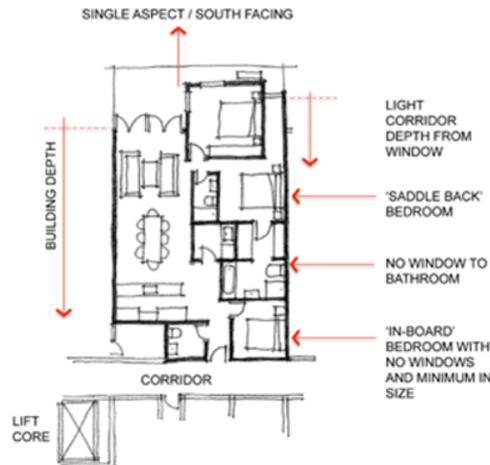


Figure 6: An example of a three-bedroom apartment with poor natural light.

1

TELL US MORE

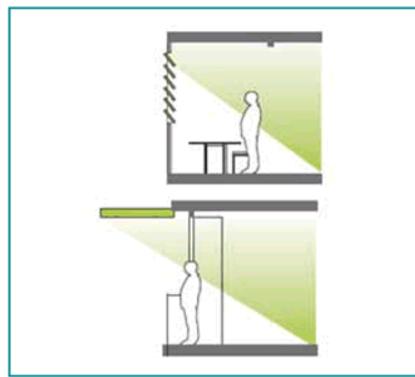
- What spaces within apartments are the most important in terms of access to daylight?
- Do you think daylight should be required in secondary spaces such as corridors and bathrooms?

Attachment 2 - Better Apartments Discussion Paper - May 2015

ISSUE
2

Sunlight

| Issue | Potential impact | Relevant factors to consider |
|--|---|--|
| Lack of controlled sunlight access to apartments | Ability to enjoy warming sun Thermal comfort Increased energy use due to artificial light, heating and cooling Peak energy demand Climate change adaptation | Building/apartment orientation Apartment aspect(s) Building separation Size and height of windows External shading |



Sunlight is direct rays from the sun and provides radiant heat as well as light. It promotes health and psychological wellbeing and can significantly affect the thermal comfort of occupants. Managed well, sunlight can assist the passive heating of buildings in winter while avoiding excessive heat loads during summer.

The amount of sunlight an apartment receives, and the ability to control sunlight access, is primarily a factor of the orientation of its principal outlook. North facing dwellings receive the best access to sunlight and have the greatest opportunity to control this. South facing apartments receive little if any sunlight.

Providing for thermal comfort through the design of the building, rather than relying on mechanical services, can make the operation of buildings more resource efficient, reducing peak demand on energy infrastructure and improving resilience to climate change.

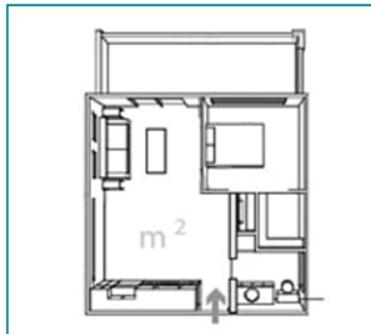
2 TELL US MORE

- Should there be rules to ensure a majority of apartments receive sunlight?
- Are there other options that can provide for thermal comfort?

ISSUE
3

Space

| Issue | Potential impact | Relevant factors to consider |
|--|---|--|
| Apartments are too small or poorly planned | Household diversity Internal amenity Flexibility of use Inadequate storage | Apartment size Apartment layout and flexibility Ceiling heights Storage (built in and external) |



Ceiling height and floor area together determine the spatial quality of an apartment. The rooms inside an apartment need to be large enough and of the right proportions to accommodate the uses for which they have been intended. There also needs to be appropriate storage to allow people to live comfortably. Different households will have different space requirements that will change over time. Families with children will have different needs to single person households.

It is common to stipulate minimum floor areas for apartments with different numbers of rooms. Several Australian state and local governments have set minimum apartment sizes for one, two and three bedroom apartments.

As a type of housing, apartments have historically catered to demand for smaller dwellings in cities. Studio apartments, where there are no separate rooms other than a bathroom, can be quite small but are typically more reliant on clever spatial planning to work well.

In order to cater for a range of households over time, and to build a diverse and resilient stock of housing, some jurisdictions also stipulate a proportion of different types and sizes of apartment within a development.

3

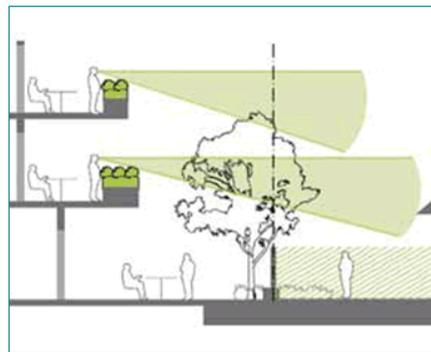
TELL US MORE

- Do we need to set minimum apartment sizes in Victoria?
- Do we need to increase minimum ceiling heights for apartments in Victoria?
- Should larger developments be required to include different types of apartments catering to different types of households?

ISSUE
4

Outlook

| Issue | Potential impact | Relevant factors to consider |
|---|---|--|
| Achieving a quality outlook from all apartments | Quality of life Surveillance of the street Privacy of neighbours Privacy of resident | Apartment orientation and aspect Distance to your neighbour Relationship to street and other public spaces Future development on adjacent sites |



Outlook is different to view. A view is a wonderful asset for any apartment that has one, but access to a view cannot be guaranteed. An outlook is an essential connection between the interior of an apartment and the world outside. It provides an opportunity for daylight and sunlight to enter a home, for ventilation, and also a sense of visual relief and connection to the street and external environment.

Providing an outlook has to be balanced with ensuring a reasonable level of privacy to the occupants of apartments and adjacent buildings. Considering the orientation of buildings and the layout of dwellings can help maximise outlook and minimise direct overlooking into habitable spaces and private open spaces.

Where apartments face one another, a certain degree of separation is required so that each can enjoy their shared outlook, without the occupants of either feeling as if they are intruding upon one another's privacy. For tower buildings, this separation needs to be greater, as apartments facing one another feel closer together than those with a stronger sense of connection to the ground. For tower buildings, it may also be important to ensure the outlook of living areas is not solely directed at an adjacent tower.

4

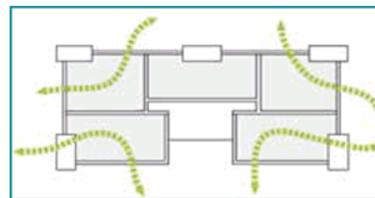
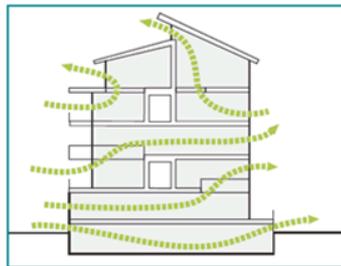
TELL US MORE

- What are the essential qualities of a good outlook?
- Should living spaces be treated differently to other spaces within an apartment in regard to outlook?

ISSUE
5

Natural ventilation

| Issue | Potential impact | Relevant factors to consider |
|--|--|---|
| Lack of adequate natural ventilation of apartments | Health and wellbeing Thermal comfort Increased energy loads for heating and cooling Internal air quality and condensation | Operable windows to outside for all habitable rooms Room depth and relationship to ceiling height (to achieve effective air change) Cross ventilation (dual or multiple aspect) Ability to control air movement Size and position of windows in rooms |



Ventilation is the movement of air through the rooms of a dwelling, or the rate of air change. This affects air quality, which is important for health and wellbeing. Where ventilation can occur by natural means and be controlled by the occupant, this can reduce energy consumption and aid thermal comfort.

Apartments with more than one aspect can be cross-ventilated. This enables a good rate of air change and offers the greatest opportunity to control natural ventilation and achieve cooling breezes in summer. Some states require a proportion of apartments in any developments to be naturally cross-ventilated.

Apartments with only one aspect are more difficult to ventilate well. Not making apartments too deep or ceilings too low, providing an operable window in each room, and maximising the width of the aspect is the best way to optimise natural ventilation in such cases.

Light wells are sometimes used to provide cross-ventilation where it might not be achieved otherwise. For light wells to be effective, the ratio of the minimum width to overall height must not be too great. Taller light wells need to be connected to the outside environment at the bottom if they are to be effective for ventilation.

5

TELL US MORE

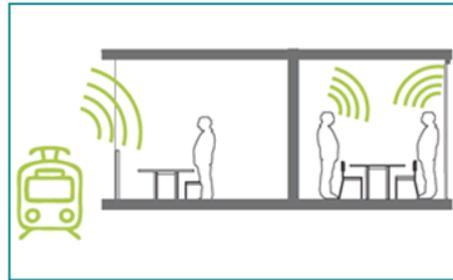
- How can access to fresh air in an apartment be improved?

Attachment 2 - Better Apartments Discussion Paper - May 2015

ISSUE
6

Noise

| Issue | Potential impact | Relevant factors to consider |
|------------------------------------|--|--|
| External noise Acoustic privacy | Sleep disturbance Health and wellbeing Privacy | Façade design Building orientation/internal planning Proximity to noise source (principally transport related) |



Living closer together requires the planning and design of buildings to be carefully considered to maintain personal privacy and support the function and benefit of the home as a place of refuge. A reasonable degree of acoustic privacy is one aspect of this. The National Construction Code (NCC) addresses the issue of noise transfer between apartments in a building.

In addition, high levels of external noise, especially traffic, if not mitigated, can interrupt sleep and affect health outcomes. This issue is not addressed in the NCC but all other mainland states require apartment developments to be designed to manage the impact of traffic noise on future occupants. This typically occurs through the planning system.

With a large amount of new apartment development in Victoria focused around transport nodes and corridors and in Activity Centres, the potential impact on apartment occupants of noise from external sources, such as major roads, is an important issue.

6

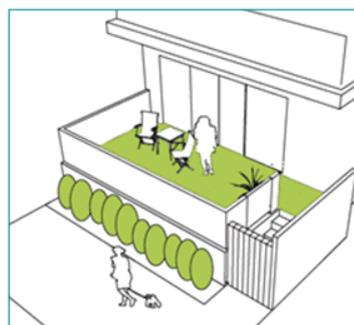
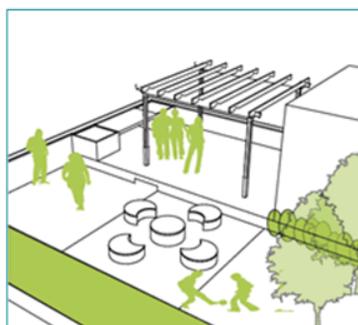
TELL US MORE

- Are you aware of any major issues relating to noise transfer between apartments?
- What are the main sources of noise that can impact apartment occupants?

ISSUE
7

Outdoor space

| Issue | Potential impact | Relevant factors to consider |
|--|--|--|
| Access to outdoor spaces from apartments | Quality of life Social interaction and safety Household diversity (especially households with children) Noise | Balcony provision and size Sunlight and wind Landscaped roofs Distinction between private, communal and public outdoor space Tree planting |



There are different types of outdoor space in apartment developments. Individual apartments can have access to private outdoor space, typically in the form of balconies. Balconies and ground floor courtyards can be useful as an outdoor extension of the living space and for simple outdoor activities such as growing plants, storing personal outdoor items and drying clothes.

Outdoor space can also be provided for the use of all residents and be landscaped in various ways. This would be a shared ongoing cost within a body corporate. Common outdoor areas might sit above a car park, on a podium or rooftop, or be part of the natural ground of the site.

Considered in conjunction with built form, the location, amount and experiential qualities of on-site open space can impact significantly on residential amenity and the performance of buildings. On-site open space is likely to work best when it is integral to the development and not just the residual or 'undevelopable' site area.

7

TELL US MORE

- What types of shared outdoor spaces do you think apartment developments should provide? (e.g. play spaces, roof terraces, productive gardens, swimming pools)
- Should all apartments have balconies?
- Is the size of a balcony important to you?
- Is it acceptable for air conditioning units to be located on apartment balconies?

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Adaptability

| Issue | Potential impact | Relevant factors to consider |
|--|--|---|
| Apartment buildings will last a long time but are difficult to modify once built | Future value and use Sustainability | Size and layout of apartments Ceiling heights Flexibility of building floor plate |

Apartments built today will exist for many years to come. It is important new development makes a lasting and valuable contribution to the city.

While it is impossible to foresee and accommodate all eventualities, apartments that can more easily be re-organised or renovated in the future, in response to demographic shifts or changes in living preferences, are ultimately more sustainable.

Sometimes it might be desirable to change the use of certain parts of a building, between residential and retail. For example, to convert service areas such as car parks to more active uses, or to convert smaller apartments into family dwellings. All these possibilities are easier to accommodate if considered from the outset.

8

TELL US MORE

- Should buildings be designed to be adaptable in future?
- Should certain floors be designed for a variety of uses?
- What are the important features of adaptable buildings?

ISSUE
9

Landscape

| Issue | Potential impact | Relevant factors to consider |
|---|--|--|
| Intensive urban development affects the landscape | Climate change mitigation and adaptation Urban heat island effect Ground permeability and stormwater management Quality of public realm | Natural landscape context Tree canopy protection/provision Deep soil planting Water Biodiversity Potential for roof gardens |



As we develop sites more intensively there is an impact on both the natural environment and the quality of the urban environments we construct.

Consideration of the natural landscape as an essential and integral component of the development site can greatly improve a building's environmental performance while also creating unique places that are pleasant to inhabit.

Retaining areas of natural ground – deep soil zones – throughout urban settlements is a part of maintaining and restoring the benefits provided by tree cover and a permeable ground plane. For example, these benefits could include providing shade to apartments on lower levels, enhancing on-site and streetscape amenity, and reducing surface water runoff.

9

TELL US MORE

- Should all apartments require some form of landscaped area?
- Should this vary for low, medium or high rise buildings?

ISSUE
10

Universal design

| Issue | Potential impact | Relevant factors to consider |
|---|---|---|
| Apartments are not suited to people of all ages and abilities | Household diversity Social equity Accessibility | Ageing population Children in apartments Movement and access Size and layout Adaptability |



Universal design is about making the built environment work well for everyone, regardless of age or ability. It enables equitable use and flexibility in use. Movement and occupation should be simple, intuitive and afforded adequate size and space.

Adopting universal design principles more broadly throughout our built environments will better support the needs of our ageing population.

Liveable Housing Australia (LHA) is a national not-for-profit organisation that promotes universal design in housing. LHA has developed design guidelines and a rating system for the application of universal design to housing. This could form the basis for a requirement that a proportion of apartments in all or certain developments must meet specified universal design standards.

10

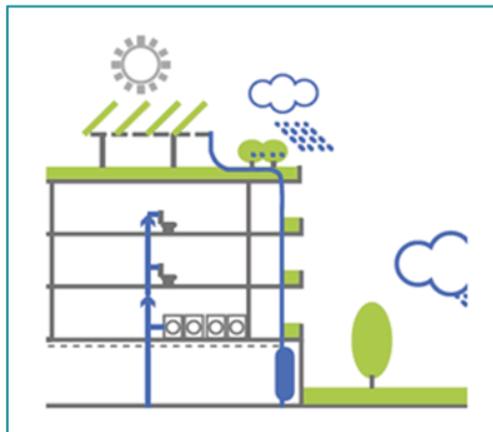
TELL US MORE

- Should all apartments, or a percentage of apartments, be designed for everyone, regardless of age or ability?

ISSUE
11

Energy and resources

| Issue | Potential impact | Relevant factors to consider |
|---|---|---|
| Design of apartment buildings affects household energy and resource consumption | Climate change mitigation and adaptation Thermal comfort Whole-of-life cost | Orientation Natural light and ventilation Façade design Material selection Building systems Individually metering for services |



Environmentally sustainable design principles such as passive design can help households consume less energy and assist with the transition to a less resource-intensive built environment.

The construction industry is a major consumer of energy and resources but the operation of a building across the whole of its life is typically even more resource intensive. Much can be done in the planning and design of apartment developments to minimise consumption and optimise resource and energy use, both during construction and through the life of a building. For example, the individual metering of apartments helps to incentivise reduced consumption of natural resources.

11

TELL US MORE

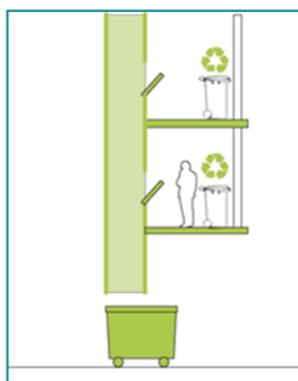
- What environmental issues are important to residents?
- Should every apartment have individual metering of their utilities (e.g. gas, electricity, water)?
- Should all apartments be required to meet a minimum industry standard in addition to the building regulations?

Attachment 2 - Better Apartments Discussion Paper - May 2015

ISSUE
12

Waste

| Issue | Potential impact | Relevant factors to consider |
|--|---|--|
| Household waste management is reliant on building-wide systems | Amount of waste sent to landfill Excess of organic waste in landfill Increased consumption through lost recycling opportunities | Space for sorting and recycling waste Waste collection logistics Opportunities for recycling organic waste on site |



The amount of waste generated in apartment buildings in Melbourne is growing with the rise in apartment numbers. Waste management in apartment developments can have negative impacts on amenity, health and safety. This can include noise from use and collection of bins, odour, litter and dumped rubbish, and bins left in public thoroughfares and streets.

Apartment developments often have low resource recovery rates compared to single dwellings. This can be due to a lack of access for residents to recycling infrastructure and services. The planning system may have a role to play in achieving better design and facilitating improved resource recovery systems for new apartment developments.

Waste management systems often work most effectively when dedicated storage areas are provided for the separation, collection and recycling of waste, with easy access for all building occupants and waste collection contractors. Where opportunity exists for on-site facilities for composting and green waste reuse, this can minimise the volume of organic waste sent to landfill. It is important that apartment occupants have the opportunity to participate in sustainable waste management practices within the building.

12

TELL US MORE

- How should waste be collected from apartment buildings?
- Should sorting facilities be provided for recycling and where?

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ISSUE
13

Car parking

| Issue | Potential impact | Relevant factors to consider |
|--|--|---|
| Impact of on-site car parking provision on building design | Public realm and pedestrian amenity Loss of interaction with streetscape due to podium (above ground) car parking Noise and air pollution Visual impact of podium car parks | Active and sustainable transport use Convenience, security, safety and accessibility Ventilation Maximum rates and car-share schemes Underground versus above ground parking Floor to floor heights and ability to retrofit Safe, secure bicycle parking Visitor parking |

Car parking can have a significant impact on streetscape amenity, building form and the cost of apartment developments and it must be considered at the outset of the design process. The building footprint required for car parking frequently results in full site coverage with excavation reducing natural ground landscaping opportunities. Where excavation is not feasible, multi-storey car parks above ground (often referred to as podium car parks) can impact the level of surveillance and function of the street. Another consideration is that car parking often requires mechanical ventilation or mechanical car parking stackers.

Apartments located in close proximity to public transport or car share schemes can potentially provide fewer and sometimes even no car spaces. This can free up the planning of the site and enable more on-site open space and natural ground planting. It can also provide greater opportunities for pedestrian and occupant engagement at street level.

13

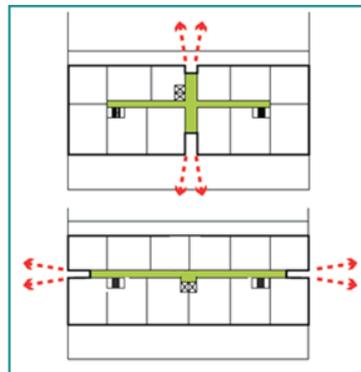
TELL US MORE

- How important is a car space in an apartment?
- Can alternatives to car parking provision offer improved solutions? If so, what?

ISSUE
14

Entry and circulation

| Issue | Potential impact | Relevant factors to consider |
|--|---|--|
| Poorly-defined entrances Inactive building frontages Long internal corridors | Poor security or sense of address Poor internal amenity Visibility and safety | Number of dwellings per floor per core Incidental stair use to encourage active living and reduced energy consumption Natural light and ventilation to circulation spaces Management of residential mail Residents moving in/out Trade access for repairs and renovations |



The experience of approaching and entering a building and arriving at an apartment can make an important contribution to the amenity of residents and visitors. Whether arriving by bicycle, car or as a pedestrian, the experience of moving through the building and the sense of safety and ease of use are all factors that need to be considered.

Residents continually moving furniture in and out of their apartments can put pressure on a building's circulation and access systems, especially in larger developments. As apartments age and require repairs, retrofitting or renovation, access for maintenance and building trades is another issue that can be difficult to manage.

14

TELL US MORE

- Should designated areas be provided for on-site loading?
- Should apartment building lobbies be clearly visible from the street?
- Should internal corridors have views out and provide daylight?

5 Context

What happens in Victoria and elsewhere?

Victoria's state planning requirements

The *Victoria Planning Provisions*, within every planning scheme, address design and amenity issues for medium density housing development up to four storeys (Clause 55). Residential development higher than four storeys requires consideration of the *Guidelines for Higher Density Residential Development* (DSE 2004) (Clause 15.01-2) and an Urban Context Report and Design Response (Clause 52.35).

Residential development up to four storeys – Clause 55 ('ResCode')

Clause 55 addresses issues about neighbourhood character, building form, site layout and building massing, amenity impacts and on-site amenity, and facilities for medium density housing development of up to four storeys.

It encourages residential development that provides reasonable standards of amenity for existing and new residents by addressing issues relating to overlooking, daylight, solar access, overshadowing and noise. Both on-site and off-site dwelling amenity related objectives and standards are provided that address daylight, solar access, views into neighbouring and on-site properties, noise and storage facilities.

Guidelines for higher density

The *Guidelines for Higher Density Residential Development* (DSE 2004) are a statewide planning tool for apartment development of four storeys or above across Victoria.

The Guidelines are intended to help assess the design and built form of residential development of five or more storeys. They provide better practice design advice to developers, councils and communities with the aim of promoting high quality public and private amenity and good design in higher density residential development. However, they do not establish compulsory standards or stipulate apartment sizes.

The Guidelines are structured around six elements of design consideration with a focus on built form:

- Urban context
- Building envelope
- Street pattern and street-edge quality
- Circulation and services
- Building layout and design
- Open space and landscape design.

Under each element there are general design objectives.

Attachment 2 - Better Apartments Discussion Paper - May 2015

What other controls apply?

With the exception of some local controls there are generally no density controls (e.g. floor space ratios or dwelling densities) on sites where multiple housing is a permitted use in Victoria. This has an effect on apartment design and potentially contributes to amenity issues. Other Australian states have primary development controls on sites zoned for apartment development and also regulate at least some aspects of apartment design through their planning systems.

In Victoria, the National Construction Code (NCC) provides the principal regulation governing the design and amenity of apartments. More details are provided in the next section.

Other Victorian examples

Some Victorian councils have developed their own approaches to addressing apartment design issues. The City of Moreland has drafted its own local standards for residential development to improve the internal amenity of housing in its municipality. The City of Maribyrnong has developed a checklist and rating tool that assists proponents and assessors to deliver better neighbourhoods, streetscapes and homes.

The City of Melbourne has raised the subject of improving the design quality of apartments in *Future Living: a discussion paper identifying issues and options for housing for our community* (May 2013). An extensive community consultation process and the release of the draft Housing Strategy, *Homes for People*, followed this paper.

National examples

Many national and international cities have planning policy guidance for the development of residential apartment buildings to achieve high quality living environments and housing choice. The range and types of tools and controls vary within different jurisdictions.

Australian jurisdictions, in particular New South Wales, Canberra/ACT, South Australia, Queensland and Western Australia, provide planning guidance on apartment building design and amenity with specific measurable standards.

For example, in New South Wales, the *State Environment Planning Policy 65 – Design Quality of Residential Flat Development* (SEPP 65) applies to three or more storeys and four or more self-contained dwellings and is accompanied by the *Residential Flat Design Code* (2002). The NSW apartment design framework is currently under review.

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Victorian building system

The object of the *Building Act 1993* and the Building Regulations 2006 is to protect the safety and health of people who use buildings.

The Building Regulations 2006 adopt the National Construction Code (NCC) which contains the minimum standards for the design and construction of buildings and other structures, covering such matters as structure, fire resistance, access and egress, services and equipment, energy efficiency as well as some aspects of health and amenity.

The NCC covers some issues relevant to the current debate about the design quality of apartments, including room heights, natural light, ventilation, sound insulation and energy efficiency. However, these NCC standards are minimum requirements and it would be worthwhile considering whether they are sufficient to meet peoples' amenity expectations within an apartment.

| NCC Deemed-to-Satisfy Provisions | |
|----------------------------------|---|
| Room heights | <ul style="list-style-type: none"> • kitchen – 2100mm • habitable room – 2400mm • corridor/passageway – 2100mm • bathroom, laundry, storeroom – 2100mm |
| Natural light | <ul style="list-style-type: none"> • windows – min. 10% of floor area + open to sky, face a courtyard or other space open to sky or an open verandah, carport or the like • roof lights – min. 3% of floor area + open to sky • a window required to provide natural light that faces a boundary of an adjoining allotment or a wall on the same allotment must not be less than a horizontal distance from that boundary or wall that is the greater of 1m or 50% of the square root of the exterior height of the wall in which the window is located, measured in metres from its sill. • borrowed light is permissible, subject to specified window-floor area ratios |
| Ventilation | <p>Ventilation must be provided by windows, doors or other openable devices:</p> <ul style="list-style-type: none"> • with opening size min. 5% of floor area • open to: <ul style="list-style-type: none"> - a suitably sized courtyard or space open to the sky - an open verandah, carport or the like - an adjoining room (i.e. borrowed ventilation) in which case the ventilating area of the opening in the adjoining room must be 5% of the combined floor area of both rooms |
| Sound insulation | <p>Minimise the sound transmission through floors and walls separating sole-occupancy units, and separating sole-occupancy and certain types of space.</p> <p>Does not cover sound generated outside a building or sound escaping from a building and re-entering via an external element.</p> |

6 Summary and feedback

Summary

There has been a great deal of discussion around apartment design and amenity in Victoria in recent years. For this reason, it is important for the Victorian Government to take the lead and guide and inform the debate to achieve the best outcomes for the state as a whole.

This discussion paper provides an important first step to introduce some of the key issues we are facing regarding apartment amenity. It also seeks input on what changes we could make to improve the planning system.

A high level of skill is required to design a good apartment development but there needs to be a balance between good design principles and achieving a financially viable project that meets our housing needs now and into the future. Any change to the planning system has implications that could be felt by developers, buyers and residents. However, as a community we have an obligation to ensure all new apartments are liveable and sustainable and meet the needs of all occupants over the life cycle of a building.

The Victorian Government is committed to setting up a framework for discussion to achieve better apartment amenity. What that ultimately looks like is up to you.

Feedback and opportunities to participate

You are encouraged to participate in the discussion about better apartments through an online survey and submission form available at www.delwp.vic.gov.au/better-apartments.

The Victorian Government will also run a series of forums and workshops to engage with the community, local councils and industry. The timetable for our consultation process is outlined below.

| | |
|---|--------------------------------|
| Release of discussion paper | May 2015 |
| Online survey and submission form | End of May to end of July 2015 |
| Stakeholder consultation – forums and workshops | July to August 2015 |
| Develop and analyse options for consideration | September to December 2015 |

Updates about the consultation process and other ways of participating will be available at www.delwp.vic.gov.au/better-apartments.

Attachment 2 - Better Apartments Discussion Paper - May 2015

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11.4 Connie Benn Centre - Child Care Options

Trim Record Number: D15/86094

Responsible Officer: Director Community Wellbeing

Purpose

1. The purpose of this report is to provide a response to a Council resolution passed at the 23 June 2015 meeting. This resolution sought additional information on child care options arising from an issue around the provision of Occasional Care at the Connie Benn Centre located at Atherton Gardens Housing Estate in Fitzroy.

Background

2. Council commenced the provision of Occasional Care Services at the Connie Benn Centre in mid-July 2014. The service was initially offered as a pilot service at 5 hours per day for 5 days per week (Monday to Friday). Ten children can be cared for in a single session. Council is advised that the terms of the service (and the trial nature of the 5 hours) was notified to users of the service by way of signage at the registration counter.
3. Occasional Care is a child care service that is provided to support families in intermittent or casual care arrangements to provide respite care, allow attendance at appointments, support transition into other forms of child care, casual or part-time work and a range of other reasons. As is indicated by the name of the service, it is intended to provide occasional care rather than regular ongoing care. Occasional Care is not intended to replace long day care as a more enduring form of child care.
4. Council currently has around 120 children registered to utilise the service. Families may request a booking for a child in the service for up to a maximum of three days per week and a maximum of 8 sessions per month. Apportionment of places is by request up to a week in advance and places are allocated according to the Priority of Access Guidelines which assesses need and priority for access to care. (Priority of Access details are provided below at paragraph 30).
5. The service is often over-subscribed and families are not always able to access the full level of care being sought; there are times when a small numbers of family's needs cannot be fully accommodated. These families are almost always from the lowest Priority of Access category.
6. Council fees for Occasional Care at the Connie Benn Centre are \$9 per session (Concession) and \$18 per session (Non-Concession). The estimated cost of service delivery per child per session is between \$25 and \$30.
7. The cost of Long Day Care is \$102 per day, with families able to access subsidies under the Special Childcare Benefit or Grandparent Childcare Benefit. With full subsidies, the cost of LDC can be reduced to approximately \$27.
8. Some of the families accessing occasional care also access the Connie Benn Kindergarten program. For Health Care Card holders, Kindergarten is free.

Program Review Process

9. An initial program review was conducted in August 2014. On the basis of the findings from this initial review, a working group was established to conduct the full review of the program (and other related operational areas) and deliver findings to senior management.
10. The group finalised the review of the Occasional Care Program in mid-January 2015 and made recommendations to the relevant senior manager. The key changes resulting from the review included:-
 - (a) change to the daily hours, from five to four hours per session;
 - (b) maintaining the cost at \$18 (Full fee) and \$9 (Concession) per session;

- (c) fees no longer being invoiced, with families required to pay upfront prior to each session;
 - (d) provision of up to 3 sessions per week, and up to 8 sessions per month per child as per National Occasional Care Programme Guidelines;
 - (e) a new policy regarding repeated late collection / non-cancellation; and
 - (f) bookings now taken on request through a number of channels. Places are then allocated in line with the Priority of Access guidelines and confirmed with families.
11. These changes were authorised at the program manager level which was considered appropriate for this type of operational program change.
12. The key drivers for the change arising from the review were:
- (a) that there were a number of parents using the program as a substitute for long day care – this is not how the program is intended to be used as the structure of the program means it does not offer the same level of educational outcomes to the child. Setting a maximum of eight sessions per month is intended to provide the flexibility that families may need to access this type of care (i.e. care may be needed 2 to 3 times in a week due to a family illness or over the period of the month to attend short-term training; medical appointments; casual work situations);
 - (b) establishment of a monthly limit was intended to lead to more equitable outcomes in terms of providing access to a greater range of families;
 - (c) because of the number of children with high and complex needs, the reduced hours would be more manageable for both the children and educators in the space and within the operating and programmatic structure of an occasional care service;
 - (d) enabling other programs that share the space (Maternal & Child Health) to access the space and set-up in time for parental information sessions; and
 - (e) the change in program assists in limiting educator hours to 5 hours per shift and is therefore more efficient as the staff can complete their shift without requiring breaks or backfill from the Long Day Care team.
13. Officers from the Family Youth & Children's Services Branch are satisfied that the changes have been made for good and proper reasons, which are consistent with the intent of the service and provide the best outcome for the respective children.

Additional Child Care Options

14. The Connie Benn Centre provides a range of Child Care programs including:-
- (a) Four year old sessional Kindergarten program - \$345 per term or free for Health Care Cardholders;
 - (b) Long Day Care program - \$102 per session with fee reduction in the form of a variety of Government subsidies reducing the cost to approximately \$27; and
 - (c) Occasional Care program.
15. The Four year old Kindergarten program caters for children in their year prior to primary school commencement and for children eligible for Early Start kindergarten funding.
16. The Long Day Care (LDC) program is available for families needing regular child care. The features of LDC include:-
- (a) it is available for children aged 3 months to school age up to five days per week, between the hours of 7.30am to 6.00pm;
 - (b) families are offered a place in LDC through the Central Registration system and accept the place as on-going (they are required to provide information at the end of the year regarding enrolment for the following year). Families can be assured of their allocated days on a continuing basis, with two weeks cancellation or change of day notice required;

- (c) LDC is specifically designed to provide each child with a quality care and educational experience. Where children require regular care and / or may not be able to access kindergarten programs, LDC is the appropriate program; and
- (d) The cost of LDC is based on \$102 daily fee. The cost is reduced by Government subsidies, including the Child Care Benefit, Child Care Rebate, Jobs Education Training and Special Child Care Benefit – or a combination of these (approximately \$27 with full subsidy).

Consultation

- 17. Families were informed of the change to the operation of the Occasional Care program on 17 March 2015 and the amended service model was implemented on 13 April 2015. Further correspondence was sent out on 16 April 2015 regarding the changes to the booking process. The majority of families have accepted the program changes.
- 18. Families were encouraged to lodge any concerns and questions and these have been addressed on a case by case basis. Concerns have decreased as families have become familiar with the changes.
- 19. Staff are continuing to engage with one family on the impact of the changes to the program and to ensure that the extended day care needs of one or two of the parents is able to be accommodated. A proposed way forward to address the concerns of this family is outlined in paragraph 34.
- 20. There has been positive feedback from families regarding some changes, including the improvement in booking options and greater payment options.

Financial Implications

- 21. Following the review, the cost per session for Occasional Care has been maintained at \$9 for the Concession rate. Benchmarking has shown that this fee level is well below that of other providers within and external to Yarra.
- 22. As indicated previously, the cost of LDC is \$102 per session however this can be reduced to approximately \$27 when in receipt of the full range of Government subsidies.
- 23. Where financial hardship situations exist, the service offers payment options, including reaching agreement with families to pay outstanding debts over time, within their capacity to do so. These arrangements are negotiated through the Children's Service Coordinator.
- 24. The estimated annual staff cost of returning the Connie Benn Occasional Care Service to 5 hours per day is between \$15,000 and \$18,000.

Economic Implications

- 25. Child Care programs contribute positively to the local economy through provision of employment, services and supplies. Individual parents and guardians whose children attend these programs are able to return to work study or seek other opportunities. The Occasional Care, Long Day Care and Kinder programs can each support parents and guardians in accessing work opportunities.

Sustainability Implications

- 26. There are no specific sustainability implications identified in this report.

Social Implications

- 27. The provision of Child Care programs is an important issue within Yarra. Council provides a range of services and each meets a particular social need.

Human Rights Implications

- 28. The needs of children and young people is guided by the covenants and legislation outlined in the United Nations Declaration of the Rights of the Child and the *Victorian Charter of Human Rights and Responsibilities Act 2006*. This report is consistent with those documents in that it supports a system of fair and equitable access to child care for all and to ensure that the most appropriate care is offered to children.

Communications with CALD Communities Implications

29. There are no significant communication issues arising from this report. Where it is appropriate to engage interpreters for individual family consultations and discussions, Officers offer this support to families.

Council Plan, Strategy and Policy Implications

30. Council is committed to developing and maintaining an integrated and coordinated Children's service system based on accessible and responsive practices. This is consistent with the Council Plan 2013 – 2017 Strategic Objective 2 – Serving Yarra's Community.
31. It is a funding requirement that Commonwealth Priority of Access Guidelines be applied to the allocation of places within centre-based long day care, family day care and outside school hours care services. In accordance with the Commonwealth Priority of Access Guidelines, places are allocated utilising the following criteria:
- (a) Priority 1 – Resident child at risk of serious abuse or neglect;
 - (b) Priority 2 – Non-resident child at risk of serious abuse or neglect;
 - (c) Priority 3 – Resident child of a single parent who satisfies, or of parents who both satisfy, the work/training/study test under section 14 of the Family Assistance Act; and
 - (d) Priority 4 – Non-resident child of a single parent who satisfies, or of parents who both satisfy the work/training/study test under section 14 of the Family Assistance Act.
32. Having satisfied the requirements of Commonwealth Priority of Access Guidelines, remaining places will be allocated utilising the following Yarra City Council Priority of Access guidelines:
- (a) Priority 1 - Siblings of children already enrolled in a subsidised Yarra children's service and who reside in Yarra;
 - (b) Priority 2 – Non-resident siblings of children already enrolled in subsidised Yarra children's service;
 - (c) Priority 3 - Other children whose family or carer resides in Yarra;
 - (d) Priority 4 – Non-resident children whose family or carer works or studies in Yarra; and
 - (e) Priority 5 – All other non-resident children allocated in the order of closest residential proximity to the centre.
33. It should be noted that within all categories priority will be given to the following children:
- (a) children in Aboriginal and Torres Strait Islander families;
 - (b) children with a disability or in families which include a disabled person;
 - (c) children in families on lower incomes;
 - (d) children in families with a non-English speaking background;
 - (c) children in socially isolated families; and
 - (d) children of single parents.
34. As Occasional Child Care and Preschool services are not funded by the Commonwealth Government, they are not subject to compliance with Commonwealth Priority of Access Guidelines. Priority is given in accordance with Yarra City Council Priority of Access Guidelines, whilst meeting State Government service funding guidelines.

Legal Implications

35. There are no legal implications identified out of this report.

Other Issues

36. The Family, Youth and Children's Services Branch will be the subject of a thorough service review during 2015/16. This review will consider the hours and terms of operation of Council's Occasional Child Care service and indeed the best way to meet the needs of the community.

Options

Option for Family – Transitioning to Occasional Care Changes

37. In the one case where transitional issues remain, officers are proposing that the family be offered:-
- (a) continued access to Kindergarten on Monday, Tuesday and Wednesday each week;
 - (b) a place in the LDC program each Friday;
 - (c) continued access to the Occasional Care program on a Thursday until a LDC place becomes available; and
 - (d) a payment plan for any outstanding fees, based on capacity to pay.
38. There is an alternative option in which the family could be offered the opportunity to retain a place in the Occasional Care program on Thursday and Friday. This option is not recommended as it is not considered to meet the intent of the service, and reduces the capacity of the Occasional Care service by one place, limiting access to the service by others.

Occasional Care Program – Connie Benn Centre

39. There are two main options to address the issues raised at Council on 23 June 2015:-
- (a) re-instate the Occasional Care program, based on a 5 hour model; this approach is not recommended for the reasons outlined previously in this report. While it may address the preference for extended Occasional Care sessional hours, it does not address the need to ensure the program operates equitably – on the basis of genuine occasional care needs. It does not provide the most appropriate level of care for the child and does not address the operational issues identified in the review of the service; and
 - (b) maintain the Revised Model and manage change with impacted parents; under this approach, the revised model would continue to be implemented with new families seeking to use the programs. Officers would continue to work with any existing families who have not transitioned to the new arrangements in order to offer the appropriate form of child care and on the expectation that where suitable vacancies exist, the family would cease Occasional Care and move to LDC.

Service Review – Children's Services

40. As indicated in paragraph 33, the Family, Youth and Children's Services Branch will be the subject of a thorough service review during 2015/16. This review will consider the hours and terms of operation of Council's Occasional Child Care service and indeed the best way to meet the needs of the community. A report will be presented to Council outlining a range of recommendations following this review.

Option for Family

41. The proposed way forward as outlined in paragraph 34 enables the family (child) to continue accessing the Kindergarten three days per week enables access to LDC on a Friday and enables access to Occasional Care on a Thursday.

Conclusion

42. In regard to the issue raised at Council on 23 June 2015, it is the Officers advice that any family requesting regular Child Care at the Connie Benn Centre, outside of the Kindergarten program, should be encouraged to enrol and participate in the LDC program.

43. The Occasional Care program is just that – a program designed to assist a wide range of families on occasions and for circumstances that arise from time to time. While providing a quality outcome for children, it is not designed to provide the level of educational and learning experience incorporated in LDC programs.
44. It is recognised that there have been some changes to the Occasional Care program following its commencement at the Connie Benn Centre in 2014; however these changes are consistent with the operating principles of Occasional Care programs. Centre staff have worked with families to assist in adjusting to these changes – and continue to assist where possible.
45. The proposed option for one family (paragraph 34) is considered reasonable having regard to the needs of the family, and the intent of Occasional Care versus Long Day Care, recognising that transitional issues may have impacted on the family and that the overall objective is to maintain a fair and equitable approach for all families.

RECOMMENDATION

1. That:
 - (a) Council endorse the operational changes to the Occasional Care program operating from Connie Benn Centre, as outlined in paragraph 10 of this report;
 - (b) Council endorse the recommended approach to meeting the needs of the family that has raised concerns about the impact of the changes to the Occasional Care program, as outlined in paragraph 34 of this report;
 - (c) Officers continue to work with any existing families who have been using the Occasional Care program on a regular basis to assist their transition to the new arrangements and on the expectation that where suitable alternatives are available (LDC; sessional kindergarten), the family will cease using the Occasional Care service; and
 - (d) Officers continue to work with any families that experience financial hardship in paying for services to achieve a negotiated payment schedule.

CONTACT OFFICER: Adrian Murphy
TITLE: Acting Manager Family, Youth and Children Services
TEL: 9205 5450

Attachments

There are no attachments for this report.

11.5 Review of Council's Procurement Policy

Executive Summary

Purpose

To:

- (a) review Council's Procurement Policy and Procedures in accordance with Section 186A(7) of the *Local Government Act 1989* (the Act), which states that at least once in each financial year a Council must review the current procurement policy and may, in accordance with this section, amend the procurement policy; and
- (b) present a revised procurement policy and procedures in relation to the application of best practice principles, the introduction of a value for money methodology to be incorporated in all tender processes; the implementation of a contract variations policy the Purchasing Card system and a proposed increase to the threshold for building and civil construction tenders.

Key Issues

Section 186A(10) of the Act defines, for the purposes of s186, a Procurement Policy to include the principles, processes and procedures that will apply to all purchases of goods, services and works by the Council.

A review of all current tender processes and procedures has identified the requirement for the introduction of the four key changes presented in this report, along with subtle changes to other minor processes, to align more closely with Best Practice procedures.

Accordingly, Council officers present this report with proposed amendments to both the Procurement Policy and the Procurement Procedures for Council endorsement.

PROPOSAL

To introduce the following four key amendments to the current Policy:

- (a) Change Number 1: Minimum Spend Thresholds – Construction Works (Modified Procedure);
- (b) Change Number 2: Introduction of Value for Money (VFM) Tender Evaluation Process;
- (c) Change Number 3: Inclusion of Variation Policies (New Policy); and
- (d) Change Number 4: Inclusion of Purchasing Card Procedures (New Procedure).

11.5 Review of Council's Procurement Policy

Trim Record Number: D15/88374

Responsible Officer: Chief Financial Officer

Purpose

1. To:
 - (a) review Council's Procurement Policy and Procedures in accordance with Section 186A(7) of the *Local Government Act* 1989 (the Act), which states that at least once in each financial year a Council must review the current procurement policy and may, in accordance with this section, amend the procurement policy; and
 - (b) present a revised procurement policy and procedures in relation to the application of best practice principles, the introduction of a value for money methodology to be incorporated in all tender processes; the implementation of a contract variations policy the Purchasing Card system and a proposed increase to the threshold for building and civil construction tenders.

Background

2. Section 186A(10) of the Act defines, for the purposes of s186, a Procurement Policy to include the principles, processes and procedures that will apply to all purchases of goods, services and works by the Council.
3. A review of all current tender processes and procedures has identified the requirement for the introduction of the four key changes presented in this report, along with subtle changes to other minor processes, to align more closely with Best Practice procedures.
4. Accordingly, Council officers present this report with proposed amendments to both the Procurement Policy and the Procurement Procedures for Council endorsement.
5. The proposal is to introduce the following four key amendments to the current Policy:
Change Number 1: Minimum Spend Thresholds – Construction Works (Modified Procedure)
6. Consistent with direction provided in the *Local Government Act* 1989, the Victorian Auditor General and Local Government Victoria, it is proposed that the tender threshold for capital works be increased from the current \$150,000 threshold to \$200,000.
7. Subsequent to approval, these thresholds would be adjusted in accordance with any future amendments as promulgated by the Victorian State Government.
8. The proposed tender threshold for works will provide increased flexibility and efficiencies when tendering for building and construction services.
Change Number 2: Introduction of Value for Money (VFM) Tender Evaluation Process
9. While the current tender evaluation process documented in Council's Procurement Manual enables the best tenderer to be identified, an opportunity exists to enhance the tender assessment process with the adoption of a best value for money tender evaluation practice. This tender evaluation model has been developed to strengthen and modernise the current tender evaluation process to a best practice standard.

10. The process is designed to assist in achieving best value for money through the optimum combination of quality, quantity, risk and timeliness, on a whole-of-contract and whole-of-asset life basis. This approach is supported by the Victorian Auditor General's Office and encouraged in the Victorian Local Government Best Practice Procurement Guidelines (2013).
11. The procedure has been implemented by Business Victoria and is also practiced in other local government entities. Implementation of this methodology will be consistent with the direction provided in Council's Procurement Policy document.
12. The adoption of this process will provide a mechanism for Council to achieve best value for money and highest quality standards from preferred tenderers who have attained the highest non-financial scores consistent with providing a whole of life competitive and negotiated price. This process will provide a consistent, effective and efficient means of achieving value for money in all tender evaluation processes.
13. To complement the Value for Money process a Best and Final Offer (BAFO) process is proposed to be implemented in relevant tender processes where there is a distinct opportunity to realise a better financial outcome to Council without any decline in expected quality standards. Building and civil construction and major service tenders where a lump sum is required will be the primary areas of focus in implementing the BAFO process.

Change Number 3: Inclusion of Variation Policies (New Policy)

14. An original contract variation policy has been developed to provide clearer direction and understanding to officers engaged in managing contracts. Authorised expenditure limits for staff have been included and are consistent with Council's delegations of Authority.
15. Within the delegation levels, officers have discretion to authorise contract variations up to 20% of the total contract sum provided this amount is within their delegated limits. Case studies have been included in the Policy to illustrate conditions under which variations may be assessed.
16. Implementation of the policy is expected to provide consistency in the processing of variations and provide clearer direction on when a contract variation should or should not apply.

Change Number 4: Inclusion of Purchasing Card Procedures (New Procedure)

17. Following approval by the Executive Group, a pilot study of the Purchasing Card (P-Card) system was implemented to ascertain any potential benefits to Council.
18. A Purchasing Card procedure was developed in consultation with the service provider (NAB), Human Resources Services and in consultation with other Councils. These documents are included in the Procurement Manual.
19. At the completion of the pilot study period, a consultancy firm was engaged to conduct a review of the purchase card process. The objectives of the review were to assess the procedures, appropriate control practices, costs and benefits in the use of the card.
20. The submitted report identified considerable savings in the areas of transactional savings and administrative process savings. The report also identified some areas where further control mechanisms should be employed. These controls are currently being implemented to accommodate the recommendations of the report.

21. It is proposed to fully implement the P-Card system and conduct a review of the expenditure limits to identify areas where potential increases in savings may be realised from extending card limits to accommodate bulk invoice payments.

Consultation

22. In the preparation of the new proposed procurement policies and procedures, there was consultation with relevant Infrastructure Services staff in the development of contract variation procedures.
23. Professional procurement consultants were engaged to assist in the development of the best value for money tender evaluation process. Similar processes developed by government bodies were also reviewed and the process was discussed with Contract Managers.

Financial Implications

24. Adoption of the proposed procurement policy amendments will provide the potential for significant savings across Council's procurement activities.

Economic Implications

25. The implementation of the proposed changes will put into effect contracts that are underpinned by and will achieve Best Value for Money.

Sustainability Implications

26. By adopting the new proposed policy there is an expectation that Council's Procurement activities will lead to better sustainability outcomes.

Social Implications

27. The proposed Policy will strengthen Council's commitment and increase achievements in social sustainability practices.

Human Rights Implications

28. No human rights implications

Communications with CALD Communities Implications

29. No CALD implications

Council Plan, Strategy and Policy Implications

30. This proposal is consistent with Council's Plan and its strategic direction from 2013 to 2017, which states, in part, that under *Recognition of Service Delivery – a program of continuous improvement will be needed to ensure that services evolve and innovate to suit Yarra's changing community. Organisational development, systems integration and process improvement will be important in building on Council's service standards.*

Legal Implications

31. All changes concerning contract variations, revised conditions of contract for quotation agreements and Value Form Money principles were reviewed and endorsed by Council's legal representatives.

Other Issues

32. A series of procedural changes have been identified in the Procurement Manual. These involve the Procurement Branch applying additional control mechanisms to procurement processes particularly in the area of tendering.
33. These changes are proposed not only to accentuate the necessity for compliance to the *Local Government Act 1989*, and the inclusion of sound probity principles in all procurement dealings, but also and as importantly, to ensure consistency in the manner in which all council staff addresses procurement practices.

34. A suite of quotation documents have been developed to accommodate an invitation to quote process for all quotations in excess of \$50,000. The suite of documents include an invitation to quote and an abridged version of the relevant terms and conditions of contract as well as other necessary tools required to complete the process satisfactorily. This process will assist to minimise any risk associated with the procurement of any goods, services or works between \$50,000 and the proposed thresholds.

Options

35. There are no alternative options recommended.

Conclusion

36. It is expected that, with the application of the new procurement policies and procedures proposed within this report, Council will achieve the benefits of cost reduction, consistency in the manner in which Council conducts its procurement practices, improved supplier performance and the realisation of continuous improvement in all procurement practices.

RECOMMENDATION

1. That Council, having reviewed this Procurement Policy in accordance with Section 186(7) of the *Local Government Act 1989*, endorses the proposed changes to the Procurement Policy.

CONTACT OFFICER: Graham Wilsdon
TITLE: Coordinator Strategic Procurement
TEL: 9205 5236

Attachments

- 1 Revised Procurement Policy - clean copy
- 2 Revised Procurement Policy - marked up copy
- 3 Sustainable Procurement Statement

Attachment 1 - Revised Procurement Policy - clean copy



PROCUREMENT POLICY

Revision No 4 – July 2015

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1. OVERVIEW

This policy represents the governance, principles, process and procedures to be applied to the purchase of all goods, services and works by Council. The Policy will apply to all Councillors and council staff undertaking procurement activities on Council's behalf. The aforementioned persons will be responsible and accountable for compliance to all relevant Federal and State Government legislation, regulations and guidelines, this Procurement Policy and any associated Procurement Manual or Guidelines.

This policy is prepared in accordance with Section 186A of the *Local Government Act 1989* (the Act) which also requires that a review of the Policy is conducted annually and is available for public inspection. Council will provide public access to the Policy via;

- Council's offices located at the Richmond and Collingwood Towns; and
- On Council's website.

2. LEGISLATIVE COMPLIANCE

The key legislative requirements include:

- Section 186 of the Act [Power to enter into Contracts];
- Section 186A of the Act [Procurement Policy];
- Section 3C of the Act [Objectives of a Council];
- Sections 208C of the Act;
- Sections 77A, 77B, 78, 78A to 78E, 79, 79B to 79D, 80, 80A to 80C and 95 of the Act [Conflict of Interest];
- Section 98 of the Act [Delegations];
- Section 140 of the Act [Accounts and Records];
- The relevant provisions of the *Competition and Consumer Act 2010*;

Council is required to comply with the provisions of the above Acts in all procurement matters.

3. OBJECTIVES

The objectives of this policy are to:

- establish a procurement frameworks for the Yarra City Council to achieve value for money and continuous improvement in the provision of works and services for the community;
- achieve a level of high standards in probity, transparency, accountability and risk management in all procurement activities;
- achieve compliance with relevant legislative requirements;
- give preference to the procurement of environmentally sustainable goods, services or works;
- encourage and promote the use of local business;
- Identify social procurement opportunities with local social enterprises and other relevant parties;

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- ensure that council resources are used efficiently and effectively to improve the overall quality of life of people in the local community;
- achieve Best Practice in accordance with the Victorian Local Government Best Practice Procurement Guidelines; and
- Identify opportunities to facilitate or participate in collaborative procurement alternatives.

4. POLICY PROVISIONS

4.1 Procurement principles

Council will apply the following fundamental best practice principles to each procurement activity irrespective of the value or complexity of that procurement:

- value for money;
- best value principles;
- open and fair competition;
- confidentiality;
- accountability;
- risk management;
- probity and transparency.

Consideration must be given to the whole of life cycle of an acquisition, from initial concept to the end of the useful life of that asset including its disposal.

Council is committed to reducing its environmental impacts and will encourage the design and use of projects and services that have been produced to ethical standards which have minimal impact on the environment and human health. This includes but is not limited to:

- waste management;
- recycling;
- energy management;
- emissions management;
- water conservation;
- eco-buy products;
- green building design; and
- environmentally sustainable procurement.

These principles are detailed in Council's Sustainable Procurement Statement.

4.2 Organisational procurement structure

Yarra City Council will operate a centre-led procurement structure wherein all strategy, policy, processes, technology, best practice, document control, processes and networking in procurement matters will be the responsibility of the Strategic Procurement Branch.

The structure, duties and responsibilities of the Strategic Procurement Branch is detailed in *the Procurement Manual*.

Council shall:

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- establish a procurement management structure and appropriate delegations ensuring accountability, transparency and auditability of all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council;
- ensure that the Council's procurement structure:
 - is flexible enough to purchase in a timely manner, the diverse range of material, goods, works and services required by Council;
 - ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
 - encourages competition between tenderers; and
 - ensures all policies that relate to purchasing practices are communicated and implemented.

4.3 Procurement officers

Council will ensure that all Procurement Officers will have sufficient relevant qualifications and provide and encourage relevant training and networking opportunities to ensure that the delivery of procurement activities within the organisation are conducted in accordance with best practice principles.

5. DELEGATIONS

5.1 Authorisations

Council is responsible for authorising a deed of delegation to the Chief Executive Officer (CEO) on procurement matters [including the power to determine that a contract must be entered into due to an emergency as specified in the Act Section 186 (5)(a)] for the immediate period of the emergency.

The CEO delegates authorisations to staff on procurement matters. These authorisations are facilitated by Council's Governance Branch and are reviewed annually.

Whilst this Policy must be adhered to by all employees engaged in procurement activities for Council, only *Delegated Officers* are authorised to approve expenditure relating to contracts, quotations or purchasing cards.

These delegations give relevant officers the power to:

1. procure goods, services or works;
2. expend amounts for the procurement of goods, services or works (this includes expenditure relating to any contract variations in accordance with Council's Variations Policy);
3. approve quotations or tenders or enter into contracts;

arising out of or connected with any duty imposed, or function or power conferred on Council by or under any Act and as provided for in Council's adopted Budget.

Attachment 1 - Revised Procurement Policy - clean copy

The following table identifies the authorisations and conditions to procure at levels below the approved tender thresholds. All values are inclusive of GST.

| Type Expenditure | Thresholds | Delegations |
|------------------------|--|--|
| Purchase Card | Limit of \$1,000 per purchase with a maximum limit of \$5,000 per month | Council staff with authorisation to use a Purchasing Card |
| Approval of Quotations | <ul style="list-style-type: none"> • Up to \$10,000 • Up to \$50,000 • Up to \$100,000 • Up to \$199,999 | Coordinators/Team Leaders Managers Executive Managers Directors |
| Approval of Tenders | <ul style="list-style-type: none"> • Up to \$199,999 • Up to \$749,999 • \$750,000 or greater | Directors Chief Executive Officer Council |

5.2 Variations

The terms of a Contract will usually entitle Council to direct a Variation. Variations can involve Council directing the Contractor to make a change to the supply of goods, the provision of services or the execution of works which are the subject matter of the relevant Contract.

Variations can also result from a provision in the Contract which deems a certain event or circumstance to be treated as a 'Variation' even if Council has not issued a direction to the Contractor to change the subject matter of the Contract. Examples in this context include a change arising from the introduction of a new law or ambiguities or inconsistencies within contract documents.

Variations can result in either an increase or in a decrease to the amount which Council is liable to pay to the Contractor under the Contract.

The Variation Policy provides guidance to Delegated Officers for the purposes of:

- identifying a Variation; and
- authorising or obtaining authorisation for expenditure relating to Variations.

6. PROCUREMENT PLANNING

The term 'strategic procurement' is applied to several different concepts including:

- a coordinated approach by an organisation in influencing supply markets to support Council business objectives;
- the purchase of high value, high risk, important and complex goods, services or works, often a multi-faceted project;
- long term plans for ensuring timely supply of goods, services or works that are critical to an organisation's ability to meet its core business objectives; and
- the process used to take a project from its early planning phase through to contract completion.

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The essence of strategic procurement is that it should be aligned and contribute to Council's overall long term strategy. It should be consistent with the Council Plan and include projections of revenue and expenditure in the Standard Statement of Financial Performance.

Strategic procurement places an emphasis on:

- detailed analysis of council's spending pattern;
- ensuring procurement efforts correspond with risk and expected return;
- optimising the procurement process to reflect market conditions;
- including continuous improvement and value for money in contractual arrangements with suppliers; and
- developing a strategic procurement program for long term evolution of the procurement functions.

7. PROCUREMENT MANUAL

A Procurement Manual (*the Manual*) has been developed and details the implementation of all relevant legislative requirements. Council will maintain and periodically review its Procurement Manual to ensure that best practice principles are updated and disseminated to its staff. The primary objective of the Manual is to provide guidance to staff on all operational aspects of procurement. Staff will have access to the Manual via Council's Intranet website.

The Manual will conform to the Local Government Best Practice Guidelines and will be reviewed on an annual basis.

8. PROBITY REQUIREMENTS

8.1 Requirement

Council's procurement activities shall be performed with integrity and in a manner able to withstand the closest possible scrutiny by authorised external entities or members of the community.

8.2 Conduct of Councillors and Council Staff

Councillors and council staff shall at all times conduct themselves in a manner that is, and is seen to be ethical, of the highest integrity and *will*:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

Council staff with responsibilities for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

MEMBERS OF PROFESSIONAL BODIES

Councillors and council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

COUNCILLORS

A Councillor must:

- comply with the Primary Principle of Councillor Conduct and avoid conflicts between his or her public duties as a councillor and his or her personal interests and obligations [Section 76BA of the Act]. Councillors and members of audit committees must disclose a conflict of interest in accordance with Section 79 of the Act;
- comply with the Councillor Code of Conduct; and
- not improperly direct or improperly influence a member of council staff in the exercise of any power in the performance of any duty or function.

8.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the Act.

8.4 Conflict of Interest

Councillors and Council staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their council duties.

Councillors and Council staff shall not participate in any action or matter associated with the arrangement of a contract (i.e., evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest, or holds a position of influence or power in a business undertaking tendering for the work.

The onus is on the Councillor and the member of Council staff involved being alert to and promptly declaring an actual or potential conflict of interest to the Council.

8.5 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.

Impartiality must be maintained throughout the procurement process so it can withstand public and statutory authorities scrutiny.

The commercial interests of existing and potential suppliers must be protected.

Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

8.6 Accountability and Transparency

Accountability in procurement means being able to explain and provide evidence on the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore, the processes by which all procurement activities are conducted will be in accordance with the Council's procurement policies and procedures as set out in this policy and related relevant Council policies and procedures.

Additionally, all Council staff must be accountable for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and record and document all performance and other relevant matters to ensure a transparent audit trail for monitoring and reporting purposes.

8.7 Gifts and Hospitality

No Councillor or member of Council staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the officer, or in which the Council is interested.

Councillors and Council staff must exercise the utmost discretion in accepting hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Councillors and Council staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how minute the evidence available), must be promptly brought to the attention of the CEO.

8.8 Disclosure of Information

Commercial in-confidence information received by the Council must not be disclosed and is to be stored in a secure location.

Councillors and Council staff are to protect, by refusing to release or discuss the following:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is Commercial in Confidence information; and
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorized pre-contract negotiations.

8.9 Probity Plan Audits

A Probity Plan must be prepared and a probity auditor is to be appointed to any tender evaluation panel where the value of the required goods, services or works is assessed to exceed a total value of \$10 million.

9 RISK MANAGEMENT

9.1 General

Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance the Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

Council will manage all aspects of its procurement processes in such a way that all risks, including Occupational Health and Safety, are identified, analysed, evaluated, treated, monitored and communicated to the standard required by the law, in accordance with Australian Standards and Council Policy.

9.2 Supply by Contract

The provision of goods, services and works by contract potentially exposes the Council to risk.

The Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement of work;
- use of or reference to relevant Australian Standards (or equivalent); and
- effectively managing the contract including monitoring and enforcing performance.

9.3 Responsible Financial Management

The principle of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, shall be established prior to the

commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

9.4 Dispute Resolution

All Council Contract Managers must be cognisant of Council's dispute resolution process in order to minimise the change of disputes escalating to possible legal action. In the event that a dispute cannot be resolved amicably, the Council officer is required to contact the Procurement Branch for assistance.

9.5 Contract Management

The purpose of contract management is to ensure that both parties to an agreement meet their individual obligations as specified in the contract.

Council contract managers are responsible for the delivery of all specified contractual outcomes that comply with qualitative and quantitative requirements as per the contract by:

- establishing a monitoring system to ensure the responsibilities and obligations of both parties under the contract are met;
- providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Develop and maintain a sound business relationship with relevant suppliers for the duration of any contractual agreement;
- Innovative methodologies to realise potential cost savings through the encouragement and promotion of continuous improvement in service delivery; and
- adhering to Council's Risk Management Framework and including Occupational Health and Safety Contractor compliance procedures.

9.6 Occupational Health and Safety Management Systems (OHSMS)

It will be mandatory for all relevant contractors engaged by Council to provide services or works, to have a documented OHSMS that conform to the requirements of the OHS Act 2004 and that the system is implemented during the conduct of those services or works.

Contract Managers will be required to ensure that an OHSMS is sighted and assessed for conformance prior to the commencement of any relevant services or works.

9.7 Endorsement of products or services

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Council staff must not endorse any external products or services. Individual requests received for endorsement must be referred to Director level or above.

9.8 Fraud and Complaints

Council takes allegations of fraudulent activity and complaints about procurement seriously and is committed to handling such disclosures sensitively and confidentially. Members of the public, suppliers and Council employees are encouraged to report fraud allegations or complaints about procurement processes and/or staff taking part in procurement activity to Councils Manager Strategic Procurement.

10 INTERNAL CONTROL

The Council will establish and maintain a framework of internal controls over procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end-to-end;
- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and
- systems are in place for appropriate monitoring and performance measurement.

11 PROCUREMENT METHODS

The acquisition of goods, services or works may be achieved through different methods. These methods are determined by several factors such as overall estimated cost, procurement strategy, the competitive landscape, the term of the contract or period of construction, the scope of the contract and the amount of risk involved in the delivery of the service or works.

Project values are inclusive of GST, provisional sums and all amounts payable under any optional extension periods. The scope of projects must not be split into smaller portions to avoid proper process unless there is significant savings to be realised or there are specialised components required that are not generally a core activity for suppliers/contractors and require separate consideration.

Council procurement methods encompass the following:

- Purchasing Card;
- Quotations – A purchase order following a quotation process from suppliers for goods, services or works that represent value for money under specified quotation thresholds;
- Tenders – A contract following a public tender process;
- External Agents – A contract established by a third party agent where council is eligible to participate;
- State Purchase Contract or a Whole of Victorian Government Contract; and
- A contract entered into under an arrangement approved by the Minister for Local Government.

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An Expression of Interest (EOI) may be sought in accordance with Section 186[1] of the Act where:

- There is the potential of receiving many tenders, tendering would be costly or the procurement is complex and council does not wish to impose the costs of preparing full tenders on all tenderers;
- Uncertainty of the degree of interest of suppliers to offer the proposed goods or services or undertake the works.

The Procurement Manual addresses the requirements for each of these Procurement methods.

12 PROCUREMENT THRESHOLDS AND COMPETITION

12.1 Tenders

The thresholds prescribed by the Local Government Act for the purchase of all goods and services with an estimated expenditure greater than \$150,000 and building and construction works with an estimated expenditure greater than \$200,000 for the whole term of the Contract must be undertaken by a public tender process. These thresholds will apply to all tendering processes conducted by Council unless one of the nominated exemptions applies (e.g. Legal Services).

These thresholds will be amended in accordance with any future promulgations that may be initiated by the Victorian State Government.

A public tender process may be used for values less than \$150,000 if this will service Council interests and produce a better outcome in the context of this Policy.

All tender processes must be initiated by an advertisement in a newspaper that has a state-wide distribution. Council currently advertises through "The Age" news media.

In the circumstance that a strong focus on local supply is required, an advertisement may also be placed in one of the local news media that is distributed throughout the municipality.

Similarly there may be a requirement for national distribution. In this case the Procurement Branch will collaborate with the relevant Council Officers to determine the best news media to provide the widest access to the marketplace.

All tenders will remain open to the public for a minimum period of 21 days.

A minimum of three (3) tenders must be received by Council to constitute a competitive process, however if the market being tested is deemed to be of a specialist nature and the relevant industry is limited in suppliers and less than 3 tenders are received, Council may consider that a competitive process has been conducted and accept the submitted tenders.

Under no circumstance will late tenders be accepted by Council.

12.1.1 Tender Process

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Council's tendering process will:

- Comply with the procurement principles set out in this Policy;
- Utilise a pre-tender briefing if deemed beneficial;
- Evaluations will be conducted in accordance with the methodology set out in Council's procurement manual;
- An evaluation panel will be established to evaluate each tender against the selection criteria and its composition will be determined by the respective Manager and Procurement branch;
- Tender evaluation panels may include external personnel in order to ensure transparency of the process and/or professional knowledge to the panel;
- A tender process will be robust, systematic and unbiased;
- A price preference of 10% may be applied to the purchase of recycled and environmentally preferable products – all other considerations being equal;
- Once a preferred tenderer is selected negotiations can be conducted in order to obtain the optimal solution and commercial arrangements, providing they remain within the intent and scope of the tender. Such negotiations must be exhausted with one tenderer before beginning with another tenderer;
- Tender evaluation panels will produce a report of their evaluation using the appropriate prescribed template;
- Minutes of all meetings will be produced by the chairperson of the evaluation panel;
- The chairperson will maintain details records of all commercial-in-confidence negotiations if any occur.

12.2 Quotations

The purchase of all goods, services and works with a value of less than the prescribed thresholds may be undertaken using Council's quotation procedures.

The amount of expenditure for a purchase will determine the process that must be followed during the procurement stage. These processes are:

12.2.1 Value \$0 to \$19,999 (incl GST)

Council officers are required to seek at least one (1) written quote or use a Council purchasing card. One (1) Council officer to determine value for money.

Received quotation details must be recorded and uploaded onto Council's quotation purchasing and records management systems.

12.2.2 Value between \$20,000 and \$49,999 (incl GST)

Council officers are required to receive at least three (3) written quotes to reasonably satisfy themselves that they will achieve value for money.

Received quotation details must be recorded and uploaded onto Council's quotation purchasing and records management systems.

A minimum of two (2) Council officers are required to evaluate quotes within this price range.

12.2.3 Value between \$50,000 and \$149,999 or \$199,999 (incl GST)

Goods, services or works with a value between \$50,000 and \$149,999 (goods and services) or \$199,999 (works) must be procured via a full quotation process. If the brief is of a complex nature or the estimated total value is close to the nominated threshold amounts, consideration must be given to conducting a tender process.

A minimum of three written (3) quotations must be received by Council for assessment.

Should less than the required number of quotations be received, the Council officer must assess and determine whether the quotations(s) received still demonstrate best value outcomes. This may be through comparison with established cost estimates or experience from other similar projects. If value for money outcomes are not achieved, further suppliers must be sought and invited to submit quotes.

A minimum of three (3) Council officers must be involved in the evaluation of quotes within this price range.

13. ACHIEVING VALUE FOR MONEY**13.1 Requirement**

Council's procurement activity will be carried out on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinate of value for money.

13.2 Approach

The process for achieving value for money will be facilitated by:

- Developing, implement and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle;
- Effective use of competition;
- Using aggregated contracts and Standard Offer Arrangements (SOA) where appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender processes including appropriate use of e-solutions;
- Council staff involved in procurement acquisitions or management providing competent advice in terms of available products and services; and
- Working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

13.3 **Best and Final Offer (BAFO)**

To complement the Value for Money solution Council will include relevant clauses to all tender conditions associated with Construction and Major Service tenders where a Lump Sum price is requested. These tender conditions will provide Council the option to initiate a BAFO with short listed tenderers that may result from the overall tender process.

Primarily, a BAFO process is conducted after the close of the tender process, during the evaluation stage. It is described as a means to assist selection of a preferred tender when the offerings provided by two or more tenders are of similar weighting or are difficult to distinguish between, or in the event that all tenderers have submitted prices that exceed the budgeted amount.

A set of guidelines associated with the application of a BAFO procedure have been produced for the benefit of council staff engaged in tender evaluation processes and are articulated in the Procurement Manual.

14. **PERFORMANCE MEASURES & CONTINUOUS IMPROVEMENT**

Wherever possible, Contracts must contain measurable performance criteria and reporting systems to establish the monitoring of contractor performance and compliance.

These criteria must be measurable and relevant to the goods, services or works being provided to accommodate the following requirements:

- Highlights performance trends and exceptions in the areas of specified qualitative and quantitative deliverables;
- Provides high level capabilities in auditing and monitoring service delivery; and
- Encourages continuous improvement in service delivery methodologies.

15. **SUSTAINABILITY**

Council endorses the practice of sustainable procurement and the sourcing of environmentally preferable products and services whenever they perform satisfactorily and are available at a competitive price.

Sustainable procurement practice will demonstrate to the community that Council's purchasing decisions can improve markets for environmentally preferred products, enhance environmental quality, be resource responsible and contribute to progress toward sustainability.

Procurement decisions should be made on the basis of value for money, rather than just the lowest purchase price. This includes consideration of both the full life-cycle and total cost of ownership such as procurement price, operation and maintenance costs, the environmentally responsible disposal of the product at the end-of-life together with non-price factors including contribution to the Council's sustainability objectives.

Council is also committed to reducing its environmental impacts and will encourage the design and use of projects and services that have been produced to ethical standards

which have minimal impact on the environment and human health. This includes but is not limited to:

- waste management;
- recycling;
- energy management;
- emissions management;
- water conservation;
- eco-buy products;
- green building design; and
- environmentally sustainable procurement.

These principles are detailed in Council's Sustainable Procurement Statement.

The Council will therefore consider the following environmental sustainability criteria:

- **Reduce, Reuse, and Recycle:**

The Council is committed to reduce resources, consumption and minimise waste during the procurement life cycle including:

- Encourage and prefer Eco-friendly products; ;
- Selecting energy, fuel and water efficient products (ideally Energy and Water Star Ratings of 4 Star and above, and the highest Green Vehicle Guide star rating);
- preference to purchasing from a source which is less polluting or uses clean technology ; and
- Contract Managers of projects should automatically consider the provision of re-usable products and recycling as part of the project planning process, including the consideration of whole-life costs and disposal considerations.

- **Buy Recycled:**

Council is committed to purchasing recycled/part recycled products to minimise consumption and stimulate demand for recycled products in an effort to achieving zero discharge to landfill.

- **Green Supply Chain:**

Council shall encourage suppliers to adopt good environmental practices. The Council will actively promote green procurement throughout its supply chain and ensure selection which has minimum environmental impact.

Product specifications should be written to encourage suppliers to develop environmental best practices.

The subsequent acquisition of goods and services should contain sustainable evaluation criteria and an environmental risk assessment should be undertaken to establish the nature of the criteria and the appropriate weightings. Suppliers will need to provide full details on the life cycle impacts of their products so that this assessment can be adequately conducted and a satisfactory outcome achieved.

Council staff should follow the principles of the ECO-Buy organisation and encourage the purchasing of green products. Green purchasing is an ideal way for council to demonstrate to its community that it is taking positive steps to create a more sustainable future by choosing to buy products that are less damaging to our environment and human health.

Details of areas where Council and contractors can improve the sustainability of relevant required outcomes, are documented in Council's Sustainable Procurement Statement. :

15.1 Diversity

Promoting equality through procurement can improve competition, value for money, the quality of public services, satisfaction among users, and community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

15.2 Support of Local Business and Industry

Council recognises the need to support the local economy. To encourage this, Council will actively seek offers from local suppliers where possible by:

- encouraging participation from local suppliers and
- including evaluation criteria that favours suppliers that support the local economy

To accommodate this support, Council will develop and maintain a registration of interest listing. This listing will comprise of local traders that submit an expression of interest in being notified of any goods, services or works that have been listed by the traders as a core business. This will enable the traders to submit a competitive offer during any open tender or quotation process.

15.3 Buy Australian

In accordance with Section 186(3) of the Local Government Act, Council will give preference to goods, equipment, material or machinery manufactured in Australia and New Zealand whenever practicable.

15.4 Ethical Standards for the Acquisition of Textiles, Clothing and Footwear

Council supports the application of ethical standards in the acquisition of textiles, clothing and footwear as espoused by industry associations such as Ethical Clothing Australia. These standards are designed to ensure that businesses are committed to taking practical steps to keep their Australian-based supply chains transparent and ensure that they and any sub-contractors are compliant with relevant Australian laws.

Suppliers of textiles, clothing and footwear will need to demonstrate their commitment to observing ethical standards in the supply of products to Council.

15.5 Charter for Human Rights Victoria

The [Charter of Human Rights and Responsibilities Act 2006](#) (the Charter) sets out the basic rights, freedoms and responsibilities of all people in Victoria. It is about the relationship between government and the people it serves.

The Charter requires public authorities, such as Victorian state and local government departments and agencies, and people delivering services on behalf of government, to act consistently with the human rights in the Charter.

The Charter recognises that as human beings all persons have basic rights, including the right to be treated equally, to be safe from violence and abuse, to be part of a family and to have our privacy respected.

In certain circumstances some rights have limitations, however this only applies where necessary with the reasons for the decision being clear, transparent and reasonable.

Council expects all Councillors and staff members to be cognisant of the requirements of this Act and adopt and implement these fundamental rights in their day to day dealings.

16. SOCIAL PROCUREMENT

Council is committed to supporting social procurement because of the positive social impacts this provides to both Council and the community. Council has developed processes to ensure that social enterprises become part of a diverse and dynamic supplier market

The decision within Council to engage with social procurement may originate in a number of ways. For example, if:

- Council has scope for the inclusion of social benefits when issuing a tender;
- A current contract is soon to expire, allowing for a revision of service delivery and contracting arrangements; and/or
- When particular social issues in a community are not being addressed using traditional approaches.

Existing contracts may also be varied so that social impacts are incorporated for the delivery of goods and services. In this case Council officers should engage all suppliers in social procurement practices where appropriate and seek their cooperation to explore possibilities for subcontracting to social benefit suppliers.

Tender documents or Requests for Quotation should contain:

- Suitable social clauses and weightings to achieve the desired social benefits;
- Appropriately designed response statements to allow suppliers to clearly articulate how they will deliver social impacts; and
- Social clauses that are framed as measurable deliverables rather than aspirations.

A pre-tender briefing may be necessary to explain the detail of the social clauses, particularly if they refer to complex matters with which mainstream suppliers may not be familiar.

17. Disability Act

The Disability Act provides for:

- a stronger whole-of-government, whole-of-community response to the rights and needs of people with a disability, and
- a framework for the provision of high quality services and supports for people with a disability

The Act sets out principles for people with a disability and for disability service providers.

Council officers should be cognisant of the requirements of the Act and incorporate into Council dealings wherever applicable.

18. POLICY OWNER

The Manager Strategic Procurement is the designated owner of this Policy and is responsible to the Director Corporate and Financial Services for the maintenance and annual review of this Policy.

19. Glossary of Terms

“the Act” means the *Local Government Act 1989*;

“Commercial-in-Confidence” means information that if released may prejudice the business dealings of a party e.g. prices, discounts, rebates, profits, methodologies and process information;

“Contract Management” means the process that ensures both parties to an agreement fully meet their obligations and responsibilities in accordance the contract;

“Council Officer” means any full or part time staff member of Council including temporary employees;

“Probity” means uprightness, honesty, proper and ethical conduct and propriety in Council dealings;

“Sustainability” means activities that meet the needs of the present without compromising the ability of future generations to meet their needs;

“Procurement” means the whole process of acquisition of external goods, services or works. This process encapsulates the whole of life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service or works contract;

“Tender process” means the process from the planning stages to the awarding of a contract. This includes the development of tender documentation, invitation to tender period, evaluation stage and recommendation of a preferred supplier/s;

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“Value for Money” means that optimum combination of quantitative and qualitative components of a tender offer.

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PROCUREMENT POLICY

| [Revision No 4 – June 2015](#)

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1. OVERVIEW

This policy represents the governance, ~~and~~ principles, process and procedures to be applied to the purchase of all goods, services and works by Council. The Policy will apply to all ~~C~~councillors, ~~and~~ council staff ~~and all persons~~ undertaking procurement activities on ~~C~~council's behalf. The aforementioned persons will be and will be responsible and ~~accountable~~ for complying in ~~with~~ to all relevant procurement legislative and policy requirements ~~Federal and State Government legislation, regulations and guidelines, this Procurement Policy and any associated Procurement Manual or Guidelines.~~

This policy is prepared in accordance with Section 186A of the *Local Government Act 1989* (the Act) which also requires that a review of the ~~P~~policy is conducted annually and is available for public inspection. Council will provide public access to the Policy via;

- Council's offices located at the Richmond and Collingwood Town ~~Halls~~; and
- On Council's website.

2. LEGISLATIVE COMPLIANCE

The key legislative requirements include:

- Section 186 of the Act [Power to enter into Contracts];
- Section 186A of the Act [Procurement Policy];
- Section 3C of the Act [Objectives of a Council];
- Sections 208C of the Act;
- Sections 77A, 77B, 78, 78A to 78E, 79, 79B to 79D, 80, 80A to 80C and 95 of the Act [Conflict of Interest];
- Section 98 of the Act [Delegations];
- Section 140 of the Act [Accounts and Records];
- The relevant provisions of the *Competition and Consumer Act 2010*;
- ~~Section 186 of the Act [Power to enter into Contracts];~~
- ~~Section 186A of the Act [Procurement Policy];~~
- ~~Section 3C of the Act [Objectives of a Council];~~
- ~~Section 208C of the Act [Applying Best Value Principles];~~
- ~~Relevant provisions of Sections 77, 78, 79, 80 and 95 of the Act [Conflict of Interest];~~
- ~~Section 98 of the Act [Delegations];~~
- ~~Section 140 of the Act [Accounts and Records]; and~~
- ~~The relevant provisions of the *Competition and Consumer Act 2010*.~~

Council is required to comply with the provisions of the above Acts in all procurement matters.

~~A Procurement Manual has been developed and details the implementation of these legislative provisions. The Manual will be maintained on Council's website for public inspection and also on its intranet site to provide guidance to council staff on all operational aspects of procurement. The Manual contains all procurement information~~

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~~and directions as well as detailed flowcharts identifying all procurement procedures required in council's procurement process.~~

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3. OBJECTIVES

The objectives of this policy are to:

- establish a procurement frameworks for the Yarra City Council to achieve value for money and continuous improvement in the provision of works and services for the community;
- achieve a level of high standards of in probity, transparency, accountability and risk management in all procurement activities;
- achieve compliance with relevant legislative requirements;
- give preference to the procurement of environmentally sustainable goods, services or works;
- encourage and promote the use of local business;
- Identify social procurement opportunities with local social enterprises and other relevant parties;
- ensure that council resources are used efficiently and effectively to improve the overall quality of life of people in the local community;
- achieve Best Practice in accordance with the Victorian Local Government Best Practice Procurement Guidelines; and
- Identify opportunities to facilitate or participate in collaborative procurement alternatives.

4. POLICY PROVISIONS

4.1-Procurement principles

Council will apply the following fundamental best practice~~d~~ principles to each procurement activity irrespective of the value or complexity of that procurement:

- value for money;
- best value principles;
- open and fair competition;
- confidentiality;
- accountability;
- risk management;
- probity and transparency.

Consideration must be given to the whole of life cycle of an acquisition, from initial concept to the end of the useful life of that asset including its disposal.

Council is ~~also~~ committed to reducing its environmental impacts and will encourage the design and use of projects and services that have been produced to ethical standards which have minimal impact on the environment and human health. This includes but is not limited to:

- waste management;
- recycling;
- energy management;

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- emissions management;
- water conservation;
- eco-buy products;
- green building design; and
- environmentally sustainable procurement.

These principles are detailed in Council's Sustainable Procurement manual Statement.

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4.2 Organisational procurement structure

Yarra City Council will operate a centre-led procurement structure wherein all strategy, policy, processes, technology, best practice, document control, processes and networking in procurement matters will be the responsibility of the Strategic Procurement section Branch.

The structure, duties and responsibilities of the Strategic Procurement section Branch is detailed in the Procurement-Procurement Manual.

The Council shall:

- establish a procurement management responsibility structure and appropriate delegations ensuring accountability, traceability transparency and auditability of all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council;
- ensure that the Council's procurement structure:
 - is flexible enough to purchase in a timely manner, the diverse range of material, goods, works and services required by Council;
 - ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
 - encourages competition between tenderers; and
 - ensures that all policies that impinge relate on to the purchasing policies and practices are communicated and implemented.

4.3 Procurement officers

- Council will ensure that all Procurement Officers will have sufficient relevant qualifications and provide and encourage relevant training and networking opportunities to ensure that the delivery of procurement activities within the organisation are conducted in accordance with best practice principles

5. DELEGATIONS

5.1 Authorisations

Council is responsible for authorising a deed of delegation to the Chief Executive Officer (CEO) on procurement matters [including the power to determine that a contract must be entered into due to an emergency as specified in the Act Section 186 (5)(a)] for the immediate period of the emergency.

The CEO delegates authorisations to staff on procurement matters. These authorisations are facilitated by council's Governance section Branch and are reviewed annually.

Whilst this Policy must be adhered to by all employees and external persons engaged in procurement activities for Council, only *Delegated Officers* are authorised to approve expenditure relating to contracts, quotations or purchasing cards.

These delegations give relevant officers the power to:

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1. procure goods, services or works;
2. expend amounts for the procurement of goods, services or works (this includes expenditure relating to any contract variations in accordance with Council's Variations Policy^(WG1));

3. accept approve quotations or tenders or enter into contracts;

arising out of or connected with any duty imposed, or function or power conferred on Council by or under any Act and as provided for in Council's adopted Budget.

The following table identifies the authorisations and conditions to procure at levels below the approved tender thresholds. All values are inclusive of GST.

| | | | |
|--|------------------------|---------------------------|---------------------------|
| <u>Maximum of \$1,000 per purchase with a threshold of \$5,000 per month</u> | | | |
| <u>Purchasing Card</u> | | | |
| <u>All council staff authorised to use a Purchasing card</u> | | | |
| <u>\$0 to \$4,999</u> | <u>Up to \$49,999</u> | <u>Up to \$100,000</u> | <u>Up to \$200,000</u> |
| <u>Acceptance of Quotations</u> | | | |
| <u>Coordinators/Team Leaders</u> | <u>Managers</u> | <u>Executive Managers</u> | <u>Directors</u> |
| <u>Up to \$100,000</u> | <u>Up to \$200,000</u> | <u>Up to \$750,000</u> | <u>\$750,000 and over</u> |
| <u>Acceptance of Tenders</u> | | | |
| <u>Executive Managers</u> | <u>Directors</u> | <u>CEO</u> | <u>Council</u> |

| <u>Type Expenditure</u> | <u>Thresholds</u> | <u>Delegations</u> |
|-------------------------------|--|--|
| <u>Purchase Card</u> | <u>Limit of \$1,000 per purchase with a maximum limit of \$5,000 per month</u> | <u>Council staff with authorisation to use a Purchasing Card</u> |
| <u>Approval of Quotations</u> | <ul style="list-style-type: none"> <u>• Up to \$10,000</u> <u>• Up to \$50,000</u> <u>• Up to \$100,000</u> <u>• Up to \$199,999</u> | <u>Coordinators/Team Leaders</u> <u>Managers</u> <u>Executive Managers</u> <u>Directors</u> |
| <u>Approval of Tenders</u> | <ul style="list-style-type: none"> <u>• Up to \$199,999</u> <u>• Up to \$749,999</u> <u>• \$750,000 or greater</u> | <u>Directors</u> <u>Chief Executive Officer</u> <u>Council</u> |

5.2 Variations

The terms of a Contract will usually entitle Council to direct a Variation. Variations can involve Council directing the Contractor to make a change to the supply of goods, the provision of services or the execution of works which are the subject matter of the relevant Contract.

Variations can also result from a provision in the Contract which deems a certain event or circumstance to be treated as a 'Variation' even if Council has not issued a direction to the Contractor to change the subject matter of the Contract. Examples in this context include a change arising from the introduction of a new law or ambiguities or inconsistencies within contract documents.

It is vital for Council officers administering a Contract to review the terms of the Contract so that they understand what is and what is not a Variation.

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Variations can result in either an increase or in a decrease to the amount which Council is liable to pay to the Contractor under the Contract.

This Variation Policy provides guidance to Delegated Officers for the purposes of:

- identifying a Variation ~~(to which this Policy relates)~~; and
- authorising or obtaining authorisation for expenditure relating to Variations.

(Refer to Council's Variation Policy – Attachment 1)

6. PROCUREMENT PLANNING

The term 'strategic procurement' is applied to several different concepts including:

- a coordinated approach by an organisation to in influencing supply markets to support ~~the Council~~ business objectives;
- the purchase of high value, high risk, important and complex goods, services or works, often a multi-faceted project;
- long ~~-range~~term plans for ensuring timely supply of goods, services or works that are critical to a organisation's' ability to meet its core business objectives; and
- the process used to take a project from it's early planning phase through to contract completion.

The essence of strategic procurement is that it should be aligned and contribute to Council's overall long term strategy. It should be consistent with the Council Plan and include projections of revenue and expenditure in the Sstandard ~~s~~Statement of financial performance.

Strategic procurement places an emphasis on:

- detailed analysis of a council's spending pattern;
- realising opportunities for savings and authenticating those savings;
- ensuring procurement efforts s corresponds ~~s~~ with risk and expected return;
- optimising the procurement process to reflect market conditions; and
- including continuous improvement and value for money in contractual arrangements with suppliers; and
- developing a strategic procurement program for long term evolution of the procurement functions~~work~~.

7. PROCUREMENT MANUAL

A Procurement Manual (the Manual) has been developed and details the implementation of all relevant legislative requirements. Council will maintain and periodically review its Procurement Manual to ensure that best practice principles are updated and disseminated to its staff. The primary objective of the Manual is to provide guidance to staff on all operational aspects of procurement . Staff will have access to the Manual via Council's Intranet and Internet websites.

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The Manual will conform to the Local Government Best Practice Guidelines and will be reviewed on an annual basis.

8. PROBITY REQUIREMENTS

8.1 Requirement

~~The~~ Council's procurement activities shall be performed with integrity and in a manner able to withstand the closest possible scrutiny by authorised external entities or members of the community.

8.2 Conduct of Councillors and Council Staff

Councillors and ~~c~~Council staff shall at all times conduct themselves in ~~ways that are, and area manner that is and is~~ seen to be, ethical, ~~and~~ of the highest integrity and will:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- ~~deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;~~
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

Council staff with responsibilities for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

MEMBERS OF PROFESSIONAL BODIES

Councillors and ~~c~~Council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

COUNCILLORS

A Councillor must:

- ~~comply~~ with the Primary Principle of Councillor Conduct and avoid conflicts between his or her public duties as a councillor and his or her personal interests and obligations [Section 76BA ~~LGA~~of the Act]. Councillors and members of audit committees must disclose a conflict of interest in accordance with Section 79 of the Act;
- ~~Councillors must also~~ comply with the Councillor Code of Conduct; and
- ~~Councillors must~~ not improperly direct or improperly influence a member of council staff in the exercise of any power in the performance of any duty or function.

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8.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the Act.

8.4 Conflict of Interest

Councillors and Council staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their council duties.

Councillors and Council staff shall not participate in any action or matter associated with the arrangement of a contract (i.e., evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest, or holds a position of influence or power in a business undertaking tendering for the work.

The onus is on the Councillor and the member of Council staff involved being alert to and promptly declaring an actual or potential conflict of interest to the Council.

8.5 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.

Impartiality must be maintained throughout the procurement process so it can withstand public and statutory authorities scrutiny.

The commercial interests of existing and potential suppliers must be protected.

Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

8.6 Accountability and Transparency

Accountability in procurement means being able to explain and provide evidence on the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore, the processes by which all procurement activities are conducted will be in accordance with the Council's procurement policies and procedures as set out in this policy and related relevant Council policies and procedures.

Additionally, all Council staff must be accountable for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and record and document all performance and other relevant matters to ensure a transparent audit trail for monitoring and reporting purposes.

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8.7 Gifts and Hospitality

No Councillor or member of Council staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the officer, or in which the Council is interested.

Councillors and Council staff must exercise the utmost discretion in accepting hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Councillors and Council staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how minute the evidence available), must be promptly brought to the attention of the CEO.

8.8 Disclosure of Information

Commercial in-confidence information received by the Council must not be disclosed and is to be stored in a secure location.

Councillors and Council staff are to protect, by refusing to release or discuss the following:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is Commercial in Confidence information; and
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorized pre-contract negotiations.

8.9 Probity Plan ~~and Probity Audits~~

A Probity Plan must be prepared and a probity auditor is to be appointed to any tender evaluation panel where the value of the required goods, services or works is assessed to exceed a total value of \$10 million.

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9 RISK MANAGEMENT

9.1 General

Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance the Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

Council will manage all aspects of its procurement processes in such a way that all risks, including Occupational Health and Safety, are identified, analysed, evaluated, treated, monitored and communicated to the standard required by the law, in accordance with Australian Standards and Council Policy.

9.2 Supply by Contract

The provision of goods, services and works by contract potentially exposes the Council to risk.

The Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement of work;
- use of or reference to relevant Australian Standards (or equivalent); and
- effectively managing the contract including monitoring and enforcing performance.

9.3 Responsible Financial Management

The principle of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

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9.4 Dispute Resolution

All Council Contract Managers must be cognisant of Council's dispute resolution process in order to minimise the change of disputes escalating to possible legal action. In the event that a dispute cannot be resolved amicably, the Council officer is required to contact the Procurement Branch for assistance.

9.5 Contract Management

The purpose of contract management is to ensure that both parties to an agreement meet their individual obligations as specified in the contract.

Council contract managers are responsible for the delivery of all specified contractual outcomes that comply with qualitative and quantitative requirements as per the contract by:

- establishing a monitoring system to ensure the responsibilities and obligations of both parties under the contract are met;
- providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Develop and maintain a sound business relationship with relevant suppliers for the duration of any contractual agreement;
- Innovative methodologies to realise potential cost savings through the encouragement and promotion of continuous improvement in service delivery; and
- adhering to Council's Risk Management Framework and including Occupational Health and Safety Contractor compliance procedures.

9.6 Occupational Health and Safety Management Systems (OHSMS)

It will be mandatory for all relevant contractors engaged by Council to provide services or works, to have a documented OHSMS that conform to the requirements of the OHS Act 2004 and that the system is implemented during the conduct of those services or works.

Contract Managers will be required to ensure that an OHSMS is sighted and assessed for conformance prior to the commencement of any relevant services or works.

9.67 Endorsement of products or services

Council staff must not endorse any external products or services. Individual requests received for endorsement must be referred to Director level or above.

9.78 Fraud and Complaints

Council takes allegations of fraudulent activity and complaints about procurement seriously and is committed to handling such disclosures sensitively and confidentially. Members of the public, suppliers and Council employees are encouraged to report fraud allegations or complaints about procurement processes and/or staff taking part in procurement activity to Councils Manager Strategic Procurement.

10 INTERNAL CONTROL

The Council will establish and maintain a framework of internal controls over procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end-to-end;
- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and
- systems are in place for appropriate monitoring and performance measurement.

11 PROCUREMENT METHODS

The acquisition of goods, services or works may be achieved through different methods. These methods are determined by several factors such as overall estimated cost, procurement strategy, the competitive landscape, the term of the contract or period of construction, the scope of the contract and the amount of risk involved in the delivery of the service or works.

Project values are inclusive of GST, provisional sums and all amounts payable under any optional extension periods. The scope of projects must not be split into smaller portions to avoid proper process unless there is significant savings to be realised or there are specialised components required that are not generally a core activity for suppliers/contractors and require separate consideration.

Council procurement methods encompass the following:

- Purchasing Card;
- Quotations – A purchase order following a quotation process from suppliers for goods, services or works that represent value for money under specified quotation thresholds;
- Tenders – A contract following a public tender process;
- External Agents – A contract established by a third party agent where council is eligible to participate;
- State Purchase Contract or a Whole of Victorian Government Contract; and
- A contract entered into under an arrangement approved by the Minister for Local Government.

An Expression of Interest (EOI) may be sought in accordance with Section 186[1] of the Act where:

- There is the potential of receiving many tenders, tendering would be costly or the procurement is complex and council does not wish to impose the costs of preparing full tenders on all tenderers;
- Uncertainty of the degree of interest of suppliers to offer the proposed goods or services or ~~the~~ undertake the works.

The Procurement Manual addresses the requirements for each of these Procurement methods.

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12. PROCUREMENT THRESHOLDS AND COMPETITION

12.1 Requirement Tenders

12.1.1 Tenders

The thresholds prescribed by the Local Government Act for the purchase of all goods and services with an estimated expenditure greater than \$150,000 and building and construction works with an estimated expenditure greater than \$200,000 for the whole term of the Contract must be undertaken by a public tender process. These thresholds will apply to all tendering processes conducted by Council unless one of the nominated exemptions apply applies (e.g. Legal Services).

These thresholds will be amended in accordance with any future promulgations that may be initiated by the Victorian State Government

A public tender process may be used for values less than \$150,000the promulgated thresholds if this will service Council interests and produce a better outcome in the context of this Policy.

All tender processes must be initiated by an advertisement in a newspaper that has a state-wide distribution. Council currently advertises through "The Age" news media.

In the circumstance that a strong focus on local supply is required, an advertisement may also be placed in one of the local news media that is distributed throughout the municipality.

Similarly there may be a requirement for national distribution. In this case the Procurement Branch will collaborate with the relevant Council Officers to determine the best news media to provide the widest access to the marketplace.

All tenders will remain open to the public for a minimum period of 21 days.

A minimum of three (3) tenders must be received by Council to constitute a competitive process, however if the market being tested is deemed to be of a specialist nature and the relevant industry is limited in suppliers and less than 3 tenders are received, Council may consider that a competitive process has been conducted and accept the submitted tenders.

Under no circumstance will late tenders be accepted by Council.

12.1.1.4 Tender Process

Council's tendering process will:

- Comply with the procurement principles set out in this Policy;
- Utilise a pre-tender briefing if deemed beneficial;
- Evaluations will be conducted in accordance with the methodology set out in Council's procurement manual;

- An evaluation panel will be established to evaluate each tender against the selection criteria and its composition will be determined by the respective Manager and ~~Procurement~~ Procurement branch;
- Tender evaluation panels may include external personnel in order to ensure transparency of the process and/or professional knowledge to the panel;
- A tender process will be robust, systematic and unbiased;
- A price preference of 10% may be applied to the purchase of recycled and environmentally preferable products – all other considerations being equal;
- Once a preferred tenderer is selected negotiations can be conducted in order to obtain the optimal solution and commercial arrangements, providing they remain within the intent and scope of the tender. Such negotiations must be exhausted with one tenderer before beginning with another tenderer;
- Tender evaluation panels will produce a report of their evaluation using the appropriate prescribed template;
- Minutes of all meetings will be produced by the chairperson of the evaluation panel;
- The chairperson will maintain details records of all commercial-in-confidence negotiations if any occur.

12.21.2 — Quotations

The purchase of all goods, services and works with a value of less than the prescribed thresholds may be undertaken using Council's quotation procedures.

The amount of expenditure for a purchase will determine the process that must be followed during the procurement stage. These processes are:

12.2.1 Value \$0 to \$19,999 (incl GST)

Council officers are required to seek at least one (1) ~~verbal-written~~ quote or use a Council purchasing card. One (1) Council officer to determine value for money.

Received quotation details must be recorded and uploaded onto Council's ~~quotation purchasing and Rrecords~~ mManagement sSystems.

12.2.2 Value between \$20,000 and \$49,999 (incl GST)

Council officers are required to receive at least ~~three-two~~ (32) ~~verbal-written~~ quotes to reasonably satisfy themselves that they will achieve value for money.

Received quotation details must be recorded and uploaded onto Council's ~~quotation purchasing and rRecords~~ mManagement sSystems.

A minimum of two (2) Council officers are required to evaluate quotes within this price range.

12.2.3 Value between \$50,000 and \$149,999 or \$199,999 (incl GST)

Goods, services or works with a value between \$50,000 and \$149,999 (goods and services) or \$199,999 (works) must be procured via a full quotation process. If the brief is of a complex nature or the estimated total value is

close to the nominated threshold amounts, consideration must be given to conducting a tender process.

A minimum of three written (3) quotations must be received by Council for assessment.

Should less than the required number of quotations be received, the Council officer must assess and determine whether the quotations(s) received still demonstrate best value outcomes. This may be through comparison with established cost estimates or experience from other similar projects. If value for money outcomes are not achieved, further suppliers must be sought and invited to submit quotes.

A minimum of three (3) Council officers must be involved in the evaluation of quotes within this price range.

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13. ACHIEVING VALUE FOR MONEY

13.1 Requirement

Council's procurement activity will be carried out on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinate of value for money.

13.2 Approach

The process for achieving value for money will be facilitated by:

- Developing, implement and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle;
- Effective use of competition;
- Using aggregated contracts and Standard Offer Arrangements (SOA) where appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender processes including appropriate use of e-solutions;
- Council staff involved in procurement acquisitions or management providing competent advice in terms of available products and services; and
- Working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

13.3 Best and Final Offer (BAFO)

13.3.1 To complement the Value for Money solution Council will include relevant clauses to all tender conditions associated with Construction and Major Service tenders where a Lump Sum price is requested. These tender conditions will provide Council the option to initiate a BAFO with short listed tenderers that may result from the overall tender process.

13.3.2 Primarily, a BAFO process is conducted after the close of the tender process, during the evaluation stage. It is described as a means to assist selection of a preferred tender when the offerings provided by two or more tenders are of similar weighting or are difficult to distinguish between, or in the event that all tenderers have submitted prices that exceed the budgeted amount.

13.3.3 A set of guidelines associated with the application of a BAFO procedure have been produced for the benefit of council staff engaged in tender evaluation processes and are articulated in the Procurement Manual.

14. PERFORMANCE MEASURES & CONTINUOUS IMPROVEMENT

Wherever possible, Contracts must contain measurable performance criteria and reporting systems to establish the monitoring of contractor performance and compliance.

These criteria must be measurable and relevant to the goods, services or works being provided to accommodate the following requirements:

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- Highlights performance trends and exceptions in the areas of specified qualitative and quantitative deliverables;
- Provides high level capabilities in auditing and monitoring service delivery; and
- Encourages continuous improvement ~~in-service~~in service delivery methodologies.

15. SUSTAINABILITY

Council endorses the practice of sustainable procurement and the sourcing of environmentally preferable products and services whenever they perform satisfactorily and are available at a competitive price.

Sustainable procurement practice will demonstrate to the community that Council's purchasing decisions can improve markets for environmentally preferred products, enhance environmental quality, be resource responsible and contribute to progress toward sustainability.:-

Procurement decisions should be made on the basis of value for money, rather than just the lowest purchase price. This includes consideration of both the full life-cycle and ~~t~~Total ~~c~~Cost of ~~o~~Ownership such as procurement price, operation and maintenance costs, the environmentally responsible disposal of the product at the end-of-life together with non-price factors including contribution to the Council's sustainability objectives.

Council is also committed to reducing its environmental impacts and will encourage the design and use of projects and services that have been produced to ethical standards which have minimal impact on the environment and human health. This includes but is not limited to:

- waste management;
- recycling;
- energy management;
- emissions management;
- water conservation;
- eco-buy products;
- green building design; and
- environmentally sustainable procurement.

These principles are detailed in Council's Sustainable Procurement Statement.

The Council will therefore consider the following environmental sustainability criteria:

• **Reduce, Reuse, and Recycle:**

The Council is committed to reduce resources, consumption and minimise waste during the procurement life cycle including:

- Encourage and prefer Eco-friendly products; ;
- Selecting energy, fuel and water efficient products (ideally Energy and Water Star Ratings of 4 Star and above, and the highest Green Vehicle Guide star rating);

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- preference to purchasing from a source which is less polluting or uses clean technology ; and
- Contract Managers of projects should automatically consider the provision of re-usable products and recycling as part of the project planning process, including the consideration of whole-life costs and disposal considerations.

- **Buy Recycled:**

Council is committed to purchasing recycled/part recycled products to minimise consumption and stimulate demand for recycled products in an effort to achieving zero discharge to landfill.

- **Green Supply Chain:**

Council shall encourage suppliers to adopt good environmental practices. The Council will actively promote green procurement throughout its supply chain and ensure selection which has minimum environmental impact.

Product specifications should be written to encourage suppliers to develop environmental best practices.

The subsequent acquisition of goods and services should contain sustainable evaluation criteria and an environmental risk assessment should be undertaken to establish the nature of the criteria and the appropriate weightings. Suppliers will need to provide full details on the life cycle impacts of their products so that this assessment can be adequately conducted and a satisfactory outcome achieved.

Council staff should follow the principles of the ECO-Buy organisation and encourage the purchasing of green products. Green purchasing is an ideal way for council to demonstrate to its community that it is taking positive steps to create a more sustainable future by choosing to buy products that are less damaging to our environment and human health.

Details of areas where Council and contractors can improve the sustainability of relevant required outcomes, are documented in Council's Sustainable Procurement Statement, including but not limited to:

- ~~Specific measures undertaken to address biodiversity conservation, energy consumption, greenhouse gas emissions, resource use, waste generation and/or water consumption issues~~
- ~~Use of reuse or recycled materials in proposed works, such as recycled plastic decking;~~
- ~~Use of non-toxic materials/substances in the conduct of the services, such as paint;~~
- ~~products associated with the service are consistent with the principals associated with environmental awareness, with preference given to products with a credible third part endorsement;~~
- ~~details of commitments by the Tenderer to improve environmental performance and outcomes during the Contract Period.~~
- ~~Support local economies, eg through staff recruitment, purchasing of local goods and materials~~
- ~~Consider life cycle costs — eg in the choice of materials;~~
- ~~Increasing productivity and reduced time lost from illness because of the improved working conditions;~~
- ~~Saving money through re-using materials and products;~~

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- ~~○ Expanding the market for green and recycled products, as well as for products with reduced packaging; and~~
- ~~○ Decreasing pressure to build new landfills through the reuse or recycling of products;~~
- ~~○ Decreasing the use of oil resources, such as fuel;~~
- ~~○ Offsetting greenhouse gas emissions created as a result of the tender.~~

15.1 Diversity

Promoting equality through procurement can improve competition, value for money, the quality of public services, satisfaction among users, and community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

15.2 Support of Local Business and Industry

Council recognises the need to support the local economy. To encourage this, Council will actively seek offers from local suppliers where possible by:

- encouraging participation from local suppliers and
- including evaluation criteria that favours suppliers that support the local economy

To accommodate this support, Council will develop and maintain a registration of interest listing. This listing will comprise of local traders that submit an expression of interest in being notified of any goods, services or works that have been listed by the traders as a core business. This will enable the traders to submit a competitive offer during any open tender or quotation process.

15.3 Buy Australian

In accordance with Section 186(3) of the Local Government Act, Council will give preference to goods, equipment, material or machinery manufactured in Australia and New Zealand whenever practicable.

15.4 Ethical Standards for the Acquisition of Textiles, Clothing and Footwear

Council supports the application of ethical standards in the acquisition of textiles, clothing and footwear as espoused by industry associations such as Ethical Clothing Australia. These standards are designed to ensure that businesses are committed to taking practical steps to keep their Australian-based supply chains transparent and ensure that they and any sub-contractors are compliant with relevant Australian laws.

Suppliers of textiles, clothing and footwear will need to demonstrate their commitment to observing ethical standards in the supply of products to Council.

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15.5 Charter for Human Rights Victoria

The [Charter of Human Rights and Responsibilities Act 2006](#) (the Charter) ~~is a Victorian law that~~ sets out the basic rights, freedoms and responsibilities of all people in Victoria. It is about the relationship between government and the people it serves.

The Charter requires public authorities, such as Victorian state and local government departments and agencies, and people delivering services on behalf of government, to act consistently with the human rights in the Charter.

~~Error! Hyperlink reference not valid. Twenty fundamental human rights are protected in the Charter because the Victorian Parliament. The Charter~~ recognises that, as human ~~beings, we~~beings all persons have basic rights, including the right to be treated equally, to be safe from violence and abuse, to be part of a family and to have our privacy respected.

In certain circumstances, some rights ~~may be limited~~have limitations. However, this ~~must be only applies where~~ necessary ~~and reasonable and there must be clear~~ with the reasons for the decision being clear, transparent and reasonable.

Council expects all ~~Councillors~~Councillors and staff members to be cognisant of the requirements of this Act and adopt and implement these fundamental rights in their day to day dealings.

16. SOCIAL PROCUREMENT

Council is committed to supporting social procurement because of the positive social impacts this provides to both Council and the community. Council has developed processes to ensure that social enterprises become part of a diverse and dynamic supplier market

The decision within Council to engage with social procurement may originate in a number of ways. For example, if:

- Council has scope for the inclusion of social benefits when issuing a tender;
- A current contract is soon to expire, allowing for a revision of service delivery and contracting arrangements; and/or
- When particular social issues in a community are not being addressed using traditional approaches.

Existing contracts may also be varied so that social impacts are incorporated for the delivery of goods and services. In this case Council officers should engage all suppliers in social procurement practices where appropriate and seek their cooperation to explore possibilities for subcontracting to social benefit suppliers.

Tender documents or Requests for Quotation should contain:

- Suitable social clauses and weightings to achieve the desired social benefits;
- Appropriately designed response statements to allow suppliers to clearly articulate how they will deliver social impacts; and
- Social clauses that are framed as measurable deliverables rather than aspirations.

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A pre-tender briefing may be necessary to explain the detail of the social clauses, particularly if they refer to complex matters with which mainstream suppliers may not be familiar.

17. Disability Act

The Disability Act provides for:

- a stronger whole-of-government, whole-of-community response to the rights and needs of people with a disability, and
- a framework for the provision of high quality services and supports for people with a disability

The Act sets out principles for people with a disability and for disability service providers.

Council officers should be cognisant of the requirements of the Act and incorporate into Council dealings wherever applicable.

178. POLICY OWNER

The Manager Strategic Procurement is the designated owner of this Policy and is responsible to the Director Corporate and Financial Services for the maintenance and annual review of this Policy.

~~For all information relating to this policy please contact via email:~~

~~John.cowles@yarracity.vic.gov.au or phone 03 92055236~~

189. DefinitionsGlossary of Terms

"the Act" means the *Local Government Act 1989*;

"Commercial-in-Confidence" means information that if released may prejudice the business dealings of a party e.g. prices, discounts, rebates, profits, methodologies and process information;

"Contract Management" means the process that ensures both parties to an agreement fully meet their obligations and responsibilities in accordance the contract;

"Council Officer" means any full or part time staff member of Council including temporary employees; ~~;- contractors and consultants for the period of engagement to Council;~~

"Probity" ~~means~~ uprightness ~~means~~ uprightness, honesty, proper and ethical conduct and propriety in Council dealings;

"Standing Offer Arrangements (SOA)" ~~a contract that sets out rates for goods and services which are available for term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services;~~

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| **“Sustainability”** means activities that meet the needs of the present without compromising the ability of ~~future~~future generations to meet their needs;

“Procurement” means the whole process of acquisition of external goods, services or works. This process encapsulates the whole of life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service or works contract;

| **“Tender process”** means the process from the planning stages to the awarding of a contract. This ~~includs~~includes the development of tender documentation, invitation to tender period, evaluation stage and recommendation of a preferred supplier/s;

| **“Value for Money”** means ~~thathat~~ optimum combination of quantitative and qualitative components of a tender offer.

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SUSTAINABLE PROCUREMENT STATEMENT

1. Council's Objective

Council seeks to purchase goods and services that are aligned with the objectives of environmental sustainability and Councils Procurement Policy. Accordingly, Council will purchase environmentally preferable products and services whenever the opportunity arises and are available at a competitive price.

1.1 Environmental Purchasing Principle

Staff are required to purchase goods and services that reduce impacts on the environment and are comparable with other alternative products and services that achieve the same function and value for money outcomes.

This principle requires the consideration of environmental factors in the planning phase of procurement and where relevant, as a component in the determination of whole-of- life or total cost of ownership analysis.

Council will consider the following environmental sustainability criteria during the procurement life cycle:

- reduce and recycle;
- minimise greenhouse gas emissions;
- maximise water efficiency;
- minimise habitat destruction and soil degradation;
- minimise toxicity; and
- green the supply chain.

1.2 Scope

These procedures address the purchasing of products, materials and services by Council or by third parties such as contractors on behalf of the Council. The procedures apply to all employees and should be observed across all purchasing activities.

1.3 Sustainable Purchasing Responsibilities

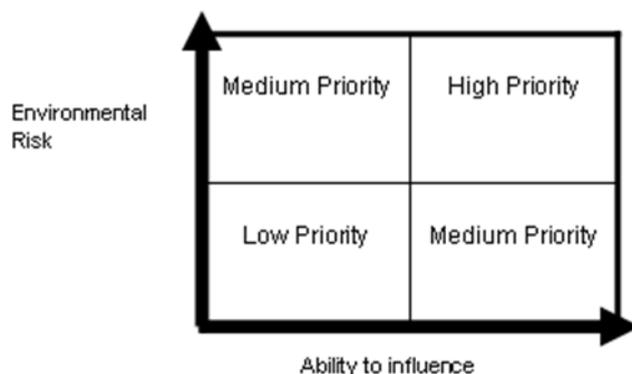
Council staff will be responsible for addressing environmental procurement considerations and for the development of an approach to recognising opportunities for inclusion of environmental procurement for goods and services.

The table below presents a high level overview of how implementation within this context can operate.

Staff purchasing goods or services are responsible for:

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- Assessing their own spend to determine environmental procurement priorities;
- Developing environmental procurement risk analysis for spend items determined to be high priority;
- Defining approaches to be taken for goods and services identified as high, medium and low priority.



2. Risk

2.1 Assessing Risk and Influence in Defining Environmental Procurement Priorities

Divisions should define their environmental procurement priorities based on an assessment of environmental risk and their ability to influence environmental outcomes.

Different goods and services have different levels of environmental impact (risk) and opportunities associated with them. Council purchasing may also have the ability to influence the environmental impacts of some goods and services. In identifying environmental procurement priorities both these factors need to be taken into account.

This initial assessment should be used to determine environmental procurement priorities and only considered at a high level of assessment. In some cases, it may only be possible to obtain indicative data in relation to the life cycle stages of a particular procurement. For example, the manufacturing stage may involve a network of component suppliers for which only limited data is available or of relevance to the particular procurement. However, where a high level assessment indicates the good or service as a potential high priority, then consideration should be given to the conduct of an environmental risk assessment in greater detail.

2.2 Environmental Risk

The purpose of the environmental risk assessment is to identify the likelihood and consequence of environmental impacts associated with the procurement. The high-level risk assessment should be undertaken to identify the environmental impacts of the good or service for all stages of their lifecycle as well as to ensure that all possible environmental aspects are considered.

Based on the outcome of a high-level risk assessment, consideration could be given to undertaking a risk assessment of a particular stage of a lifecycle that has greatest relevance to the procuring entity to influence. A more detailed risk assessment will

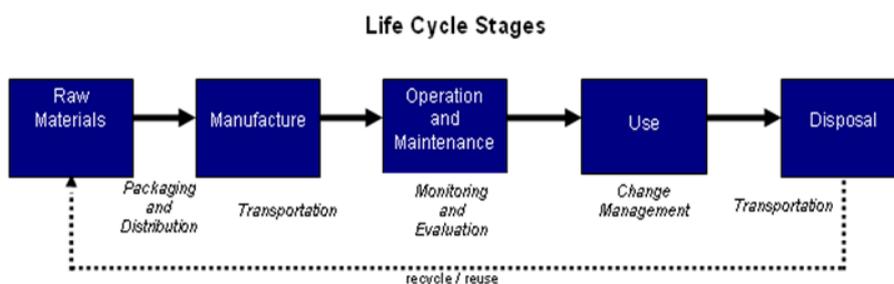
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ensure that specifications and evaluation criteria are appropriately aligned to targeting the stage of life cycle impact.

The environmental risk assessment could be as simple as considering a series of questions related to the environmental impact of a good or service over its life-time. For example:

General questions of this nature should prompt consideration of the following impacts at each life cycle stage:

- Will the good or service potentially involve the use of a significant amount of energy over its lifetime?
- Will the good or service potentially involve the use of a significant amount of water over its lifetime?
- Does the good or service potentially involve the use of toxic chemicals?
- Will the good potentially create disposal problems?



- Impacts on air quality and release of air pollutants and toxins
- Energy use (greenhouse gas emissions)
- Impacts on potable water, water-use and water quality
- Impacts on land, habitat, and soil
- Waste disposal requirements (non-recycled components)
- Raw material use

2.3 Ability to Influence

It is important to also consider Council's ability to influence environmental outcomes through its procurement. This assessment would take into account factors such as:

- Council's ability to influence the market (i.e. market share or through establishing a market benchmark);
- Resource availability / number of suppliers in market;
- Supply chain / support services to suppliers in the market;
- The quantity or total cost of products or services procured;
- Presence of mandatory environmental labelling schemes; and
- Available scientific / technical knowledge of product or service impact.

A rating system could then be developed based on the environmental risk and ability to influence assessments. These two assessments are then combined on the table below to identify whether the good or service is considered a high, medium or low priority.

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2.4 Defining Approaches Based Assessing Priority

Staff should develop environmental procurement guidelines for goods and services identified as high priority and utilise the following decision matrix as a means of identifying a pathway for different levels of priority.

To determine the approach to procurement, identify the environmental priority of goods or services based on the table below:

Methodology to identify the environmental priority of goods or services

| High Priority | Medium Priority | Low Priority |
|---|---|---|
| <ul style="list-style-type: none"> • Complete high level environmental risk assessment. • Develop evaluation criteria and specifications. • Consider inclusion of whole-of-life costing requirements | <ul style="list-style-type: none"> • Complete medium level environmental risk assessment. • Develop evaluation criteria and specifications. | <ul style="list-style-type: none"> • No requirement to include environmental specifications or evaluation criteria. • Include standard Council statement on environmental commitment. |

The chosen procurement approach should then be appropriate to the level of priority. For example, for high priority goods and services, consider a high-level environmental risk and influence assessment framework to guide the development of appropriate specifications and evaluation criteria.

3. Value for Money Principle

Purchasing decisions will be made on the basis of value for money, rather than just the cheapest upfront purchase price. This includes consideration of both the full life-cycle and whole-of-life costing such as procurement price, operation costs, maintenance costs and the environmentally friendly disposal of the product at the end-of-life (refer below). Where products that are not environmentally preferred are chosen solely on the basis of cost, the employee must detail the reasons for not purchasing environmentally preferred products.

It is recognised that in some cases environmentally preferred products and materials may be more expensive than traditional ones. Departments shall implement a price preference of 10% to encourage purchasing of environmentally preferred products.

3.1 Whole-of-Life Costing

Requests for quotation or tender should note that value for money considers whole-of-life costs and suppliers can be requested to provide data for all or some of the following engagement/ownership stages to support a value for money analysis.

- Acquisition
- Operation
- Maintenance
- Use
- Disposal

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Environmental considerations are only one of a number of components to consider in arriving at a value for money outcome.

One determinant of environmental value for money is the cost effectiveness expressed as cumulative savings over time to compensate for any increase in initial purchase costs. The outcome of this calculation will determine a payback period. If that payback period is within the expectant life cycle period of the good, the criterion for achieving value for money can be satisfied.

In undertaking a whole-of-life analysis it is important to consider the different variables associated with different products, for example:

- The present value of future costs (operating costs, maintenance costs, parts costs, etc.);
- Changes in usage that extend or shorten cyclic costs;
- Rate of change and innovation in competing and replacement products;
- Regulatory changes; and
- Predicted increase in the cost of electricity (including Green Power and/or offsets) and water to be included.

Staff can purchase environmentally preferable goods or services that do not have a payback period within the life cycle period of the product, especially when those goods have a definable occupational health and safety benefit. For example, low off-gassing materials used in the manufacture of many furnishings and fittings have indoor environmental quality and OHS benefits that could justify additional expenditure. The value for money criterion is satisfied in this example as a qualitative value is placed on the environmental quality and OHS benefits.

Similarly, staff are able to undertake a trial of an environmental product or service in order to determine the value for money benefit. The value for money criterion can be satisfied in undertaking an exercise to identify that benefit.

4. Developing Environmental Specifications

Council staff will include minimum environmental requirements in all specifications.

The following sections provide guidance on the development of specifications and evaluation criteria.

4.1 Consideration of Life Cycle Impacts

It is important to appreciate that environmental impacts occur throughout the life cycle of goods and services. The approaches taken to developing specifications (and evaluation criteria) should therefore take into consideration the life cycle stages with greatest environmental impact. The key life cycles stages are shown below:

The alignment of procurement approaches to the stage of greatest impact on the environment is a key consideration in determining environmental specifications and evaluation criteria. In most instances, government procurement for goods and services will be able to exert greatest influence on the operation, maintenance, use and consumption levels and disposal life-cycle stages. The table below provides further detail on how this could be considered:

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| Life Cycle Stage | Procurement Action |
|---------------------------|--|
| Raw Materials | <ul style="list-style-type: none"> - Include specifications on amount, type, sourcing of raw materials. - Consider suppliers management of supply chain issues. |
| Manufacture | <ul style="list-style-type: none"> - Consider supplier management practices. - Consider level of environmental preferred component. |
| Operation and Maintenance | <ul style="list-style-type: none"> - Include specifications on operational performance. - Consider contract monitoring and performance standards. - Implement continuous improvement regime involving robust contract management and relationship development with suppliers to achieve specified |
| Use | <ul style="list-style-type: none"> - Consider demand management initiatives to reduce consumption and/or demand shift to more environmental |
| Disposal | <ul style="list-style-type: none"> - Include specifications on disposal/recycle requirements. - Consider supplier management (e.g. does the supplier have - take back policies) |

It should be recognised that consideration of life cycle impacts is complex, for example, the positive environmental values in some stages may be off-set by the negative consequences of another stage. A balanced analysis of all relevant life cycle stages is therefore necessary.

4.2 Developing Performance Based Specifications

An important consideration in developing specifications is not to limit innovation and the potential market of suppliers. This is often the difference between setting performance based specifications that outline the functions to be performed, or the service level required, as opposed to technical specifications that dictate how this must be achieved. For example, if purchasing a good or service that is a significant user of energy, the specifications may require certain energy efficiency levels (for example, X star rating or better), as opposed to specifying the way in which energy efficiency is achieved.

Another approach is to require (as part of the tender documents) that potential suppliers provide details of:

- environmental policies and plans with evidence of their application; and/or
- examples of practices and products that demonstrate a commitment and capacity to deliver positive environmental outcomes.

The second approach may be useful where suppliers are a small business or in a regional area that may have a demonstrable commitment to environmental sustainability but may not use systems, such as ISO 14000, because of full compliance costs. The second approach is also useful in the procurement of services.

5. Eco-Labeling

Eco-labels are awarded to products or services that meet a set of pre-determined criteria or specifications defined by the accrediting organisation. Eco-labels can support the credibility of a manufacturer's claims. There are a number of eco-labels commonly used

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in Australia. Some are a result of government initiatives and are mandatory labelling schemes (for example, energy rating of specific electrical appliances), while others are independent third-party accredited schemes, often run by not-for-profit organisations, whereby manufacturers can pay to have their good or service accredited (for example *Good Environmental Choice*).

Eco-labels can be used in specifying for goods or services. However, eco-labels should be used with a degree of caution. It is recommended that when specifying eco-labels, that the term „or equivalent“ be used and request suppliers to provide information to support the „or equivalent“ claim, with reference to the eco-label specifications.

Including the term „or equivalent“ ensures that the potential market is not limited unnecessarily and ensures that small business and regional suppliers that cannot afford to pay costs associated with eco-labelling schemes, are not excluded from Council business.

6. Environmental Evaluation Criteria

Staff should consider the inclusion of environmental criteria when selecting suppliers where appropriate. It is expected that where relevant tenders would include an environmental criteria of a minimum 5%.

Where appropriate, the selection process should include consideration of environmental impact as defined by the risk assessment process. This consideration would be undertaken at a high level in the short listing of suppliers and at a more detailed level for final selection.

The weighting given to the environmental selection criteria is at the discretion of the evaluation panel with approval from the purchasing department having regard to the risk assessment process. The request for quotation or tender is to clearly state the environmental factors that will be considered in the evaluation. Care should be taken to ensure that any environmental selection criteria does not have consequential impacts of reducing fit-for-purpose or of increasing business risk for Council.

Where possible, these should be quantifiable, allowing suppliers to be ranked in order of preference. However, non-quantifiable factors should be used where quantifiable data is either unavailable or inappropriate given the level of environmental impact or the provision of quantifiable data would place unnecessary burden on suppliers, especially small business and regional suppliers. Professional judgment is to be applied where non-quantifiable criteria are used in the selection process.

The request for quotation or tender is to clearly state the environmental factors that will be considered in the evaluation. Care should be taken to ensure that any environmental selection criteria do not have consequential impacts of reducing fit-for- purpose or of increasing business risk for Council.

Where the nature of the procurement process does not lend itself to the application of quantifiable or non-quantifiable factors, a further consideration could be to require suppliers to state their commitment to the environmental objectives and how these would support Council's own environmental policies.

Attachment 3 - Sustainable Procurement Statement

6.1 Evaluating Supplier Environmental Management Practices

Including evaluation criteria designed to assess supplier environmental management approaches, can be a major driver in encouraging environmental change in business practices. Requiring a supplier to provide such information sends a clear message to the market that Staff wish to work with „good environmental citizens“.

Suppliers can be requested to identify their current environmental management approaches (for example, do you have an environmental management policy or action plan etc.). In addition, suppliers can be asked to identify any breaches of environmental laws or regulations over a certain time period. If a breach(s) has occurred, the supplier should be asked to state the remedial action taken to prevent re-occurrence of the factors that lead to the breach. Supplier evaluation should focus on the remedial action taken.

Yarra procurement staff will seek to develop a standard Environmental Management Practices questionnaire to be able to be included in all tenders for evaluation.

6.2 Environmental Procurement of Services

The environmental is an important consideration along with other guiding factors such as safety, performance and price.

The principles of environmental procurement apply equally to the purchase of services, as to goods. However, there is often a more tangible direct environmental impact from the procurement of goods as Staff may not have the ability to directly influence the environmental impact of services. Evaluating supplier environmental management practices is often the most appropriate avenue for minimising the environmental impact of services.

6.3 Continuous Improvement

Relationships with suppliers should include the principle of continuous environmental improvement.

Continuous improvement involves robust contract management and developing relationships with suppliers to drive continuous improvement across all components of the contract. The principle of continuous improvement is an important factor in improving the environmental outcomes of procurement.

Purchasing staff should consider ways of monitoring environmental improvement throughout the life of contracts. This will require consultation with suppliers on a regular basis, monitoring environmental performance, analysing demand characteristics and keeping abreast of relevant environmental developments.

Attachment 3 - Sustainable Procurement Statement

Details of areas where Council and contractors can improve the sustainability of relevant required outcomes, including but not limited to:

- Specific measures undertaken to address biodiversity conservation, energy consumption, greenhouse gas emissions, resource use, waste generation and/or water consumption issues
- Use, reuse or recycled materials in proposed works, such as recycled plastic decking;
- Use of non-toxic materials/substances in the conduct of the services, such as paint;
- Products associated with the service are consistent with the principals associated with environmental awareness, with preference given to products with a credible third part endorsement;
- Details of commitments by the Tenderer to improve environmental performance and outcomes during the Contract Period.
- Support local economies, e.g. through staff recruitment, purchasing of local goods and materials
- Consider life cycle costs – e.g. in the choice of materials;
- Increasing productivity and reduced time lost from illness because of the improved working conditions;
- Saving money through re-using materials and products;
- Expanding the market for green and recycled products, as well as for products with reduced packaging; and
- Decreasing pressure to build new landfills through the reuse or recycling of products;
- Decreasing the use of oil resources, such as fuel,
- Offsetting greenhouse gas emissions created as a result of the tender.