



Agenda

Special Meeting of Council
Tuesday, 12 September 2017

To be held in the
Council Chambers
1 Merrijig Drive, Torquay

Commencing at 5.00pm

Council:

Cr Brian McKiterick (Mayor)
Cr David Bell
Cr Libby Coker
Cr Martin Duke
Cr Clive Goldsworthy
Cr Rose Hodge
Cr Carol McGregor
Cr Margot Smith
Cr Heather Wellington

AGENDA FOR THE SPECIAL COUNCIL MEETING OF SURF COAST SHIRE COUNCIL
TO BE HELD IN THE COUNCIL CHAMBERS, 1 MERRIJIG DRIVE, TORQUAY
ON TUESDAY 12 SEPTEMBER 2017 COMMENCING AT 5.00PM

PRESENT:

OPENING:

Council acknowledge the traditional owners of the land where we meet today and pay respect to their elders past and present and Council acknowledges the citizens of the Surf Coast Shire.

PLEDGE:

As Councillors we carry out our responsibilities with diligence and integrity and make fair decisions of lasting value for the wellbeing of our community and environment.

APOLOGIES:

Nil

CONFLICTS OF INTEREST:

Note to Councillors and Officers

Declaration of Interest

Councillors and Officers please note that in accordance with Section 77A of the Local Government Act 1989, there is an obligation to declare a conflict of interest in a matter that could come before Council.

A conflict of interest can be a direct or indirect interest in a matter.

A person has a direct interest if:

There is a reasonable likelihood that the benefits, obligations, opportunities or circumstances of the person would be directly altered if the matter is decided in a particular way.

A person has an indirect interest if the person has:

- 1. A close association whereby a "family member" of the person has a direct or indirect interest or a "relative" or member of a person's household has a direct interest in a matter;*
- 2. An indirect financial interest in the matter;*
- 3. A conflicting duty;*
- 4. Received an "applicable" gift;*
- 5. Become an interested party in the matter by initiating civil proceedings or becoming a party to civil proceedings in relation to the matter; or*
- 6. A residential amenity affect.*

Disclosure of Interest

A Councillor or Officer must make full disclosure of a conflict of interest by advising the class and nature of the interest immediately before the matter is considered at the meeting. While the matter is being considered or any vote taken, the Councillor or Officer with the conflict of interest must leave the room and notify the Chairperson that he or she is doing so.

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1. GOVERNANCE & INFRASTRUCTURE

1.1 Annual Financial Statements 2016 - 2017

Author's Title: Manager Finance

General Manager: Anne Howard

Department: Finance

File No: F16/895

Division: Governance & Infrastructure

Trim No: IC17/1030

Appendix:

1. Surf Coast Shire Annual Financial Report for the Year Ended 30 June 2017 (D17/104251)

Officer Direct or Indirect Conflict of Interest:

Status:

In accordance with Local Government Act 1989 –
Section 80C:

Information classified confidential in accordance with
Local Government Act 1989 – Section 77(2)(c):

Yes

No

Yes

No

Reason: Nil

Reason: Nil

Purpose

The purpose of this report is to present the 2016 – 2017 Financial Statements to Council for its in-principle approval, as recommended by the Audit and Risk Committee and in accordance with section 132 of the *Local Government Act 1989* (the Act).

Summary

Section 132 of the Act requires Council to pass a resolution approving in principle the financial statements, standard statements and performance statement prior to submitting the statements to the Victorian Auditor-General for issue of an audit opinion. The audit was conducted on-site at Council's headquarters by the Victorian Auditor-General's Office during the week commencing 21 August 2017.

The Audit and Risk Committee considered the statements at its meeting held on Thursday, 7 September 2017. The Committee recommended that Council adopt in principle the 2016/2017 financial statements, and authorise two Councillors to sign the statements in accordance with the Act.

Council's approval of the statements is required to enable the in principle statements to be signed, submitted to the Auditor-General to issue an audit opinion and included in the annual report to be lodged with the Minister by the due date on 30 September 2017.

Recommendation

That Council:

1. Approve in principle to the financial statements and submit the statements to the auditor for reporting on the audit.
2. Authorise Cr Smith and Cr Goldsworthy to sign the 2016/2017 Financial Statements in accordance with section 132(5) of the Local Government Act 1989.
3. Require the 2016/2017 Financial Statements be referred back to Council if there are significant changes prior to signing.
4. Require that any minor changes to the 2016/2017 Financial Statements be reviewed by the two authorised Councillors prior to signing.

1.1 Annual Financial Statements 2016 - 2017

Report

Background

The Local Government Act 1989 (the Act) requires Council to pass a resolution giving its approval in principle to the financial statements prior to submitting the statements to the Auditor-General for issue of an audit opinion.

Section 132 of the Act states:

- (1) A Council must submit the performance statement and financial statements in their finalised form to the auditor for auditing as soon as possible after the end of the financial year.
- (2) The Council, after passing a resolution giving its approval in principle to the performance statement and financial statements, must submit the statements to the auditor for reporting on the audit.
- (3) The auditor must prepare a report on the performance statement.
Note: The auditor is required under Part 3 of the Audit Act 1994 to prepare a report on the financial statements.
- (4) The auditor must not sign a report under subsection (3) or under Part 3 of the Audit Act 1994 unless the performance statement or the financial statements (as applicable) have been certified under subsection (5).
- (5) The Council must ensure that the performance statement and financial statements, in their final form after any changes recommended or agreed by the auditor have been made, are certified in accordance with the regulations by—
 - (a) 2 Councillors authorised by the Council for the purposes of this subsection; and
 - (b) any other prescribed persons
- (6) The auditor must provide the Minister and the Council with a copy of the report on the performance statement as soon as is reasonably practicable.
Note: The auditor is required under Part 3 of the Audit Act 1994 to report on the financial statements to the Council within 4 weeks and to give a copy of the report to the Minister.

The Audit and Risk Committee considered the statements at its meeting held on Thursday, 7 September 2017. The Committee made a series of recommendations to Council, which are consistent with those outlined in this report. Council is required to consider the statements to enable an approved set to be signed and submitted to the Victorian Auditor-General for issue of an audit opinion. The audited statements can then be included in the annual report and lodged with the Minister by the due date of 30 September 2017.

Discussion

In accordance with its Charter, the Audit and Risk Committee is required to provide Council with the minutes of every meeting of the Committee, as well as a report explaining any specific recommendations and key outcomes. Due to the timing of both the audit process and Committee meeting, the full Minutes of the Committee meeting are not included in the Council Meeting agenda, however an extract of the relevant section of the Committee resolution is provided as follows:

“That the Audit and Risk Committee:

1. Recommend that Council:
 - a) Adopt ‘in principle’ the 2016/2017 Financial Statements, subject to further adjustments required by Council’s auditor, in accordance with Section 131(7) of the Local Government Act 1989.
 - b) Authorise two Councillors to sign the 2016/2017 Financial Statements in accordance with Section 132(5) of the Local Government Act 1989.
 - c) Require the 2016/2017 Financial Statements be referred back to Council if there are significant changes prior to signing.
 - d) Require that any minor changes to the 2016/2017 Financial Statements be reviewed by the two authorised Councillors prior to signing.”

The Committee considered the 2016/2017 statements at its meeting held on 7 September 2017. Council staff and representatives of the Auditor-General’s office attended the Committee meeting to present and answer any questions.

1.1 Annual Financial Statements 2016 - 2017

It was the consensus of the Committee that the statements present fairly the financial position of Surf Coast Shire Council at the conclusion of the 2016 - 2017 financial year, and that the financial performance and cash flows of Surf Coast Shire Council are in accordance with applicable Australian Accounting Standards and requirements of the Act. Any recommended changes need to be made prior to submitting the statements to the Auditor-General for an audit opinion and lodgement of Council's annual report to the Minister by the due date of 30 September 2017.

The minutes of the Committee held on 7 September 2017 will be provided for Council's information at the 24 October 2017 Ordinary Council Meeting.

Financial Implications

The financial statements are prepared by Council officers and are completed with resources available within operating budgets.

Council Plan

Theme 5 High Performing Council
Objective 5.1 Ensure Council is financially sustainable and has the capability to deliver strategic objectives
Strategy 5.1.1 Establish long-term financial principles and incorporate into the long-term financial plan

Policy/Legal Implications

Section 139 of the Local Government Act 1989 requires Council to establish an Audit and Risk Committee as an advisory committee of Council. The recommendation provided with this report ensures that Council is compliant with its statutory obligations.

Officer Direct or Indirect Interest

No officer involved in the preparation of this report has any conflicts of interest.

Risk Assessment

Council's financial statements are subject to a rigorous audit process to ensure their accuracy and for Council to be advised through these reports of any areas of concern. The Committee also has a responsibility to review the statements prior to Council adoption of the statements in principle, and to raise any matters of concern.

Social Considerations

Not applicable.

Community Engagement

The financial statements will be published in the Annual Report.

Environmental Implications

Not applicable.

Communication

Council's financial statements are published in Council's annual report, which is available for the public to view at Council's offices or on Council's website.

Conclusion

The annual financial reporting cycle provides a good opportunity for Council to reflect on its performance during the previous financial year. The process of compiling the financial statements is a lengthy one, and involves a number of Council officers who have committed considerable effort during this busy period. This effort ensures that financial reporting to the community continues to support Council's objective of maintaining sound financial practices.

1.1 Annual Financial Statements 2016 - 2017

APPENDIX 1 SURF COAST SHIRE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

**SURF COAST SHIRE COUNCIL
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2017

Surf Coast Shire Council
Financial Report
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Surf Coast Shire Council
 2016/2017 Financial Report

**Comprehensive Income Statement
 For the Year Ended 30 June 2017**

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	47,847	45,777
Statutory fees and fines	4	1,706	1,297
User fees	5	6,226	5,605
Grants - operating	6	9,921	5,848
Grants - capital	6	3,236	4,202
Contributions - monetary	7	3,532	3,170
Contributions - non monetary	7	10,718	9,970
Other income	9	1,874	1,329
Total income		85,060	77,198
Expenses			
Employee costs	10	(27,815)	(26,317)
Materials and services	11	(24,740)	(20,399)
Bad and doubtful debts	12	(146)	(518)
Depreciation	13	(10,994)	(10,629)
Borrowing costs	14	(1,077)	(1,122)
Net loss on disposal of property, infrastructure, plant and equipment	8	(2,115)	(1,405)
Share of net losses of Geelong Regional Library Corporation	16	(80)	(43)
Other expenses	15	(1,121)	(1,050)
Total expenses		(68,088)	(61,483)
Surplus for the year		16,972	15,715
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	29(a)	44,851	58,271
Total comprehensive result		61,823	73,986

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Surf Coast Shire Council
 2016/2017 Financial Report

Balance Sheet
As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	2,414	6,977
Other financial assets	18	36,380	23,600
Trade and other receivables	19	3,843	2,577
Inventories	20	270	232
Non-current assets classified as held for sale	21	-	281
Other assets	22	562	654
Total current assets		43,469	34,321
Non-current assets			
Trade and other receivables	19	68	125
Investments in Geelong Regional Library Corporation	16	457	537
Other financial assets	18	-	1,000
Property, infrastructure, plant and equipment	23	516,322	456,885
Total non-current assets		516,847	458,547
Total assets		560,316	492,868
Liabilities			
Current liabilities			
Trade and other payables	24	6,619	3,172
Trust funds and deposits	25	2,651	1,672
Provisions	26	6,028	8,033
Interest-bearing loans and borrowings	27	675	628
Other Liabilities	28	137	85
Total current liabilities		16,110	13,590
Non-current liabilities			
Provisions	26	11,648	11,986
Interest-bearing loans and borrowings	27	14,262	14,936
Total non-current liabilities		25,910	26,922
Total liabilities		42,020	40,512
Net assets		518,296	452,356
Equity			
Accumulated surplus		204,291	187,235
Revaluation reserves	29	281,200	236,349
Other reserves	29	32,805	28,772
Total Equity		518,296	452,356

The above balance sheet should be read in conjunction with the accompanying notes.

Surf Coast Shire Council
 2016/2017 Financial Report

Statement of Changes in Equity
 For the Year Ended 30 June 2017

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
2017					
Balance at beginning of the financial year		452,356	187,235	236,349	28,772
Adjustment to opening accumulated surplus : Recognition of previously unrecognised Land assets *		4,117	4,117	-	-
Surplus for the year		16,972	16,972	-	-
Net asset revaluation increment	29(a)	44,851	-	44,851	-
Transfers to other reserves	29(b)	-	(32,511)	-	32,511
Transfers from other reserves	29(b)	-	28,478	-	(28,478)
Balance at end of the financial year		518,296	204,291	281,200	32,805

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
2016					
Balance at beginning of the financial year		378,571	176,720	178,078	23,773
Adjustment to opening accumulated surplus		(201)	(201)	-	-
Surplus for the year		15,715	15,715	-	-
Net asset revaluation Increment	29(a)	58,271	-	58,271	-
Transfers to other reserves	29(b)	-	(19,574)	-	19,574
Transfers from other reserves	29(b)	-	14,575	-	(14,575)
Balance at end of the financial year		452,356	187,235	236,349	28,772

* As these Land assets relate to existing assets not previously recognised, corrections were made to the balance of accumulated surplus for the year ended 30 June 2017.

The above statement of changes in equity should be read with the accompanying notes.

Surf Coast Shire Council
 2016/2017 Financial Report

Statement of Cash Flows
 For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		47,733	46,437
Statutory fees and fines		1,700	1,690
User fees		6,538	6,176
Grants - operating		10,269	6,013
Grants - capital		3,375	4,365
Contributions - monetary		3,532	3,170
Interest received		1,800	1,383
Trust funds and deposits taken		6,534	6,112
Net GST refund		2,063	2,589
Employee costs		(27,357)	(26,566)
Materials and services		(29,131)	(25,141)
Trust funds and deposits repaid		(5,555)	(5,762)
Net cash provided by operating activities	30	21,501	20,466
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(13,275)	(13,519)
Proceeds from sale of property, infrastructure, plant and equipment	8	696	484
Payments for investments		(72,880)	(56,800)
Proceeds from sale of investments		61,100	52,450
Net cash (used in) investing activities		(24,359)	(17,385)
Cash flows from financing activities			
Finance costs		(1,078)	(1,121)
Repayment of borrowings		(627)	(585)
Net cash (used in) financing activities		(1,705)	(1,706)
Net increase/(decrease) in cash and cash equivalents		(4,563)	1,375
Cash and cash equivalents at the beginning of the financial year		6,977	5,602
Cash and cash equivalents at the end of the financial year	17	2,414	6,977
Refer to Financing arrangements	31		
Refer to Restrictions on cash assets	17		

The above statement of cash flow should be read in conjunction with the accompanying notes.

Surf Coast Shire Council
 2016/2017 Financial Report

**Statement of Capital Works
 For the Year Ended 30 June 2017**

	Note	2017 \$'000	2016 \$'000
Property			
Land		5	500
Total land		<u>5</u>	<u>500</u>
Buildings		3,193	1,631
Total buildings		<u>3,193</u>	<u>1,631</u>
Total property		<u>3,198</u>	<u>2,131</u>
Plant and equipment			
Plant, machinery and equipment		1,111	1,262
Fixtures, fittings, and furniture		37	20
Computers and telecommunications		245	190
Total plant and equipment		<u>1,393</u>	<u>1,472</u>
Infrastructure			
Roads		4,169	4,222
Bridges		14	76
Footpaths and cycleways		477	780
Drainage and sewerage		647	752
Recreational, leisure and community facilities		1,736	2,757
Parks, open space and streetscapes		1,359	1,095
Off street car parks		94	235
Total infrastructure		<u>8,496</u>	<u>9,917</u>
Total capital works expenditure		<u>13,087</u>	<u>13,520</u>
Represented by:			
New asset expenditure		6,420	6,218
Asset renewal expenditure		4,806	5,568
Asset expansion expenditure		496	418
Asset upgrade expenditure		1,365	1,316
Total capital works expenditure		<u>13,087</u>	<u>13,520</u>

The above statement of capital works should be read in conjunction with the accompanying notes.

Introduction

The Surf Coast Shire was established by an Order of the Governor in Council on 9 March 1994 and is a body corporate. The Council's main office is located at 1 Merrijig Drive, Torquay.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (l))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of employee provisions (refer to note 1 (r))
- the determination of landfill provision (refer to note 1(s))

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. The following special committees are not included in this financial report as their aggregate income is immaterial and they prepare their own financial reports separately :

Deans Marsh Public Hall and Memorial Park Committee of Management
Stribling Reserve Committee of Management
Anderson Roadknight Reserve Committee of Management
Eastern Reserve Committee of Management
Modewarre Memorial Hall and Reserve Committee of Management
Connewarre Reserve Committee of Management
Globe Theatre Committee of Management
Anglesea Bike Park

Note 1 Significant accounting policies (cont.)

(d) Accounting for investments in associates and joint arrangements

Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(e) Revenue recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and Charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Statutory fees and fines

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

Sale of property, infrastructure, plant and equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest

Interest is recognised as it is earned.

Other Income

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 1 Significant accounting policies (cont.)

(f) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(h) Trade and other receivables

Receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(i) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(j) Inventories

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(k) Non-current assets classified as held for sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Note 1 Significant accounting policies (cont.)

(l) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits detailed in Note 1 (m) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using a cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(m) Depreciation of property, infrastructure and plant and equipment

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year, apart from the plant and machinery class which is reducing balance.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Surf Coast Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2017

Note 1 Significant accounting policies (cont.)

(m) Depreciation property, infrastructure and plant and equipment (cont'd)

Asset recognition thresholds and depreciation periods		Depreciation Period	Threshold Limit
			\$'000
Heritage Buildings		100 - 150 year	1
Buildings - Complex	Structure	100 years	1
	Roof	50 years	1
	Fit Out	25 years	1
	Services	20 years	1
Buildings - Simple		40 years	1
Plant, machinery and equipment		2 - 15 years	1
Fixtures, fittings and furniture		3 - 10 years	1
Computers and telecommunications		3 - 10 years	1
Sealed Road Pavements	High Traffic	90 years	1
	Low Traffic	100 years	1
	Concrete	40 years	1
Unsealed Road Pavements		16 years	1
	High Traffic	20 - 25 years	1
	Low Traffic	15 - 18 years	1
Seals	Spray Seal	25 - 30 years	1
	Asphalt	70 years	1
Road Kerb and Channel		25 - 80 years	1
Bridges and Major Culverts	Timber Bridges	40 years	1
		80 - 140 years	1
Footpaths and Cycleways	Other Bridges	years	
	Concrete	65 years	1
	Asphalt	30 years	1
	Brick	50 years	1
	Gravel	20 years	1
		80 - 150 years	1
Drainage and Sewerage	Drainage	years	
	Sewerage	80 years	1
	Septic Tanks	30 years	1
Recreation, leisure and community facilities		10 - 40 years	1
Parks, Open Spaces and streetscapes		10 - 50 years	1
Off Street car parks	Sealed Pavement	100 years	1
	Unsealed Pavement	20 years	1
	Sealed Pavement	15 - 30 years	1

(n) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(o) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Note 1 Significant accounting policies (cont.)

(p) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).

(q) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts and interest on borrowings.

(r) Employee costs and benefits

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

(s) Landfill rehabilitation provision

Council is obligated to restore the Anglesea site to a particular standard. The forecast life of the Anglesea site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Note 1 Significant accounting policies (cont.)

(t) Leases

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(v) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 35 Contingent Liabilities and Contingent Assets.

(w) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(x) Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has a number of operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$1,157,000 recognised.

Income for Not-for-Profit entities (AASB 1058) (applies 2019/20)

Where a transaction does not meet the requirements to be accounted for under AASB 15 Council will need to assess whether the transaction should be accounted for under AASB 1058. It is expected that Council will need to recognise its volunteer services and consider performance obligations on future grants received.

(y) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 14th June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Income				
Rates and charges	47,837	47,847	10	
Statutory fees and fines	1,525	1,706	181	1
User fees	5,771	6,226	455	2
Grants - operating	7,526	9,921	2,395	3
Grants - capital	2,509	3,236	727	4
Contributions - monetary	2,693	3,532	839	5
Contributions - non monetary	7,840	10,718	2,878	6
Other income	792	1,874	1,082	7
Total income	76,493	85,060	8,567	
Expenses				
Employee costs	27,567	27,815	(248)	8
Materials and services	26,237	24,740	1,497	9
Bad and doubtful debts	79	146	(67)	10
Depreciation	11,338	10,994	344	11
Borrowing costs	1,077	1,077	-	
Net loss on disposal of property, infrastructure, plant and equipment	1,326	2,115	(789)	12
Share of net losses of Geelong Regional Library Corporation	-	80	(80)	
Other expenses	1,103	1,121	(18)	
Total expenses	68,727	68,088	639	
Surplus for the year	7,766	16,972	9,206	

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Notes to the Financial Report
 For the Year Ended 30 June 2017

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines (income)	Planning Fees higher than budgeted mainly due to increasing fees and higher number of applications \$155k, Other Statutory fees higher than budget mainly due to higher election fines received from the VEC and higher number of subdivision applications \$99k, partially offset by fines and penalty revenue lower than budgeted due to lower resourcing than budgeted in the local laws area (\$73k)
2	User Fees	Waste and Recycling charges higher than budget due to higher drop-off rates at transfer stations \$428k, higher Gravel Pit royalties due to increased gravel extraction \$101k, lower other user charges (\$74k) mostly related to aged and family services.
3	Grants - Operating	Early Receipt of 50% of the Victorian Grants Commission 2017/18 allocation \$1,915k, higher aged and family services grants \$378k, higher kindergarten grants \$134k, lower other grants (\$32k).
4	Grants - Capital	Additional Grant Funds received, made up of \$286k transport projects, \$205k recreation Projects, \$203k building projects, and \$33k for other projects.
5	Contributions - monetary	Contributions and recoupments to projects higher than budgeted, made up of: Merrijig Drive Construction \$400k, Anglesea Bowls Club \$250k, Powercor Road Reinstatements \$239k, Spring Creek Precinct Structure Plan \$175k, Regional Motorcycle facility \$100k, and other project related Contributions and recoupments \$138k. Operating contributions and recoupments lower than budget due to lower subdivider contributions (\$659k), partially offset by higher recoupment of valuation fees from the State Revenue Office \$118k, and higher other contributions \$78k.
6	Contributions - non monetary	Higher contributed assets from developers due to increased development activity \$2,878k.
7	Other Income	Higher other income due to Landfill Rehabilitation Provision adjustment \$853k, higher interest revenue earned on investments \$383k, interest on property rates budgeted as other income now reflected in rates and charges (\$145k), and lower other income (\$9k)
8	Employee costs	Higher internal project management costs on operational projects (\$251k) which was budgeted entirely in capital projects, higher expensed labour on capital projects (\$119k), partially offset by lower training costs \$105k, lower workcover premium \$82k, and lower other costs \$20k
9	Materials and services	Project spend lower than budgeted \$1,189k, mainly due to delayed project spend (Municipal Emergency Program \$200k, Council Systems Improvements \$195k, Environmental Initiatives \$191k, Land Remediation \$88k, Coastal Management Plan implementation \$60k, and Torquay Jan Juc DCP Review \$55k), and lower project spend than budgeted (Regional Motorcycle facility \$90k, Project Contingency \$70k). Plus, Operating spend lower than budgeted \$296k, due to lower debt collection costs \$143k (partially offset by lower revenue), lower grants and contributions expended \$98k, lower revaluation costs \$94k, lower fuel costs \$81k, lower software costs \$79k, and other costs lower than budgeted \$150k, partially offset by higher Contractor costs (\$349k) - mainly in Open Space and Facilities (\$167k), Waste Operations (\$110k)
10	Bad and doubtful debts	Bad debts higher than budgeted due to procedural review of aged infringement debtors
11	Depreciation	Lower depreciation on Footpaths and Cycleways resulting from asset revaluations in 2015/16 \$222k, lower depreciation on Plant and Equipment due to delay in purchasing of assets \$173k, and lower depreciation on Open Space Assets \$141k and Information Technology Assets \$100k, partially offset by higher depreciation on buildings (\$135k) and drainage assets (\$102k) due to asset revaluations, and higher depreciation on other asset categories (\$55k).
12	Net loss on disposal of property, infrastructure, plant and equipment	Higher Asset Write offs (\$1,162k) mainly due to asset upgrade and renewal projects, partially offset by higher gains from sale of equipment \$347k, and sale of land \$26k

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Notes to the Financial Report
 For the Year Ended 30 June 2017

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Land	850	5	(845)	1
Total Land	850	5	(845)	
Buildings	3,587	3,193	(394)	2
Total Buildings	3,587	3,193	(394)	
Total Property	4,437	3,198	(1,239)	
Plant and Equipment				
Plant, machinery and equipment	1,074	1,111	37	
Fixtures, fittings and furniture	20	37	17	
Computers and telecommunications	450	245	(205)	3
Total Plant and Equipment	1,544	1,393	(151)	
Infrastructure				
Roads	5,791	4,169	(1,622)	4
Bridges	45	14	(31)	
Footpaths and cycleways	483	477	(6)	
Drainage and Sewerage	650	647	(3)	
Recreational, leisure and community facilities	912	1,736	824	5
Parks, open space and streetscapes	3,274	1,359	(1,915)	6
Off street car parks	-	94	94	7
Total Infrastructure	11,155	8,496	(2,659)	
Total Capital Works Expenditure	17,136	13,087	(4,049)	
Represented by:				
New asset expenditure	7,586	6,420	(1,166)	
Asset renewal expenditure	5,854	4,806	(1,048)	
Asset expansion expenditure	-	496	496	
Asset upgrade expenditure	3,696	1,365	(2,331)	
Total Capital Works Expenditure	17,136	13,087	(4,049)	

The budget has been realigned to include contingency allocation of the capital works program.

Note 2 Budget comparison (cont)
(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Delayed purchase of land due to ongoing negotiations.
2	Buildings	Building Renewal scope completed under budget (\$129k). Other variances related to timing of project implementation on: Spring Creek Recreation Master Plan Stage 2 Netball Facility Upgrade (\$421k); Anglesea Arthouse Sheds Renewal (\$109k), Anglesea Cricket Pavilion Upgrade Stage 1 (\$95k). In addition there was (\$173k) of non-capital expenditure in the program. The multi-year project spend was offset by additional spend on new projects approved by Council resolution including: Kurrambee Myaring Community Centre \$468k, Solar Towns Project \$39k, Torquay Lions/Rotary Shed \$29k, and Torquay Indoor Stadium planning \$18k
3	Computers and telecommunications	Council entered into an operating lease for computers resulting in reduced computer replacement expenditure (\$147k). In addition, a number of projects are underway as part of Councils digital transformation strategy resulting in a number of carried forward projects including: Civica Online Requisitions & Accounts Payable Workflow (\$27k), Trapeze Software (\$22k) and Authority Software Upgrade (\$10k). Additional expenditure on new projects approved by Council resolution during 2016/17 included: Trapeze Software \$43k.
4	Roads	A number of projects were completed under budget including: Sealed Road and Kerb Renewal Program (\$577k), Regional Bike Route Horseshoe Bend Road (\$23k), Coombes Road Widening (\$6k) and Winchelsea Transfer Station Entry (\$3k). Other delayed expenditure due to timing of project implementation: Horseshoe Bend South Beach Road Intersection (\$404k), Darian Road Reconstruction (\$281k), Cape Otway Road Widening (\$135k), Realign Anglesea Transfer Station (\$129k), Lorne School Traffic Management Upgrade (\$129k), Road Safety Program (\$71k), Beal and Trebeck Court Road Construction (\$58k) and Hopkins Street Construction & Seal (\$45k). Additional expenditure on new projects approved by Council resolution during 2016/17 included: Disaster Relief projects \$100k, Anglesea Landfill Construction \$98k, Fischer Street and Beach Road Roundabout \$38k.
5	Recreational, leisure and community facilities	Projects incorporated into the amended budget during 2016/17 included: The Civic Centre Precinct Playzone Banyul \$595k, Grenville Oval \$440k, Anglesea Tennis Courts Synthetic Surface \$123k, Aireys Inlet Tennis Courts Resurfacing \$50k and Spring Creek Tennis Courts Renewal \$9k. Savings on projects included: Aireys Inlet Reserve Playground (\$69k), Playground Strategy Implementation (\$47k), Gnarwarre Tennis Courts Renewal (\$28k), Playground Equipment Renewal (\$7k), Bob Pettitt Reserve Playground Renewal (\$3k) and Bike Park Renewal (\$3k). In addition there was (\$202k) of non-capital expenditure in the program.
6	Parks, open space and streetscapes	The following projects are not yet complete and will be carried forward into 2017/18 : Blackgate Road Horseshoe Bend Road (\$728k), Tarpomatic Alternate Daily Cover System (\$329k), Anglesea Transfer Station Upgrade (\$154k), Anglesea Landfill Fence Replacement (\$110k), Winchelsea Entrance Sculptures (\$85k), Deep Creek Linear Reserve (\$57k), Grass Tree Park Upgrade (\$33k), Winchelsea Beautification Town Centre (\$24k), Grenville Oval Road (\$16k) and Bells Beach Recreation Reserve Upgrade (\$13k). In addition there was (\$288k) of non-capital expenditure in the program.
7	Off street car parks	No budget was assigned in the 2016/17 budget for Off Street Car Parks specifically, with the budget incorporated into Roads projects. During the financial year, capital expenditure was completed as part of the road program scope including: Winchelsea Transfer Station Sealed Entry (\$44k), Horseshoe Bend Road Widening South of South Beach Road PC03 (\$23k), Deans Marsh Recreation Reserve and Community Centre Car Park Gravel Re-sheet (\$12k) and Jan Juc Creek Reserve Apex Car Park (\$9k).

	2017 \$'000	2016 \$'000
Note 3 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the total market value of the land and buildings and other improvements.		
The valuation base used to calculate general rates for 2016/17 was \$14,093 million (2015/16 \$13,093 million). The 2016/17 rate in the dollar was 0.0024591 (2015/16, 0.0025457).		
General Rates	36,679	35,514
Municipal charge	4,175	3,995
Waste management charge	6,355	6,006
Special rates and charges	187	-
Supplementary rates and rate adjustments	326	122
Interest on rates and charges	125	140
Total rates and charges	47,847	45,777

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

Note 4 Statutory fees and fines

Infringements and costs	730	619
Town planning fees	494	277
Land information certificates	41	42
Subdivision fees	331	266
Other statutory fees and fines	110	93
Total statutory fees and fines	1,706	1,297

Note 5 User fees

Aged and health services	490	552
Leisure centre and recreation	914	908
Child care/children's programs	747	600
Registration and other permits	584	527
Building services	81	85
Waste management services	2,366	1,885
Royalties	424	414
Gravel pits	112	94
Lease rentals	68	79
Other fees and charges	440	461
Total user fees	6,226	5,605

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	2017 \$'000	2016 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	8,422	4,473
State funded grants	4,735	5,577
Total grants received	<u>13,157</u>	<u>10,050</u>
Operating Grants		
Recurrent - Commonwealth Government		
Grants Commission	5,617	1,791
Family day care	45	51
Home and community care	415	558
Other	58	89
Recurrent - State Government		
Home and community care	1,212	1,240
School crossing supervisors	42	41
Maternal and child health	249	212
Community safety	240	274
Kindergartens	1,514	1,186
Environmental planning	23	23
Youth Services	102	101
Other	121	86
Total recurrent operating grants	<u>9,638</u>	<u>5,652</u>
Non-recurrent - State Government		
Community safety	138	-
Environmental planning	40	15
Home and community care	-	6
Other	105	174
Family and children	-	1
Total non-recurrent operating grants	<u>283</u>	<u>196</u>
Total operating grants	<u>9,921</u>	<u>5,848</u>
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,287	1,984
Total recurrent capital grants	<u>2,287</u>	<u>1,984</u>
Non-recurrent - State Government		
Buildings	273	175
Community Safety	-	60
Roads	336	272
Tourism	-	50
Recreation	305	1,274
Waste management	-	167
Other	20	70
Environmental Planning	15	150
Total non-recurrent capital grants	<u>949</u>	<u>2,218</u>
Total capital grants	<u>3,236</u>	<u>4,202</u>
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,951	1,781
Received during the financial year and remained unspent at balance date	790	432
Received in prior years and spent during the financial year	(1,782)	(262)
Balance at year end	<u>959</u>	<u>1,951</u>

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Notes to the Financial Report
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	2017 \$'000	2016 \$'000
Note 7 Contributions		
Monetary	3,532	3,170
Non-monetary	10,718	9,970
Total contributions	14,250	13,140
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	996	868
Land under roads	214	579
Buildings	333	504
Roads	5,832	4,390
Other Infrastructure	3,343	3,629
	10,718	9,970
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	696	484
Written down value of assets disposed	(2,811)	(1,889)
Total net loss on disposal of property, infrastructure, plant and equipment	(2,115)	(1,405)
Note 9 Other income		
Interest	1,021	903
Future landfill rehabilitation	853	426
Total other income	1,874	1,329
Note 10 (a) Employee costs		
Wages and salaries	23,598	22,269
WorkCover	480	489
Casual staff	710	708
Superannuation	2,261	2,144
Fringe benefits tax	244	247
Other	522	460
Total employee costs	27,815	26,317
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	56	99
	56	99
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,412	1,408
Employer contributions - other funds	735	631
	2,147	2,039
Employer contributions payable at reporting date.	-	-
Refer to note 34 for further information relating to Council's superannuation obligations.		

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	2017 \$'000	2016 \$'000
Note 11 Materials and services		
Contract payments	8,381	6,146
General maintenance	203	210
Utilities	1,230	1,135
Office administration	774	698
Information technology	906	684
Insurance	567	580
Consultants	2,084	1,536
Fuel	617	587
Grants, Contributions & Sponsorship	2,166	1,336
Materials	1,400	1,414
Sub-contractors	3,780	3,620
Royalties	1,192	1,213
Other	1,440	1,240
Total materials and services	24,740	20,399
Note 12 Bad and doubtful debts		
Infringement debtors	136	518
Rates debtors	8	-
Other debtors	2	-
Total bad and doubtful debts	146	518
Note 13 Depreciation		
Property	2,102	1,923
Plant and equipment	1,095	1,340
Infrastructure	7,798	7,366
Total depreciation	10,995	10,629
<i>Refer to note 23 for a more detailed breakdown of depreciation charges</i>		
Note 14 Borrowing costs		
Interest - Borrowings	1,077	1,122
Total borrowing costs	1,077	1,122
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	43	41
Auditors' remuneration - Internal audit	79	47
Councillors' allowances	281	290
Operating lease rentals	718	672
Total other expenses	1,121	1,050

	2017	2016
	\$'000	\$'000
Note 16 Investment in associates		
Investments in associates accounted for by the equity method are:		
- Geelong Regional Library Corporation	457	537
<i>Background</i>		
The Geelong Regional Library Corporation (GRLC) was formed under the provisions of sections 196 and 197 of the Local Government Act, 1989 on 4 March 1997 to provide library services within the local government areas of: Borough of Queenscliffe, City of Greater Geelong, Golden Plains Shire and Surf Coast Shire. Council holds 3.85% (2016, 4.13%) of equity in the corporation. Council has one director on the Board of seven. Council has the ability to influence rather than control its operations.		
Fair value of Council's investment in Geelong Regional Library Corporation	<u>457</u>	<u>537</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	537	580
Reported surplus/(deficit) for year	(80)	(43)
Council's share of accumulated surplus/(deficit) at end of year	<u>457</u>	<u>537</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	537	580
Share of surplus/(deficit) for year	(80)	(43)
Carrying value of investment at end of year	<u>457</u>	<u>537</u>

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	2017	2016
	\$'000	\$'000
Note 17 Cash and cash equivalents and financial assets		
Cash on hand	5	5
Cash at bank	2,409	1,972
Term deposits (maturity less than 90 days)	-	5,000
Cash and cash equivalents	<u>2,414</u>	<u>6,977</u>
Term deposits (maturity greater than 90 days, refer note 18 Other financial assets)	36,380	24,600
Total cash and cash equivalents and financial assets	<u>38,794</u>	<u>31,577</u>
Council's cash and cash equivalents and financial assets are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (Note 25)	2,651	1,672
- Reserve funds restricted for specific use (Note 29)	3,424	5,365
Total restricted funds	<u>6,075</u>	<u>7,037</u>
Total unrestricted cash and cash equivalents and financial assets	<u>32,719</u>	<u>24,540</u>
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Plant replacement	1,080	949
- Airey's Inlet aged care units	300	343
- Waste	4,322	6,196
- Gravel Pits	1,660	1,748
- Defined benefits superannuation	724	474
- Cash held to fund carried forward capital works	8,741	5,582
- Cash held to fund carried forward capital new initiatives	1,562	770
- Cash held to fund adopted strategy implementation	4,349	2,404
- Cash held to fund asset renewal	411	357
- Cash held to fund developer contribution council allocation	1,172	920
Total funds subject to intended allocations	<u>24,321</u>	<u>19,743</u>
Note 18 Other financial assets		
Term deposits - Current	36,380	23,600
Term deposits - Non-Current	-	1,000
Total other financial assets	<u>36,380</u>	<u>24,600</u>
Note 19 Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,457	1,343
Special rate assessment	34	30
Infringement debtors	423	434
Provision for doubtful debts - infringements	(79)	(96)
<i>Non statutory receivables</i>		
Net GST receivable	874	290
Other debtors	1,134	576
Total current trade and other receivables	<u>3,843</u>	<u>2,577</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	68	125
Total non-current trade and other receivables	<u>68</u>	<u>125</u>
Total trade and other receivables	<u>3,911</u>	<u>2,702</u>

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	2017	2016
	\$'000	\$'000
Note 19 Trade and other receivables (cont.)		
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	683	434
Past due by up to 30 days	155	98
Past due between 31 and 180 days	296	44
Total trade & other receivables	<u>1,134</u>	<u>576</u>
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	96	163
New Provisions recognised/(used) during the year	(17)	(67)
Balance at end of year	<u>79</u>	<u>96</u>
Note 20 Inventories		
Inventories held for distribution	214	169
Inventories held for sale	56	63
Total inventories	<u>270</u>	<u>232</u>
Note 21 Non current assets classified as held for sale		
Land & Buildings	-	281
Total non current assets classified as held for sale	<u>-</u>	<u>281</u>
Note 22 Other assets		
Prepayments	201	226
Accrued income	361	428
Total other assets	<u>562</u>	<u>654</u>

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Note 23 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposals	Transfers	Recognition of previously unrecognised Land assets	WDV 30 June 2017
Land	107,311	19	1,253	14,755	-	-	281	4,117	127,736
Buildings	53,540	601	286	23,772	(2,102)	(15)	71	-	76,153
Plant and Equipment	6,097	1,275	-	-	(1,095)	(557)	307	-	6,027
Infrastructure	286,265	5,396	9,179	6,324	(7,798)	(1,979)	2,636	-	300,023
Work in progress	3,672	5,985	-	-	-	(260)	(3,014)	-	6,383
	456,885	13,276	10,718	44,851	(10,995)	(2,811)	281	4,117	516,322

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	164	2,763	(71)	-	2,856
Plant and Equipment	307	116	(307)	-	116
Infrastructure	3,201	3,106	(2,636)	(260)	3,411
Total	3,672	5,985	(3,014)	(260)	6,383

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For the Year Ended 30 June 2017

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Note 23 Property, infrastructure, plant and equipment (cont'd)

	Land Under Roads - specialised	Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
Land and Buildings									
At fair value 1 July 2016	3,386	98,917	5,008	107,311	79,047	12,656	91,703	164	199,178
Accumulated depreciation at 1 July 2016	-	-	-	-	(33,307)	(4,856)	(38,163)	-	(38,163)
Recognition of previously unrecognised Land assets	-	4,117	-	4,117	-	-	-	-	-
	3,386	103,034	5,008	111,428	45,740	7,800	53,540	164	161,015
Movements in fair value									
Acquisition of assets at fair value	-	-	19	19	266	335	601	2,763	3,383
Contributed assets	214	1,039	-	1,253	16	322	338	-	1,591
Revaluation increments/(decrements)	-	14,090	665	14,755	3,476	(1,567)	1,909	-	16,664
Fair value of assets disposed	-	-	-	-	-	(16)	(16)	-	(16)
Transfers	-	-	281	281	-	71	71	(71)	281
	214	15,129	965	16,308	3,758	(855)	2,903	2,692	21,903
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(1,874)	(228)	(2,102)	-	(2,102)
Accumulated depreciation of disposals	-	-	-	-	-	1	1	-	1
Depreciation on Non-Monetary Contributions	-	-	-	-	(3)	(49)	(52)	-	(52)
Revaluation increments	-	-	-	-	19,331	2,532	21,863	-	21,863
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	17,454	2,256	19,710	-	19,710
At fair value 30 June 2017	3,600	118,163	5,973	127,736	82,805	11,801	94,606	2,856	225,198
Accumulated depreciation at 30 June 2017	-	-	-	-	(15,853)	(2,600)	(18,453)	-	(18,453)
	3,600	118,163	5,973	127,736	66,952	9,201	76,153	2,856	206,745

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Note 23 Property, infrastructure, plant and equipment (cont'd)

	Plant machinery and equipment	Furniture, fittings and fixtures	Computers and telecomm	Work in Progress	Total plant and equipment
Plant and Equipment					
At fair value 1 July 2016	7,890	1,220	2,857	307	12,274
Accumulated depreciation at 1 July 2016	(3,101)	(521)	(2,248)	-	(5,870)
	4,789	699	609	307	6,404
Movements in fair value					
Acquisition of assets at fair value	1,109	37	129	116	1,391
Contributed assets	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Fair value of assets disposed	(1,403)	-	(117)	-	(1,520)
Transfers	-	-	307	(307)	-
	(294)	37	319	(191)	(129)
Movements in accumulated depreciation					
Depreciation	(642)	(122)	(331)	-	(1,095)
Accumulated depreciation of disposals	849	-	114	-	963
Transfers	-	-	-	-	-
	207	(122)	(217)	-	(132)
At fair value 30 June 2017	7,596	1,257	3,176	116	12,145
Accumulated depreciation at 30 June 2017	(2,894)	(643)	(2,465)	-	(6,002)
	4,702	614	711	116	6,143

Notes to the Financial Report
For the Year Ended 30 June 2017

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Note 23 Property, infrastructure, plant and equipment (cont'd)

Note	Roads	Bridges	Footpaths and cyceways	Drainage and sewerage	Recreational leisure and community	Parks open spaces and streetscapes	Off street car parks	Work in Progress	Total Infrastructure
Infrastructure									
At fair value 1 July 2016	238,198	6,171	25,621	67,178	17,493	13,711	5,650	3,201	377,223
Accumulated depreciation at 1 July 2016	(44,032)	(2,388)	(7,239)	(20,811)	(7,528)	(5,279)	(480)	-	(87,757)
	194,166	3,783	18,382	46,367	9,965	8,432	5,170	3,201	289,466
Movements in fair value									
Acquisition of assets at fair value	2,180	14	419	228	1,635	827	93	3,106	8,502
Contributed assets	5,832	-	787	1,995	-	303	262	-	9,179
Revaluation increments/(decrements)	(3,042)	122	-	-	-	-	(138)	-	(3,058)
Fair value of assets disposed	(2,206)	(16)	(193)	(152)	(870)	(326)	(17)	(260)	(4,040)
Transfers	1,474	(1,267)	377	230	1,212	488	122	(2,636)	-
	4,238	(1,147)	1,390	2,301	1,977	1,292	322	210	10,583
Movements in accumulated depreciation									
Depreciation	(4,466)	(66)	(419)	(849)	(1,093)	(786)	(119)	-	(7,798)
Revaluation increments/(decrements)	9,292	408	-	-	-	-	(318)	-	9,382
Accumulated depreciation of disposals	869	8	106	21	590	198	9	-	1,801
Transfers	(354)	374	-	(17)	(18)	20	(5)	-	-
	5,341	724	(313)	(845)	(521)	(568)	(433)	-	3,385
At fair value 30 June 2017	242,436	5,024	27,011	69,479	19,470	15,003	5,972	3,411	387,806
Accumulated depreciation at 30 June 2017	(38,691)	(1,664)	(7,552)	(21,656)	(8,049)	(5,847)	(913)	-	(84,372)
	203,745	3,360	19,459	47,823	11,421	9,156	5,059	3,411	303,434

Note 23 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Opteon (Land as at 31 December 2016 and Buildings as at 31 March 2017). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land Under Roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3 DoV
Land Under Roads - Specialised	-	-	3,600
Land - Specialised	-	-	118,412 31/12/2016
Land - Non Specialised	-	5,724	- 31/12/2016
Buildings - Specialised	-	-	66,952 31/12/2016
Buildings - Non Specialised	-	9,201	- 31/12/2016
Total	-	14,925	188,964

Valuation of infrastructure

Valuation of road and other structure assets has been determined in accordance with a valuation undertaken by independent valuer, Pavement Management Services and the Strategic Asset Manager, Mr John Bertoldi B E (Civil) as at 30 June 2017. Valuation of other infrastructure assets has been determined in accordance with a valuation undertaken by the Strategic Asset Manager, Mr John Bertoldi B E (Civil) as at 30 June 2017. The last revaluation for roads, pavement and other structures occurred in 2016 and the last revaluation for drainage occurred in 2016.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3 DoV
Roads	-	-	203,745 30/06/2017
Bridges	-	-	3,360 30/06/2017
Footpaths and cycleways	-	-	19,459 30/06/2016
Drainage and Sewerage	-	-	47,823 30/06/2016
Recreational, leisure and community facilities	-	-	11,421 30/06/2015
Parks, open space and streetscapes	-	-	9,156 30/06/2015
Off street car parks	-	-	5,059 30/06/2017
Total	-	-	300,023

Note 23 Property, infrastructure, plant and equipment cont'd	2017	2016
	\$'000	\$'000

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.27 and \$2,343 per metre squared.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$66 to \$13,907 per metre squared. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

Land under roads	3,600	3,386
Parks and reserves	104,279	87,340
Public use	7,176	6,047
Waste	266	241
Car Parks	6,442	5,289
Total specialised land	121,763	102,303

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**Notes to the Financial Report
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	2017 \$'000	2016 \$'000
Note 24 Trade and other payables		
Trade payables	5,505	2,570
Accrued expenses	1,114	602
Total trade and other payables	6,619	3,172
Note 25 Trust funds and deposits		
Refundable deposits	1,703	1,495
Fire services levy	946	175
Other refundable deposits	2	2
Total trust funds and deposits	2,651	1,672

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Note 26 Provisions

	Landfill restoration \$ '000	Employee entitlements \$ '000	Total \$ '000
2017			
Balance at beginning of the financial year	14,175	5,844	20,019
Additional provisions/(reduction in provisions)	(265)	2,599	2,334
Amounts used	(1,814)	(2,261)	(4,075)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(587)	(15)	(602)
Balance at the end of the financial year	11,509	6,167	17,676
Weighted average discount rate in calculating the Landfill Provision	1.20%		
2016			
Balance at beginning of the financial year	14,669	5,446	20,115
Additional provisions/(reduction in provisions)	(1,338)	2,227	889
Amounts used	(68)	(1,904)	(1,972)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	912	75	987
Balance at the end of the financial year	14,175	5,844	20,019
Weighted average discount rate in calculating the Lanfill Provision	1.11%		
		2017	2016
		\$'000	\$'000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		1,608	1,532
Long service leave		617	509
		2,225	2,041
Current provisions expected to be wholly settled after 12			
Annual leave		350	320
Long service leave		2,785	2,654
		3,135	2,974
Total current employee provisions		5,360	5,015
Non-current			
Long service leave		807	829
Total non-current employee provisions		807	829
Aggregate carrying amount of employee provisions:			
Current		5,360	5,015
Non-current		807	829
Total aggregate carrying amount of employee provisions		6,167	5,844

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Notes to the Financial Report
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Note 26 Provisions (cont'd)

	2017	2016
	\$'000	\$'000
(b) Land fill restoration		
Current	668	3,018
Non-current	10,841	11,157
Total future Landfill rehabilitation provision	<u>11,509</u>	<u>14,175</u>

Note 27 Interest-bearing loans and borrowings

Current		
Borrowings - secured (by Council's general rates)	667	621
Borrowings - unsecured	8	7
Total Current	<u>675</u>	<u>628</u>
Non-current		
Borrowings - secured (by Council's general rates)	14,235	14,902
Borrowings - unsecured	27	34
Total Non-current	<u>14,262</u>	<u>14,936</u>

a) The maturity profile for Council's borrowings is:

Not later than one year	675	628
Later than one year and not later than five years	6,915	3,009
Later than five years	7,347	11,927
	<u>14,937</u>	<u>15,564</u>

Note 28 Other Liabilities

Home Care packages	137	85
Total Current	<u>137</u>	<u>85</u>

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Note 29 Reserves

	Balance at beginning of reporting period	Increment/ (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserves			
2017			
Property			
Land	61,819	14,755	76,574
Buildings	12,004	23,772	35,776
	<u>73,823</u>	<u>38,527</u>	<u>112,350</u>
Infrastructure			
Furniture & Equipment	32	-	32
Roads	128,720	6,250	134,970
Bridges	2,137	530	2,667
Footpaths and cycleways	9,182	-	9,182
Drainage and sewerage	15,678	-	15,678
Recreational, leisure and community facilities	2,364	-	2,364
Parks, open space and streetscapes	1,472	-	1,472
Off street carparks	2,816	(456)	2,360
Library	125	-	125
	<u>162,526</u>	<u>6,324</u>	<u>168,850</u>
Total asset revaluation reserves	236,349	44,851	281,200
2016			
Property			
Land	61,819	-	61,819
Buildings	12,004	-	12,004
	<u>73,823</u>	<u>-</u>	<u>73,823</u>
Infrastructure			
Roads	72,157	56,563	128,720
Bridges	2,247	(110)	2,137
Carparks	1,417	1,399	2,816
Furniture & Equipment	32	-	32
Footpaths and cycleways	8,615	567	9,182
Drainage and sewerage	15,826	(148)	15,678
Recreational, leisure and community facilities	2,364	-	2,364
Parks, open space and streetscapes	1,472	-	1,472
Library	125	-	125
	<u>104,255</u>	<u>58,271</u>	<u>162,526</u>
Total asset revaluation reserves	178,078	58,271	236,349

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

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Notes to the Financial Report
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Note 29 Reserves (cont)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2017				
Restricted				
Open space	817	152	(33)	936
Main drainage	216	9	(15)	210
Home Care Packages	85	52	-	137
Developer contributions	4,247	719	(2,825)	2,141
<i>Sub-total Restricted Reserves</i>	<i>5,365</i>	<i>932</i>	<i>(2,873)</i>	<i>3,424</i>
Allocated				
Plant replacement	949	1,215	(1,084)	1,080
Airey's Inlet aged care units	343	2	(45)	300
Waste	6,196	3,402	(5,276)	4,322
Gravel Pits	1,748	404	(492)	1,660
Defined benefits superannuation	474	250	-	724
Carried forward capital works	5,582	8,741	(5,582)	8,741
Carried forward new initiatives	770	1,592	(800)	1,562
Adopted strategy implementation	2,404	3,797	(1,852)	4,349
Asset renewal	357	6,583	(6,529)	411
Developer Contributions Council Allocation	920	2,117	(1,865)	1,172
Accumulated unallocated cash	3,664	3,476	(2,080)	5,060
<i>Sub-total Allocated Reserves</i>	<i>23,407</i>	<i>31,579</i>	<i>(25,605)</i>	<i>29,381</i>
Total Other reserves	28,772	32,511	(28,478)	32,805
2016				
Restricted				
Open space	1,411	119	(713)	817
Main drainage	216	-	-	216
Airey's Inlet units	338	5	-	343
Developer contributions	3,464	1,244	(461)	4,247
<i>Sub-total Restricted Reserves</i>	<i>5,429</i>	<i>1,368</i>	<i>(1,174)</i>	<i>5,623</i>
Allocated				
Plant replacement	1,078	-	(129)	949
Asset development	60	-	(60)	-
Waste	6,088	2,512	(2,404)	6,196
Gravel Pits	1,566	382	(200)	1,748
Defined benefits superannuation	274	200	-	474
Carried forward capital works	5,035	5,582	(5,035)	5,582
Carried forward new initiatives	1,108	770	(1,108)	770
Adopted strategy implementation	2,018	4,121	(3,735)	2,404
Asset renewal	68	326	(37)	357
Developer Contributions Council Allocation	-	920	-	920
Home Care Packages	-	85	-	85
Accumulated unallocated cash	1,049	3,308	(693)	3,664
<i>Sub-total Allocated Reserves</i>	<i>18,344</i>	<i>18,206</i>	<i>(13,401)</i>	<i>23,149</i>
Total Other reserves	23,773	19,574	(14,575)	28,772

Note 29 Reserves (cont)

(b) Other reserves (cont)

Councils restricted reserves are restricted by either an Act or contractual agreement that limits the use of funds. Councils allocated reserves contain funds that have been resolved by Council to be used in a particular manner.

The purpose of the Open Space reserve is to provide improved recreational facilities for the Surf Coast Shire, both of an active and passive nature. This reserve is for a restricted purpose per the Subdivision Act 1988

The purpose of the Main drainage reserve is to hold developer contributions for main drainage works at a later point than the initial development. They are tied to works within the catchment area from which funds were derived. This reserve is for a restricted purpose as per the Planning and Environment Act 1987

The purpose of the Airey's Inlet units reserve is as the funding source for the maintenance of social housing for disadvantaged low income earners. Four social housing units currently exist in Aireys Inlet. This reserve is for a restricted purpose as per the Housing Act 1983

The purpose of the Developer contributions reserve is to hold funds contributed by developers for specific works associated with subdivisions. Funds are contributed for infrastructure (footpaths, fencing, streetscapes etc) where it is deemed that these works should occur at a later point than the initial development. Funds are also held in this account for the Torquay/Jan Juc DCP. Funds collected are specifically identified for projects via s173 agreement or the Developer Contribution Plan

The purpose of the Plant replacement reserve is to establish a fund whereby Council's heavy plant can be replaced at the end of their useful lives. The changeover cost of small vehicles is also funded from this reserve.

The purpose of the Asset development reserve was to hold funds derived from the sale of Council land or buildings to ensure that they are applied to the creation of new Council assets or debt reduction and not used to enhance Council's operational outcomes. The balance of this reserve has been moved to the adopted strategy reserve during 15/16.

The purpose of the Waste reserve is to ensure that the full cost of the waste function is met by the waste charges (garbage charge and fee income from landfill) and that surpluses and deficits on an annual basis can be covered without any adverse impact on the balance of Council's budget.

The purpose of the Gravel pits reserve is to provide funding for road improvements for Council roads.

The purpose of the Defined benefits reserve is to reserve funds for future Defined Benefits Superannuation funding calls arising from shortfalls in the Local Government Defined Superannuation Benefits Fund

The purpose of the Carried forward capital works reserve is to act as a mechanism to carry over funding for capital works that are still in progress at year end.

The purpose of the Carry forward new initiatives reserve is to act as a mechanism to carry over funding for new initiatives that are still in progress at year end.

The purpose of the Adopted strategy reserve is to provide funding for projects in line with approved strategies adopted by Council and is funded from operations or grants received.

The purpose of the Asset renewal reserve is to provide funding based on the Asset Renewal Funding Strategy.

The purpose of the Developer contributions Council allocation reserve is to provide Council allocated funding based on the Torquay/Jan Juc Developer Plan

The purpose of the Home care packages reserve is to meet Council's obligation under new Commonwealth legislation to carry any unspent individual client funds into future periods.

The purpose of the Accumulated unallocated cash reserve is to separately identify Council's Unallocated Cash.

Surf Coast Shire Council
 2016/2017 Financial Report

**Notes to the Financial Report
 For the Year Ended 30 June 2017**

	2017 \$'000	2016 \$'000
Note 30 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	16,972	15,715
Depreciation	10,994	10,629
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,115	1,405
Contributions - Non-monetary assets	(10,718)	(9,970)
Finance costs	1,077	1,122
Share of net profits/(losses) of Geelong Regional Library Corporation	80	43
Opening adjustment to accumulated surplus	-	(201)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,208)	1,436
(Increase)/decrease in prepayments	25	21
Increase/(decrease) in accrued income	67	(181)
Increase/(decrease) in trade and other payables	3,447	53
(Decrease)/increase in trust funds and deposits	979	350
(Increase)/decrease in inventories	(38)	55
Increase/(Decrease) in provisions	(2,343)	(96)
Increase/(Decrease) in other liabilities	52	85
Net cash provided by/(used in) operating activities	<u>21,501</u>	<u>20,466</u>
Note 31 Financing arrangements		
Bank overdraft	2,300	2,300
Credit card facilities	100	100
Borrowings	14,937	15,564
Total facilities	<u>17,337</u>	<u>17,964</u>
Used facilities	<u>(14,957)</u>	<u>(15,584)</u>
Unused facilities	<u>2,380</u>	<u>2,380</u>

Note 32 Commitments

The Council has entered into the following commitments

2017	Not later than 1 year \$'000	Later than 1 year and not later than 2 years		Later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
		2 years \$'000	5 years \$'000			
Operating						
Garbage collection	3,095	3,071	2,724	-	-	8,890
Cleaning contracts for council buildings	512	-	-	-	-	512
Other	356	111	101	-	-	568
Total	3,963	3,182	2,825	-	-	9,970
Capital						
Construction	4,036	-	-	-	-	4,036
Total	4,036	-	-	-	-	4,036

2016	Not later than 1 year \$'000	Later than 1 year and not later than 2 years		Later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
		2 years \$'000	5 years \$'000			
Operating						
Garbage collection	3,216	2,643	4,795	-	-	10,654
Cleaning contracts for council buildings	447	447	-	-	-	894
Other	316	70	9	-	-	395
Total	3,979	3,160	4,804	-	-	11,943
Capital						
Construction	961	-	-	-	-	961
Total	961	-	-	-	-	961

	2017	2016
	\$'000	\$'000
Note 33 Operating leases		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	680	574
Later than one year and not later than five years	655	507
Later than five years	266	261
	<u>1,601</u>	<u>1,342</u>
(b) Operating lease receivables		
At the reporting date, the Council had the following lease receivables under non-cancellable operating leases for the lease of Council Land and Buildings.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	63	58
Later than one year and not later than five years	173	186
Later than five years	289	318
	<u>525</u>	<u>562</u>

Note 34 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa
 Salary inflation 4.25% pa
 Price inflation (CPI) 2.5% pa.

Note 34 Superannuation (cont'd)

Vision Super has advised that the estimated VBI at June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and
A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$55,913

Note 35 Contingent liabilities and contingent assets

Contingent liabilities

Defined benefits

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 34. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Aged Care Units

Council has an obligation to re-purchase occupancy rights in respect of three aged care units. The rights must be re-purchased at a cost of 90% of the market value of the unit at the time the resident vacates the unit or deceases. At balance date the aggregate value of the obligation is estimated at \$565,979 (2015/16 \$687,550 for four units). The timing for re-purchase of these rights is uncertain.

Landfill site rehabilitation

Council operates a landfill at Anglesea. Council will have to carry out site rehabilitation works in the future. At balance date Council provided a Bank Guarantee to State of Victoria - Environment Protection Authority. The guarantee provides financial assurance up to \$545,000 for remedial action as defined in section 3.1 EPA Publication 777 Determination of financial assurance for Landfills, September 2001.

Guarantees for loans to other entities

Council has provided contract performance guarantees. The details and extent of Council exposure at the reporting date are as follows:

	2017	2016
	\$'000	\$'000
<i>Contract Performance:</i>		
Department of Minerals and Energy	20	20
Department of Energy and Resources	50	50
	<u>70</u>	<u>70</u>

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee

Note 36 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

- council have a policy for establishing credit limits for the entities Council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 35.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Note 36 Financial instruments (cont'd)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

e) Fair value

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 1.50%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

	2017 No.
Note 37 Related party disclosures	
(i) Key Management Personnel	
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:	
Councillors	
Councillor Brian McKiterick - Mayor (8/11/2016 to current)	
Councillor Rose Hodge - Mayor (01/07/2016 to 22/10/2016)	
Councillor Margot Smith	
Councillor Clive Goldsworthy	
Councillor David Bell	
Councillor Heather Wellington	
Councillor Carol McGregor	
Councillor Libby Coker (03/11/2016 to current)	
Councillor Martin Duke (03/11/2016 to current)	
Councillor Eve Fisher (01/07/2016 to 22/10/2016)	
Total Number of Councillors	10
Chief Executive Officer and other Key Management Personnel	
Keith Baillie	
Anne Howard	
Chris Pike	
Kate Sullivan (01/07/2016 to 02/11/2016)	
Phil Rowland (02/11/2016 to 01/05/2017)	
Ransce Salan (01/05/2017 to current)	
Total Number of Other Key Management Personnel	6
Total Key Management Personnel	<u>16</u>
(ii) Remuneration of Key Management Personnel	2017 \$,000
Total remuneration of key management personnel was as follows:	
Short-term benefits	1,097
Post-employment benefits	77
Other Long-term benefits	19
Termination benefits	-
	<u>1,193</u>
The numbers of key management personnel whose total remuneration from Council and any related entities fall within the following bands :	
	2017 No.
\$1 - \$9,999	1
\$10,000 - \$19,999	2
\$20,000 - \$29,999	6
\$40,000 - \$49,999	1
\$60,000 - \$69,999	1
\$70,000 - \$79,999	1
\$110,000 - \$119,999	1
\$120,000 - \$129,999	-
\$200,000 - \$209,999	2
\$260,000 - \$269,999	-
\$280,000 - \$289,999	1
	<u>16</u>

Note 37 Related party transactions (cont'd)

(iv) Transactions with related parties

During the period Council entered into the following transactions with related parties. -

(v) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties -

(vi) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows: -

(vii) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows: -

Note 38 Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$142,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2017 No.	2016 No.
Less than \$142,000	1	2
\$142,000 - \$149,999	6	5
	<u>7</u>	<u>7</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to 975 1,003

Note 39 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Surf Coast Shire Council
2016/2017 Financial Report

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

John Brockway CPA
Principal Accounting Officer

Date : 12 September 2017
Torquay

In our opinion the accompanying financial statements present fairly the financial transactions of Surf Coast Shire Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Margot Smith
Councillor

Date : 12 September 2017
Torquay

Clive Goldsworthy
Councillor

Date : 12 September 2017
Torquay

Keith Baillie
Chief Executive Officer

Date : 12 September 2017
Torquay

1.2 Performance Statement 2016 - 2017

Author's Title: Coordinator Governance & Corporate Planning **General Manager:** Anne Howard

Department: Governance & Risk

File No: F16/849

Division: Governance & Infrastructure

Trim No: IC17/1028

Appendix:

1. Performance Statement 2016-2017 (D17/59055)

Officer Direct or Indirect Conflict of Interest:

Status:

In accordance with Local Government Act 1989 – Section 80C:

Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c):

Yes

No

Yes

No

Reason: Nil

Reason: Nil

Purpose

The purpose of this report is to present the 2016 – 2017 Performance Statement to Council for its in-principle approval, as recommended by the Audit and Risk Committee and in accordance with section 132 of the *Local Government Act 1989* (the Act).

Summary

Section 132 of the Act requires Council to pass a resolution approving in principle the financial statements, standards statements and performance statement prior to submitting to the Victorian Auditor General for issue of an audit opinion. The audit was conducted on-site at Council's municipal office by the Victorian Auditor General's Office during the week commencing 21 August 2017.

The Audit and Risk Committee considered the statements at its meeting held on Thursday 7 September 2017. The Committee recommended that Council adopt in principle the 2016 – 2017 Performance Statement, and authorise two (2) Councillors to sign the statements in accordance with the Act.

Council's approval of the statements is required to enable the "in principle" statements to be signed, submitted to the Auditor- General to issue an audit opinion and included in the Annual Report to be lodged with the Minister by 30 September 2017.

Recommendation

That Council:

1. Approve in principle to the performance statement and submit the statement to the auditor for reporting on the audit.
2. Authorise Cr Margot Smith and Cr Clive Goldsworthy to sign the 2016 - 2017 Performance Statement in accordance with Section 132(5) of the Local Government Act 1989.
3. Require the 2016 - 2017 Performance Statement be referred back to Council if there are significant changes prior to signing.
4. Require that any minor changes to the 2016 - 2017 Performance Statement be reviewed by the two authorised Councillors prior to signing.

1.2 Performance Statement 2016 - 2017

Report

Background

The Local Government Act 1989 (the Act) requires Council to pass a resolution giving its approval in principle to the performance statement prior to submitting the statement to the Auditor General for issue of an audit opinion.

Section 132 of the Act states:

- (1) A Council must submit the performance statement and financial statements in their finalised form to the auditor for auditing as soon as possible after the end of the financial year.
- (2) The Council, after passing a resolution giving its approval in principle to the performance statement and financial statements, must submit the statements to the auditor for reporting on the audit.
- (3) The auditor must prepare a report on the performance statement.
- (4) The auditor must not sign a report under subsection (3) or under Part 3 of the Audit Act 1994 unless the performance statement or the financial statements (as applicable) have been certified under subsection (5).
- (5) The Council must ensure that the performance statement and financial statements, in their final form after any changes recommended or agreed by the auditor have been made, are certified in accordance with the regulations by -
 - (a) 2 Councillors authorised by the Council for the purposes of this subsection; and
 - (b) any other prescribed persons
- (6) The auditor must provide the Minister and the Council with a copy of the report on the performance statement as soon as is reasonably practicable.

The Audit and Risk Committee considered the statements at its meeting held on Thursday 7 September 2017. The Committee made a series of recommendations to Council, which are consistent with those outlined in this report. Council is required to consider the statements to enable an approved set to be signed and submitted to the Victorian Auditor-General for issue of an audit opinion. The audited statements can then be included in the Annual Report and lodged with the Minister by the due date of 30 September 2017.

Discussion

In accordance with its Charter, the Audit and Risk Committee is required to provide Council with the minutes of every meeting of the Committee, as well as a report explaining any specific recommendations and key outcomes. Due to the timing of both the audit process and Committee meeting, the full minutes of the Committee meeting are not included in this Council meeting agenda. An extract of the relevant section of the Committee resolution is provided as follows:

“That the Audit and Risk Committee recommend that Council

- (1) Adopt ‘in principle’ the 2016 - 2017 Performance Statement, subject to further adjustments required by Council’s auditor, in accordance with Section 132 of the Local Government Act 1989.
- (2) Authorise two Councillors to sign the 2016 - 2017 Performance Statement in accordance with Section 132(5) of the Local Government Act 1989.
- (3) Require the 2016 - 2017 Performance Statement be referred back to Council if there are significant changes prior to signing.
- (4) Require that any minor changes to the 2016 - 2017 Performance Statement be reviewed by the two authorised Councillors prior to signing.”

The Committee considered the 2016 - 2017 statements at its meeting held on 7 September 2017. Council staff and representatives of the Auditor-General’s office attended the Committee meeting to present and answer any questions.

It was the consensus of the Committee that the Performance Statement presents fairly the position of Surf Coast Shire Council at the conclusion of the 2016 - 2017 financial year.

Any recommended changes need to be made prior to submitting the statements to the Auditor-General for an audit opinion and lodgement of Council’s annual report to the Minister by the due date of 30 September 2017.

The minutes of the Committee held on 7 September 2017 will be provided for Council’s information at the November 2017 Ordinary Council Meeting.

1.2 Performance Statement 2016 - 2017

Financial Implications

The Performance Statement is prepared by Council officers and completed within approved operating budgets.

Council Plan

Theme 5 High Performing Council
Objective 5.2 Ensure that Council decision-making is balanced and transparent and the community is involved and informed
Strategy Nil

Policy/Legal Implications

Section 139 of the Local Government Act 1989 requires Council to establish an Audit and Risk Committee as an advisory committee of Council. The recommendation provided with this report ensures that Council is compliant with its statutory obligations.

Officer Direct or Indirect Interest

No officer involved in the preparation of this report has any conflicts of interest.

Risk Assessment

Council's performance statement is subject to a rigorous audit process to ensure accuracy. The Audit and Risk Committee also has a responsibility to review the statements prior to Council adoption of the statements in principle, and to raise any matters of concern.

Social Considerations

Not applicable.

Community Engagement

The Performance Statement will be published in the Annual Report.

Environmental Implications

Not applicable.

Communication

Council's Performance Statement is published in Council's Annual Report, which is available for the public to view at Council's offices or on Council's website.

Conclusion

The annual end of financial year reporting cycle provides a good opportunity for Council to reflect on its performance during the previous financial year.

1.2 Performance Statement 2016 - 2017

APPENDIX 1 PERFORMANCE STATEMENT 2016-2017

Surf Coast Shire Council

Performance Statement

For the year ended 30 June 2017

Performance Statement

For the year ended 30 June 2017

Description of municipality

Surf Coast Shire is located in south-western Victoria, 120km from Melbourne, 21km south of Geelong and covers 1,560 square kilometres.

Its proximity to the Princes Highway and Geelong Ring Road provides convenient road access to enhance the shire's appeal as a lifestyle, holiday, tourist and business destination.

Residents enjoy a high-quality lifestyle combining coastal, bushland and rural elements across nine distinct townships: Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea.

Surf Coast Shire has been recognised as one of Victoria's fastest growing municipalities for more than a decade. The combination of lifestyle and proximity to Melbourne has seen the permanent population grow from 20,872 in 2001 to an estimated 30,445 in 2017.

Surf Coast Shire's economy continues to experience strong growth with the top employment sectors including tourism, the surfing industry, accommodation and food services, construction and retail trade. With its rich agricultural and aesthetic attributes, the hinterland is increasingly contributing to the shire's economic development, particularly via local food and niche tourism opportunities.

The demands on Council to deliver essential infrastructure and community services will continue to increase in line with the needs of Surf Coast Shire's rapidly growing, changing community.

Sustainable Capacity Indicators

For the year ended 30 June 2017

<i>Indicator/measure</i>	Results			Material Variations
	2015	2016	2017	
Population				
<i>Expenses per head of municipal population</i>	\$1,985.11	\$2,124.43	\$2,164.33	No comment provided as there is no material variation.
[Total expenses / Municipal population]				
<i>Infrastructure per head of municipal population</i>	\$9,905.90	\$12,078.85	\$12,763.54	No comment provided as there is no material variation.
[Value of infrastructure / Municipal population]				
<i>Population density per length of road</i>	25.80	26.05	29.08	The ABS estimated residential population of Surf Coast Shire released on 28 July 2017 showed a 2.72% population increase from 29,639 in 2015 to 30,445 in 2016. In addition the length of local roads (sealed and unsealed) has decreased due to the incorrect inclusion of Council Car Parks in previous years reporting and the reclassification and / or removal of a number of unconstructed roads.
[Municipal population / Kilometres of local roads]				
Own-source revenue				
<i>Own-source revenue per head of municipal population</i>	\$1,721.18	\$1,866.14	\$1,821.58	No comment provided as there is no material variation.
[Own-source revenue / Municipal population]				
Recurrent grants				
<i>Recurrent grants per head of municipal population</i>	\$333.35	\$263.85	\$391.69	During 2017 Council received an advance payment of its 2018 Grants Commission grant of \$1.95m. Councils Roads to Recovery grant allocation increased by \$303,000 from the prior year.
[Recurrent grants / Municipal population]				
Disadvantage				
<i>Relative socio-economic disadvantage</i>	10.00	10.00	10.00	No comment provided as there is no material variation.
[Index of Relative Socio-economic Disadvantage by decile]				

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2017

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
Aquatic facilities				
Utilisation				
<i>Utilisation of aquatic facilities</i>	0.27	0.24	0.23	Council operates an outdoor pool at Winchelsea on a seasonal basis. Utilisation is influenced by fluctuations in weather conditions.
[Number of visits to aquatic facilities / Municipal population]				
Animal management				
Health and safety				
<i>Animal management prosecutions</i>	3.00	0.00	0.00	No prosecutions were initiated during 2016 - 2017.
[Number of successful animal management prosecutions]				
Food safety				
Health and safety				
<i>Critical and major non-compliance notifications</i>	100.00%	98.39%	99.37%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100				
Governance				
Satisfaction				
<i>Satisfaction with council decisions</i>	58.00	50.00	53.00	Council is increasingly using deliberative engagement processes to improve community involvement in Council's decision making process wherever possible and communicating decisions through various channels.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]				
Home and community care				
Participation				
<i>Participation in HACCC service</i>	27.00%	26.99%	N/A	Reporting on HACCC ceased on 1 July 2016 due to the

<i>Service/indicator/measure</i>	Results			Material Variations
	2015	2016	2017	
[Number of people that received a HACC service / Municipal target population for HACC services] x100 Participation <i>Participation in HACC service by CALD people</i>	13.00%	20.75%	N/A	introduction of the Commonwealth Government's NDIS and CHSP programs Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				
Libraries Participation <i>Active library members</i>	19.00%	19.88%	19.43%	No comment provided as there is no material variation.
[Number of active library members / Municipal population] x100				
Maternal and child health Participation <i>Participation in the MCH service</i>	72.00%	74.77%	78.42%	No comment provided as there is no material variation.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				
Participation <i>Participation in the MCH service by Aboriginal children</i>	76.00%	68.00%	81.25%	Higher participation rates in the "8 months and under" key age and stage checks has contributed to the significant percentage increase for this reporting period.
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100				
Roads Satisfaction <i>Satisfaction with sealed local roads</i>	65.00	61.00	61.00	No comment provided as there is no material variation.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]				

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
Statutory Planning				
Decision making				
<i>Council planning decisions upheld at VCAT</i>	75.00%	76.47%	80.95%	No comment provided as there is no material variation.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100				
Waste Collection				
Waste diversion				
<i>Kerbside collection waste diverted from landfill</i>	55.00%	54.26%	54.76%	No comment provided as there is no material variation.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*

Financial Performance Indicators

For the year ended 30 June 2017

Dimension/indicator/measure	Results		Forecasts				Material Variations	
	2015	2016	2017	2018	2019	2020		2021
Efficiency								
Revenue level								
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$2,012.67	\$2,104.52	\$2,150.50	\$2,176.05	\$2,228.86	\$2,287.26	\$2,346.72	No comment provided as there is no material variation.
Expenditure level								
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,741.90	\$2,878.00	\$3,096.18	\$3,129.91	\$3,012.83	\$2,943.17	\$3,052.77	No comment provided as there is no material variation.
Workforce turnover								
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.56%	6.26%	6.98%	0.00%	0.00%	0.00%	0.00%	The number of resignations and terminations increased by 3. Council does not forecast resignations or terminations in its Annual Budget.
Liquidity								
Working capital								
Current assets compared to current liabilities [Current assets / Current liabilities] x100	262.40%	252.55%	269.83%	341.93%	336.91%	282.21%	366.30%	Council's cash reserves were higher in 2016-17 compared to 2015-16 due to a number of large projects to be carried forward into the next financial year, plus the early receipt of 50% of the 2017-18 grants commission allocation. Council's Trade payables were higher in 2016-17 due to high operational and project activity at the end of the financial year. This is expected to return to normal levels in 2017-18. Movements

Dimension/ <i>indicator/measure</i>	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
								in future years are mainly due to movements in Council's landfill provision and related cash reserves as major works are carried out to increase the life expectancy of the Anglesea landfill.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-66.02%	-63.44%	-82.94%	20.80%	40.14%	72.05%	87.52%	Council's Term deposits with an original maturity of less than 90 days decreased in 2017 compared to 2016, however it is offset by an increase in its Term deposits with an original maturity of greater than 90 days (Other Financial Assets) to see an overall increase in value the Term Deposits it holds of \$7.3m to meet both short and long term cash requirements. Movements in future years are mainly due to Council holding higher amounts of unrestricted cash. This is mainly due increases to in Council's waste cash reserve in anticipation of future capital requirements, and that Council is not forecasting carry-forward capital works (restricted cash) in future years.
Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	63.17%	52.39%	43.71%	49.59%	52.20%	54.26%	53.41%	\$1,364M of renewal works were not completed during the 16-17 financial year and will be carried over to the 17-18 financial year. Going forward, Council has forecast a stable program of renewal works.

Dimension/indicator/measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Loans and borrowings								
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	37.71%	34.10%	31.34%	34.99%	31.81%	28.66%	25.56%	Council will borrow \$3m in 2017/18 to fund the completion of the Kurrabee Myaring Community Centre. No further borrowings are currently forecast.
Loans and borrowings								
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.99%	3.74%	3.58%	3.46%	4.11%	3.94%	3.77%	Council will borrow \$3m in 2017/18 to fund the completion of the Kurrabee Myaring Community Centre. No further borrowings are currently forecast.
Indebtedness								
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	59.94%	51.22%	46.72%	49.73%	46.94%	38.02%	34.85%	Non-current liabilities lower in 2018/19 due to reduction of landfill provision in that year due to capital works
Operating position								
Adjusted underlying result								
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	6.17%	3.59%	6.70%	-3.89%	2.96%	7.21%	5.70%	Councils adjusted underlying revenue increased by \$10.367m due mainly to an increase in rates of \$2.07m, Operating grants of \$4.073m and user and statutory fees of \$1.03m. Non-monetary contributions from developers and capital grants are expected to be higher in 2017/18 than in 2016/17
Stability								
Rates concentration								
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	71.06%	73.29%	67.48%	75.07%	74.60%	74.93%	75.32%	Non-monetary contributions from developers and capital grants are expected to be higher in 2017/18 than in 2016/17

Dimension/indicator/measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Rates effort								
Rates compared to property values	0.33%	0.34%	0.33%	0.34%	0.34%	0.35%	0.36%	No comment provided as there is no material variation.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100								

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2017

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 22 June 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

John Brockway CPA
Principal Accounting Officer
Dated: 12 September, 2017

In our opinion, the accompanying performance statement of the Surf Coast Shire Council for the year ended 30 June 2017 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.

Margot Smith
Councillor
Dated: 12 September, 2017

Clive Goldsworthy
Councillor
Dated: 12 September, 2017

Keith Baillie
Chief Executive Officer
Dated: 12 September, 2017

2. ENVIRONMENT & DEVELOPMENT

2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

Author's Title: Statutory Planner
Department: Planning & Development
Division: Environment & Development

General Manager: Ransce Salan
File No: 17/0106
Trim No: IC17/977

Appendix:

1. Planning Report (D17/50760)
2. Site Plans (D17/50775)
3. Officer Report (D17/94071)
4. Submitters List (D17/93645)

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1989 – Section 80C:

Yes

No

Reason: Nil

Status:

Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c):

Yes

No

Reason: Nil

Purpose

The purpose of this report is to determine Planning Permit Application 17/0106 for 1435 Anglesea Road, Bellbrae.

Summary

Council considered this item at its meeting on 22 August 2017 but did not make a decision on the application as under the *Planning and Environment Act 1987* Council must either determine whether to approve or refuse the application.

Since the August meeting, information has been made available by the permit applicant that provides context to the role of the telecommunications facility in the broader network. As set out in the discussion below, this facility is one part of a network servicing over 1,700 properties.

A refusal of the application must include Council's grounds of refusal in clear and understandable terms. The grounds must be specific enough so that the permit applicant, objectors and the Victorian Civil and Administrative Tribunal (VCAT) can understand the true basis on which the refusal was determined upon.

It is noted that the application has been with Council for more than 60 statutory days. It is possible the applicant may appeal Council's failure to determine. In the event that an appeal is lodged with VCAT before the Council meeting date due to Council's failure to decide on the application within the prescribed time (60 statutory days), Council will still need to make a decision as to whether it intends to pursue approval or refusal of the application should the matter proceed to VCAT.

Council now needs to make a determination on this Planning Permit Application and two options have been prepared, with the first option setting out the grounds for the refusal of the application. This is on the basis that the officer recommendation for approval was not supported at the last Council meeting. However, a second option for the approval has also been included should Council not determine to refuse. This second option is in line with the original officer recommendation.

Recommendation

That Council make a determination on Planning Permit Application 17/0106 for a Telecommunications Facility at 1435 Anglesea Road, Bellbrae.

2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

Report

Background

The land at 1435 Anglesea Road is zoned for farming and is currently developed by a dwelling and associated outbuildings. An application has been received to develop the land for a telecommunications facility comprising of a 46m high tower (including antennae) and associated ground level buildings within a 10m x 10m compound. The facility will form part of the NBN network.

Discussion

A detailed assessment of the application against the relevant provisions of the Surf Coast Planning Scheme is contained in the attached officer's report.

The State wide provisions with the Surf Coast Planning Scheme for a Telecommunications Facility are contained within clause 52.19. Under this provision the planning objectives for Victoria contained within the *Planning and Environment Act 1987* (the Act) have to be considered. The objectives have been included below.

(1) The objectives of planning in Victoria are—

(a) to provide for the fair, orderly, economic and sustainable use, and development of land;

(b) to provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity;

(c) to secure a pleasant and safe working, living and recreational environment for all Victorians and visitors to Victoria;

(d) to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;

(e) to protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;

(f) to facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e);

(g) to balance the present and future interests of all Victorians.

There is some scope for Council to consider the effectiveness of the coverage as a relevant matter to be considered (when making decisions) amongst other matters as the Act requires Council to consider, environmental, social, economic and issues. Through the provisions of 52.19 Council is being asked to consider the benefit to the community and to balance present and future interests of Victorians.

Council can only consider the proposal on the site that is the subject of this application. It is not open to Council to be considering the merits of an alternative site. Therefore the "public interest test" is limited to this site.

Since the August meeting, information has been made available by the permit applicant that provides context to the role of the telecommunications facility in the broader network.

In summary, the facility provides coverage to approximately 453 premises in Bellbrae and parts of West Bellbrae and through connection to four other NBN facilities, forms part of a network servicing at least 1,700 premises. Other serviced properties are located in Moriac, Gherang, Mt Duneed and parts of Torquay. The applicant advises that this equates to approximately 4,000 people that are reliant on the facility for access.

Sixty-five submissions were received and the applicant analysed 51 of these; these being the ones that were available at the time of the assessment. Forty (40) of the referenced objections raised coverage as a principal concern; the 40 objections were from 26 properties. Ericsson's radio engineers advise that 14 of the 26 properties are likely to receive the Fixed Wireless Service. For a further 11 properties, the planned technology has yet to be determined as it is on the periphery of modelled coverage. The applicant has advised only one (1) of the submitter's properties will certainly not receive coverage from the Fixed Wireless facility although NBN connectivity would be available via satellite.

Financial Implications

There are no direct financial impacts to Council for the processing of the application which occurs within operational budgets.

2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

Council Plan

Theme 3 Balancing Growth
Objective 3.2 Ensure infrastructure is in place to support existing communities and provide for growth
Strategy 3.2.6 Advocate for supporting infrastructure

Policy/Legal Implications

The application will be assessed against relevant provisions of the Surf Coast Planning Scheme in accordance with the requirements of the *Planning and Environment Act 1987*.

Officer Direct or Indirect Interest

No officer involved in the preparation of this report has any conflicts of interest.

Risk Assessment

The merits of the proposal will be considered against the relevant provisions of the Surf Coast Planning Scheme and *Planning and Environment Act 1987*.

Social Considerations

The objections received against the application raise matters which may be classed as social impacts including the impact of the development on visual amenity.

Community Engagement

Public notice of the application has been carried out in accordance with the requirements of the *Planning and Environment Act 1987*. Sixty four objections and one letter of support were received. A list summarising the concerns has been appended to this report.

Environmental Implications

There are no foreseen environmental implications in approving or refusing the proposed use and development.

Communication

In accordance with the requirements of the Act, a copy of Council's decision will be provided to the applicant and objecting parties (and other submitters as relevant) by mail.

Options

Council has two options available at this time:

Option 1

If Council determines this option (refusal) is most appropriate, then appropriate wording for a motion will be as follows:

That Council having caused notice of Planning Application No. 17/0106 to be given under Section 52 of the Planning and Environment Act 1987 and having considered all the matters required under Section 60 of the Planning and Environment Act 1987 decides to refuse to Grant a Permit under the provisions of the Surf Coast Planning Scheme in respect of the land known and described as 1435 Anglesea Road, Bellbrae for Use and Development of the Land for a Telecommunications Facility for the following reasons:

- 1. The telecommunications facility will not result in net community benefit and due to its siting will disadvantage some members of the community who will not have access to a reliable, affordable and effective telecommunications network.*
- 2. The telecommunications facility has not been sited to minimise visual impact and has an unacceptable visual impact on neighbouring properties and when viewed from the Anglesea Road gateway to the Great Ocean Road.*

Option 2

If Council determines this option (approval) is most appropriate, then appropriate wording for a motion will be as follows:

That Council having caused notice of Planning Permit No. 17/0106 to be given under Section 52 of the Planning and Environment Act 1987 and having considered all the matters required under Section 60 of the Planning and Environment Act 1987 decides to Grant a Notice of Decision to Grant a Permit under the provisions of the Surf Coast Planning Scheme in respect of the land known and described as for 1435

2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

Anglesea Road, Bellbrae for Use and Development of the Land for a Telecommunications Facility subject to the following conditions:

Endorsed Plans

1. *The use and development as shown on the endorsed plans must not be altered without the written consent of the responsible authority.*

Expiry

2. *This permit will expire if one of the following circumstances applies:*
 - a) *The use and development is not started within two years of the date of this permit*
 - b) *The development is not completed within four years of the date of this permit*
 - c) *The use is discontinued for a period of two years or more*

The Responsible Authority may extend the period for commencement of the development if a request is made in writing before the permit expires or within six months afterwards.

The Responsible Authority may extend the period in which the development must be completed if the request for an extension of time is made in writing within twelve months after the permit expires and the development or stage started lawfully before the permit expired.

Conclusion

As with all planning permit applications, a decision on this application requires a balancing of policy objectives. The facility will provide the infrastructure needed for the fixed wireless component of the National Broadband Network (NBN) which is an upgrade to Australia's existing telecommunications network.

There has been concern raised by objecting parties about the appropriateness of the site with respect to visual amenity and suitable coverage in particular. The visual impact is considered to meet the relevant tests of the scheme and while coverage must be considered by the provider in designing the broader network, it is not a specific planning consideration. It is, however, noted that the application information suggests that a greater number of properties will be serviced by the tower in its proposed location. Council's decision should aim to achieve a net community benefit. The public interest test in this instance would favour the greater number of properties able to be reached by the facility as submitted in this location. The officer recommendation remains unchanged as the second option in the report.

2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

APPENDIX 1 PLANNING REPORT

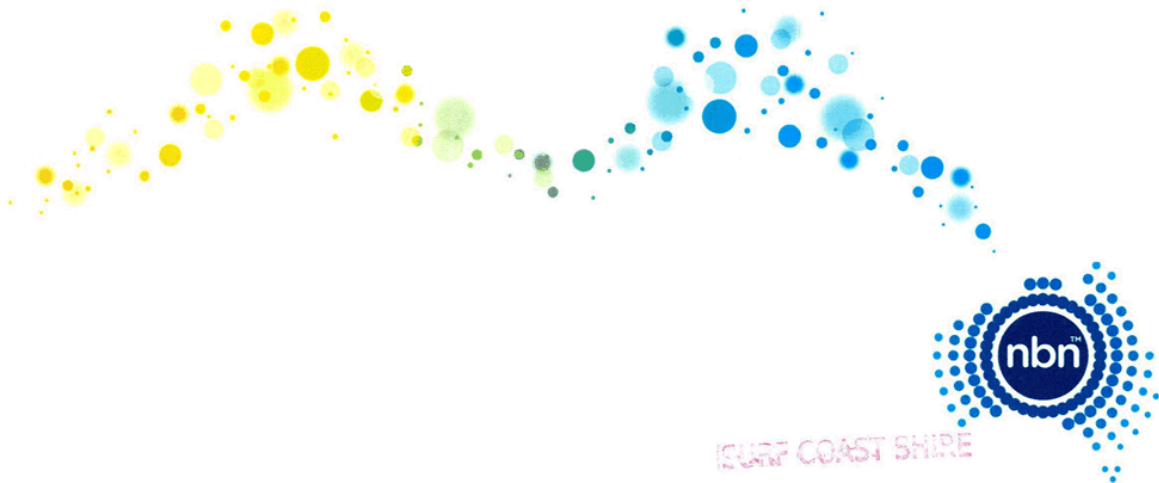


Planning Report

Proposed Fixed Wireless Facility

1435 Anglesea Road, Bellbrae VIC 3228

NBN SITE REFERENCE: 3MOO-51-01-BELR



SURF COAST SHIRE

4 APR 2017

PLANNING
DEPARTMENT

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Document control

Document information

Document number DA001
Document type DA Submission
Author David Hughes
Approver (owner) Aurecon/ NBN
Status Final
Issue date [14/03/2017](#)
Revision number <2.0>
Classification UNCLASSIFIED

Revision history

Date	Revision	Details
15/02/2017	1	Draft DA
14/03/2017	2	FINAL

SURF COAST SHIRE

4 APR 2017

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Executive Summary

Proposal	<p>nbn propose to install a new fixed wireless facility at Bellbrae comprised of the following:</p> <ul style="list-style-type: none"> ▪ A 45 metre high monopole; ▪ 1 X parabolic dish antenna; ▪ 4 X panel antennas; ▪ 8 X remote radio units; ▪ 4 X new outdoor cabinets (one future); and ▪ Ancillary equipment associated with operation of the facility, including cable trays, cabling, safe access methods, bird proofing, earthing, electrical works and air-conditioning equipment, inside a 10m x 10m fenced compound. 	
Purposes	The proposed facility is necessary to provide nbn™ fixed wireless coverage to Bellbrae.	
Property Details	<p><i>Lot & Plan No:</i> Lot 2 on Title Plan 865145J</p> <p><i>Street Address:</i> 1435 Anglesea Road, Bellbrae, VIC, 3228</p> <p><i>Property Owner:</i> M C Moore</p> <p><i>Site Area:</i> 29.25 ha (approx.)</p>	
Town Planning Scheme	<p><i>Council:</i> Surf Coast Shire</p> <p><i>Zones:</i> Farming Zone (FZ)</p> <p><i>Overlays:</i> Significant Landscape Overlay - Schedule 7 (SLO7) – part (not applying to facility location)</p> <p><i>Use Definition:</i> Telecommunications facility</p>	
Applicable Planning Policies	Relevant State & Local Planning Policies	Complies
	SPPF – Clause 19.03-4 Telecommunications	Yes
	MSS – Clause 21.01 – Profile and Vision	Yes
	- Clause 21.06 – Rural Landscape	Yes
	- Clause 21.14 – Bellbrae Strategy	Yes
	<i>Local Planning Policies</i> – None relevant	Yes
Application	Use and development for the purposes of construction and operation of a Telecommunications Facility (Fixed Wireless facility)	
Applicant	<p>nbn c/- Aurecon 850 Collins Street, Docklands VIC 3008 PO Box 23061, Docklands VIC 8012 Contact: David Hughes Our Ref: Bellbrae - NBN 3MOO-51-01-BELR</p>	

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1 INTRODUCTION

nbn has engaged Ericsson as the equipment vendor and project manager to establish the infrastructure required to facilitate the fixed wireless component of the National Broadband Network (**nbn**[™]). Ericsson has in turn engaged Aurecon to act on its behalf in relation to the establishment of the required fixed wireless network infrastructure.

The **nbn**[™] is an upgrade to Australia's existing telecommunications network. It is designed to provide Australians with access to fast, affordable and reliable internet and landline phone services.

nbn plans to upgrade the existing telecommunications network in the most cost-efficient way using best-fit technology and taking into consideration existing infrastructure.

To support the Fixed Wireless component of this network, **nbn**[™] requires a fixed wireless transmission site to provide fixed wireless internet coverage to Bellbrae and to serve as a key communications anchor point for other NBN Fixed Wireless facilities in the wider Surf Coast Shire Council region.

An in-depth site selection process was undertaken in the area prior to confirming the site as the preferred location. This process matched potential candidates against four key factors, namely:

- Town planning considerations (such as zoning, surrounding land uses, environmental significance and visual impact);
- The ability of the site to provide acceptable coverage levels to the area;
- Construction feasibility; and
- The ability for **nbn** to secure a lease agreement with the landowner.

This application seeks planning consent for:

- A 45 metre high monopole;
- radio transmission equipment; and
- ancillary equipment cabinets.

Located at 1435 Anglesea Road, Bellbrae, VIC 3228, formally referred to as Lot 2 on Title Plan 865145J.

This submission will provide assessment in respect of the relevant planning guidelines, and demonstrates site selection on the basis of:

- The site is designed so as to be appropriately located and sited to minimise visual impact on the immediate and surrounding area;
- The proposal is designed to comply with the Victorian Code of Practice for Telecommunications Facilities;
- The site is designed to achieve the required coverage objectives for the area;
- The proposal is designed to operate within the regulatory framework of Commonwealth, State and Local Government; and
- The facility is designed to operate within all current and relevant standards and is regulated by the Australian Communications and Media Authority.

2 BACKGROUND

2.1 nbn and the National Broadband Network

nbn is the organisation responsible for overseeing the upgrade of Australia's existing telecommunications network and for providing wholesale services to retail service providers. The **nbn** is designed to provide Australians with access to fast, affordable and reliable internet and landline phone services.

nbn plans to upgrade the existing telecommunications network in the most cost-efficient way using best-fit technology and taking into consideration existing infrastructure.

The **nbn**'s fixed wireless network will use cellular technology to transmit signals to and from a small antenna fixed on the outside of a home or business, which is pointed directly towards the fixed wireless facility.

nbn's fixed wireless network is designed to offer service providers with wholesale access speeds of up to 50Mbps for downloads and 20Mbps for uploads.¹

2.2 What is Fixed Wireless and how is it different to Mobile Broadband?

The **nbn**'s fixed wireless network, which uses advanced technology commonly referred to as LTE or 4G, is engineered to deliver services to a fixed number of premises within each coverage area. This means that the bandwidth per household is designed to be more consistent than mobile wireless, even in peak times of use.

Unlike a mobile wireless service where speeds can be affected by the number of people moving into and out of the area, the speed available in a fixed wireless network is designed to remain relatively steady.

2.3 The Fixed Wireless Network – Interdependencies

Although fixed wireless facilities are submitted to Council as standalone developments from a planning perspective, they are highly interdependent. Each fixed wireless facility is connected to another to form a chain of facilities that link back to the fibre network. This is called the 'transmission network'.

The transmission network requires line of sight from facility to facility until it reaches the fibre network. The fixed wireless network will remain unconnected without the transmission network and a break in this chain can have flow on effects to multiple communities.

¹ **nbn** is designing the **nbn** to provide these speeds to our wholesale customers, telephone and internet service providers. End user experience including the speeds actually achieved over the NBN depends on some factors outside **nbn**'s control like equipment quality, software, broadband plans and how the end user's service provider designs its network.

A typical fixed wireless facility will include three antennas mounted above the surrounding area. Each antenna is designed to cover a set area to maximise signal strength. These network antennas communicate to a small antenna installed on the roof of each customer's home or business.

The proposed Fixed Wireless facility at Bellbrae has been designed not only to provide fixed wireless services to the surrounding premises, but will also connect to a proposed facility at Torquay East.

The character of the Fixed Wireless network is visually demonstrated through Figure 1 below.

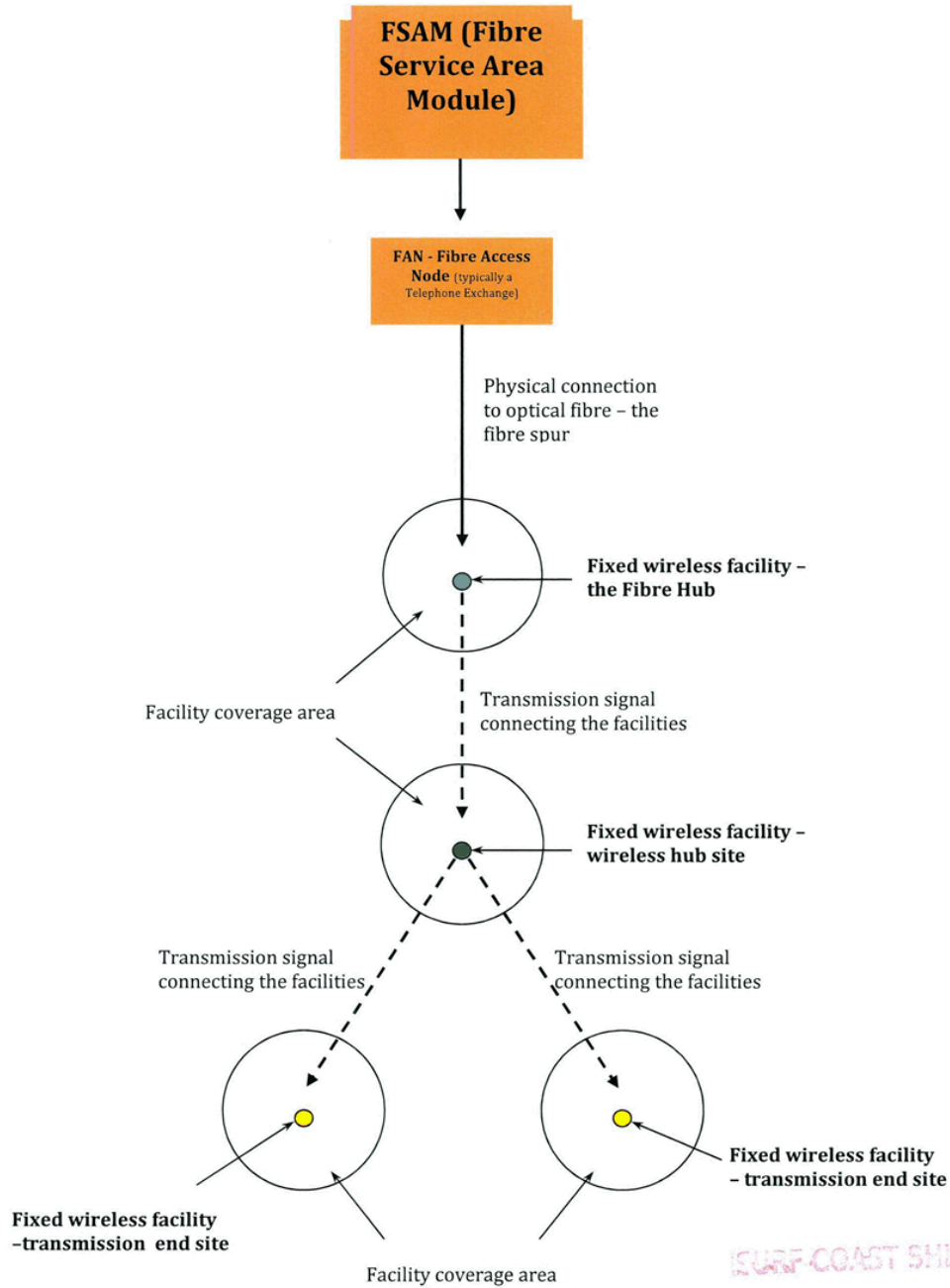


Figure 1: The fixed wireless network

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3 SITE SELECTION

Planning for a new fixed wireless broadband facility is a complex process. **nbn** conducts a rigorous multi-stage scoping process, as outlined below.

3.1 Identification of areas requiring Fixed Wireless coverage

nbn's Fixed Wireless locations are determined by a number of factors including the availability of both the **nbn** Fibre transit network and the availability of Point of Interconnect (POI) facilities to allow for the installation of **nbn** fibre equipment. **nbn** uses a number of methods to identify those parts of Australia that require Fixed Wireless coverage. When an area is identified as requiring Fixed Wireless coverage, investigations are undertaken to determine the measures required to provide this coverage.

nbn has identified a requirement to provide a Fixed Wireless facility at Bellbrae. The facility is designed to provide Fixed Wireless internet services to dwellings in Bellbrae, in addition to serving as a communications link for other NBN Fixed Wireless facilities in the Surf Coast Shire Council region.

3.2 Site Selection Parameters

nbn generally identifies an area where the requirement for a Fixed Wireless facility would be highest, a 'search area.' A preliminary investigation of the area is then generally undertaken, in conjunction with planning and property consultants, radiofrequency engineers and designers in order to identify possible locations to establish a facility.

Generally speaking, new sites must be located within, or immediately adjacent to, the identified search area in order to be technically feasible. However, while the operational and geographical aspects of deploying new facilities are primary factors, there are also many other issues that influence network design, which have to be resolved in parallel.

Some of the issues that may be considered include visual amenity, potential co-location opportunities, the availability and suitability of land as well as a willing site provider, occupational health and safety, construction issues (including structural and loading feasibility and access for maintenance purposes), topographical constraints affecting network line of sight, legislative policy constraints, environmental impacts, and cost implications.

The number, type and height of facilities required to complete the Fixed Wireless network are largely determined by the above operational, geographical and other factors discussed that influence final network design. These compounding factors often severely restrict the available search area within which a facility can be established to provide Fixed Wireless internet services to a local community.

3.3 Candidate Sites

A number of candidate sites were examined within the search area, with regard to each site's ability to meet the coverage objectives and site considerations listed in Section 3.2 of this report. It should be noted that nbn has attempted to utilise where possible as a first preference, any existing infrastructure or co-location opportunities.

There are no existing suitable co-location opportunities here.

With this site, there have been a number of alternatives considered. Initially some sites near the Great Ocean Road (GOR) were identified, but discounted due to concerns about visual impacts to the environmentally significant GOR corridor, or because tenure could not be secured. The following alternative sites were considered (refer aerial image next page):

Option A – 435 Great Ocean Road, Bellbrae

The proposal was for a 45m high facility on private farm land (within the Farming Zone) fronting the Great Ocean Road. Despite the presence of established vegetation in the immediate surrounds, a facility in this location would have resulted in significant visual intrusion on the Great Ocean Road corridor.

Option B – Recreation Reserve, School Road, Bellbrae

The proposal was for a 45m high facility at the Recreation Reserve (within the Public Park and Recreation Zone), near the car park in the reserve. This option was not selected as there was the potential for considerable visual impact given the location at the entrance to the Township and adjacent to the Great Ocean Road.

Option C – 'Bellbrae Estate' 520 Great Ocean Road, Bellbrae

The proposal was for a 45m high facility on farmland at rear of the Bellbrae Estate Vineyard (within the Farming Zone). Although initially considered to be a good option, with a reasonable setback from the Great Ocean Road and sufficient separation from the Township, the site was not selected as tenure could not be secured with the land owner.

Option D – 261 Vickers Road, Bellbrae

The proposal was for a 45m high facility at a rural property to the west of Bellbrae (within the Farming Zone) and was investigated at the recommendation of the Committee for Equitable Telecommunications Access in Bellbrae. A facility in this location was not pursued as adequate coverage could not be provided to a large number of premises in the target area.

Option E – 1435 Anglesea Road, Bellbrae (Selected Site)

The selected option involves a 45m high monopole on private farm land (within the Farming Zone), well setback from Grossmans Road and Anglesea Road. This site provides suitable coverage to the township and target area. The site also benefits from a good level of separation to the nearest dwellings and the presence of established vegetation nearby on the property.

Option F – 40 Seifferts Road, Bellbrae (Moores Road Frontage)

The proposal was for a 45m high monopole on private farm land (within the Farming Zone), approximately 1km to the south-west of the selected candidate. This option was not selected as it had a greater potential for visual impact than the selected candidate, with a greater number of dwellings in the surrounding area.

Option G – 485 Grossman Road, Bellbrae

The proposal was for a 45m monopole on private farm land (within the Farming Zone), approximately 110m to the north of the selected candidate. The site was not chosen as it was slightly more exposed and likely to be more visible than the selected candidate.

Given the attributes and suitability of a site located at **1435 Anglesea Road, Bellbrae (Alternative E)**, further alternative sites were not examined. These attributes include:

- A location sufficiently setback from surrounding rural dwellings so as to not result in unreasonable visual amenity impacts.
- A location also well set back from the Great Ocean Road corridor to mitigate visual impacts.
- The location of the site will not require the removal of any native vegetation.
- Ability for convenient access to be created to the site from existing access routes and for a power connection be provided from a reasonable distance away.
- A site that will provide the required fixed wireless coverage levels to the area.

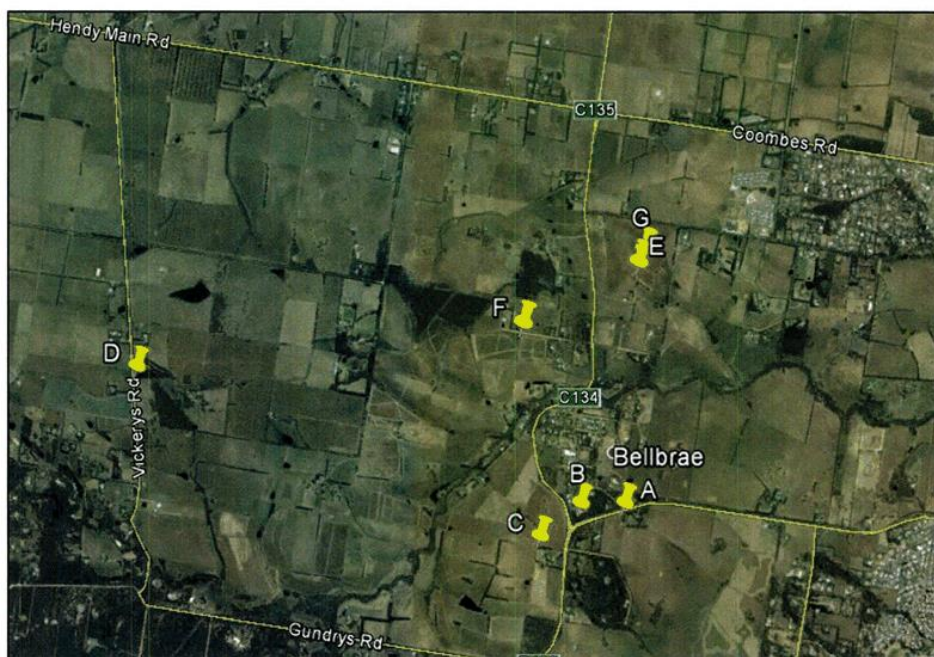


Figure 2: Aerial Photo of alternative candidates and surrounding area

4 SUBJECT SITE & SURROUNDS

The telecommunications facility is proposed to be located at 1435 Anglesea Road, Bellbrae. The land is formally described as Lot 2 on Title Plan 865145J.

The subject land is an irregular shaped rural property with boundaries to Moores Road to the south and Grossmans Road to the north. The property is accessed from a driveway approximately 270 metres long from the property dwelling to Anglesea Road to the west. The property is entirely within the Farming Zone. The property is partly covered by a Significant Landscape Overlay – Schedule 7 (SLO7) at its southern end. The SLO7 does not apply to the proposed site.

The site of the proposed facility is setback approximately 39 metres to the nearest boundary to the north-west. It is also setback approximately 370 metres east of Anglesea Road, 470 metres south of Grossmans Road and 560 metres north of Moores Road. This site location is also approximately 1.1 kilometres to the north of the Bellbrae town area, and approximately 1.9 kilometres to the north of the Great Ocean Road.

The property and surrounding rural properties are typically cleared, with established vegetation along fence lines, property dwellings and along road sides. The proposed facility location is near a high point on the property which is desirable for coverage purposes. There is a row of established trees on the boundary nearby to approximately 6 metres in height, which will provide some screening to the base of the proposed facility.

The site of the proposed facility is well located in relation to being separated from surrounding rural dwellings. The nearest rural residential dwelling is approximately 400 metres to the south-west. The nearest other rural dwelling is approximately 440 metres to the south-east. These distances will help ameliorate visual impacts to surrounding rural dwellings.

The site context is as follows:

- All surrounding land is within the Farming Zone (FZ) and consists of rural allotments of various sizes largely cleared and developed with rural dwellings and sheds.
- Surrounding land is undulating and the variable surrounding topography will assist in screening views of the facility.
- As noted previously existing vegetation is present mainly along fence lines, along road frontages and around the rural dwellings.

The location is considered well suited to the facility on the basis that it will have ample separation from surrounding rural dwellings, the Bellbrae township and the Great Ocean Road. Vegetation noted both adjacent to the site and in the surrounds in combination with the variable surrounding topography will minimise visibility of the facility.

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Figure 3: Aerial Photo of subject site and proposed facility location



Figure 4: Looking south (approx.) towards the proposed facility location.

5 THE PROPOSAL

5.1 Facility and Equipment Details

5.1.1 Equipment to be installed

Approval is sought for the development of a telecommunications facility, comprising a 45 metre high monopole with antennas, and ancillary components including two outdoor equipment cabinets, enclosed within an 100m² fenced leased area.

The proposed **nbn™** Fixed Wireless facility at Bellbrae is also designed to be a critical connection point for proposed facilities at Torquay East, for which planning approval has been obtained.

The proposed 45 metre monopole will accommodate:

- Four (4) x panel antennas, measuring approximately 750/957mm (2 each) x 300mm x 115mm at 45 metres;
- one (1) x 900mm transmission dish antenna at 42,5m; and
- eight (8) x remote radio units mounted behind the antennas.

Associated facilities include the cabinets, cable ladder and a power distribution board within a 10m x 10m compound enclosed by a 2.4m high chainwire security fence with 3.0m wide access gate. The compound will have a setback of 39m from the closest title boundary to the north-west. As noted earlier the facility will be approximately 370 metres east of the Anglesea Road. Please refer to **Appendix 3 – Proposed Plans** for further details.

5.1.2 Access and Parking Details

The proposed **nbn™** network compound will be accessed from an existing access track from Anglesea Road, and existing access tracks within the property.

The facility and ancillary components are proposed to be constructed over the one title. A copy of the Title is provided as **Appendix 1**. Plans indicating the details of the proposal form part of the documentation of this application. Additional photos of the site and proposed development plans are provided as **Appendices 2 and 3** respectively.

nbn considers the site access to be appropriate given the **nbn™** network facility will not be a significant generator of traffic. Once operational, the facility should require once annual maintenance visits, but would remain unattended at all other times. As the facility is expected to generate minimal trips per year, it is anticipated that traffic interference will be negligible.

During the construction phase, it is planned that a truck will be used to deliver the equipment and a crane will be utilised to lift most of the equipment into place. Any traffic impacts associated with construction are expected to be of a short-term duration and are not anticipated to adversely impact on the surrounding road network. In the unlikely event that road closure will be required, **nbn** will apply to the relevant authorities for permission.

A total construction period of approximately ten weeks (including civil works and network integration and equipment commissioning) is anticipated. Construction activities will

involve four basic stages:

- Stage 1 (Week 1) – Site preparation works, including field testing, excavation and construction of foundations;
- Stage 2 (Weeks 2, 3 and 4) – Construction of the mast;
- Stage 3 (Weeks 5 and 6) – Construction of the equipment cabinets;
- Stage 4 (Weeks 7 – 10) – Installation of antennas and radio equipment, as well as equipment testing.

Once operational, the facility is designed to function on a continuously unstaffed basis and will typically only require maintenance works once a year, for approximately one day per year.

5.1.3 Utility Service Details

The facility will be powered by a proposed underground power cable route approximately 100m to the south to an existing power supply on the property. (see Overall Site Plan drawing).

5.1.4 Construction and Noise

Noise and vibration emissions associated with the proposed facility are expected to be limited to the construction phase outlined above. Noise generated during the construction phase is anticipated to be of short duration and accord with the standards outlined in the relevant EPA guidelines. Construction works are planned only to occur between the hours of 7.00am and 6.00pm.

There is expected to be some low level noise from the ongoing operation of air conditioning equipment associated with the equipment units, once installed. Noise emanating from the air conditioning equipment is expected to be at a comparable level to a domestic air conditioning installation, and should generally accord with the background noise levels prescribed by relevant guidelines.

5.2 Site Selection

The reasons for selecting this site are summarised as follows:

- The proposed site has been particularly targeted to provide the optimal required quality of service as required by NBN Co to the Bellbrae target area.
- The site provides sufficient spatial separation from the Bellbrae township and surrounding rural dwellings whilst being close enough to the target area.
- The facility and associated development will not require the removal of any native vegetation.
- Vegetation cover in close proximity to the site and surrounds will assist in minimising visual impacts of the lower portion of the facility.
- Other views to the facility will be quite distant given its generous setback from the surrounding road network as has been described.
- The property and site is in a Farming Zone, with no planning overlays applying to the actual site of the proposed facility.

6 CURRENT PLANNING CONTROLS

6.1 Commonwealth Legislation – The Telecommunications Act

As a licensed telecommunications carrier, NBN Co must operate under the provisions of the *Telecommunications Act 1997* and the following supporting legislation:

- The *Telecommunications Code of Practice 1997*;
- The *Telecommunications (Low-impact Facilities) Determination 1997* (as amended); and
- The *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*.

6.1.1 The Telecommunications Act

This legislation establishes the criteria for 'low impact' telecommunication facilities. If a proposed facility satisfies the requirements of a 'low impact' facility, the development is exempt from the planning approval process.

Further clarification of the term 'low impact' is provided in the *Telecommunications Act 1997* and the *Telecommunications (Low Impact Facilities) Determination 1997*, which was gazetted subsequent to the Act. The *Telecommunications (Low Impact Facilities) Determination 1997* establishes certain facilities, which cannot be considered 'low impact' facilities.

The proposed facility is not low impact under the definitions contained in the Commonwealth legislation. Planning consent is therefore required for the proposed facility.

6.1.2 Telecommunications Code of Practice 1997

Under the *Telecommunications Act 1997*, the Government established the *Telecommunications Code of Practice 1997*, which sets out the conditions under which a carrier must operate. Section 2.11 of the *Telecommunications Code of Practice 1997* sets out the design, planning and installation requirements for the carriers to ensure the installation of facilities is in accordance with industry 'best practice'. This is required to:

"... minimise the potential degradation of the environment and the visual amenity associated with the facilities." [Section 2.11(3)]

The siting and design of the proposal has taken place in accordance with Section 3 (Planning and Siting) of the Australian Standard – Siting of Radio Communications Facilities (AS/NZS 5070.2:2008).

Furthermore, following an assessment of the available options, it became evident that there were no suitable existing telecommunications facilities or other structures (including buildings or power poles) located within the search area that could provide the required site objective/co-location opportunities.

6.1.3 The Telecommunications (Low-impact Facilities) Determination 1997

The *Telecommunications (Low-impact Facilities) Determination 1997* identifies both the type of facilities that can be "Low-impact", and the areas in which these facilities can be installed. Importantly, this proposed facility is not defined as a "low impact facility" and is therefore subject to State and Territory Planning Laws and Regulation. In this specific instance, the provisions of the *Planning and Environment Act 1987* and the *Surf Coast Planning Scheme* will be applicable to the proposal.

6.1.4 The Environment Protection and Biodiversity Conservation Act 1999

The *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* obliges telecommunications carriers to consider 'matters of national environmental significance'. Under this legislation, an action will require approval from the Minister for the Environment if the action has or is likely to have an impact on a matter of 'national environmental significance'. According to the EPBC Act 1999, there are nine matters of national significance which must be considered.

All relevant EPBC matters have been considered. It is not anticipated that the proposal will have a significant impact on any matters of national environmental significance. Accordingly, approval from the Minister for the Environment is not expected to be required in this instance.

6.2 State Legislation – Code of Practice for Telecommunications Facilities in Victoria, July 2004

A *Code of Practice for Telecommunications Facilities in Victoria (July 2004) (Code)* is an incorporated document in all Planning Schemes in Victoria pursuant to Clause 81 of the Victorian Planning Provisions. The purpose of the Code is to:

- *Set out the circumstances and requirements under which land may be developed for a telecommunications facility without the need for a planning permit.*
- *Set out principles for the design, siting, construction and operation of a telecommunications facility which a responsible authority must consider when deciding on an application for a planning permit.*

It aims to:

- *Ensure that telecommunications infrastructure and services are provided in an efficient and cost effective manner to meet community needs.*
- *Ensure the application of consistent provisions for telecommunications facilities.*
- *Encourage an effective statewide telecommunications network in a manner consistent with the economic, environmental and social objectives of planning in Victoria as set out in Section 4 of the Planning and Environment Act 1987 (Vic).*
- *Encourage the provision of telecommunications facilities with minimal impact on the amenity of the area.*

Section 4 of the Code of Practice establishes principles to be applied where relevant to the design, siting, construction and operation of any telecommunications facility, which is not exempt under Commonwealth legislation. Such principles will be addressed in section 7.1 of this report.

State Planning Policy Framework

The State Planning Policy Framework (SPPF) must be considered when determining a permit application.

Clause 19.03-4 of the SPPF is specific to 'Telecommunications' and states the objective, strategies and policy guidelines in relation to such developments. The specific objective for telecommunications is *to facilitate the orderly development, extension and maintenance of telecommunication infrastructure.*

Clause 19.03-4 lists a number of strategies on how this objective can be implemented. In particular it is stated that a Planning Scheme should *not prohibit the use of land for a telecommunications facility in any zone.*

Generally the clause seeks to recognise that telecommunications is an essential aspect of all modern life, to ensure no adverse impacts upon the environment relating from telecommunications facilities and to reflect the implications of the Commonwealth and State legislation specific to telecommunications facilities. There have been a number of VCAT cases about telecommunications facilities, and VCAT decisions consistently point out the strong support the SPPF gives to consideration of such applications.

6.3 The Municipal Strategic Statement

The Surf Coast Planning Scheme includes Council's *Municipal Strategic Statement (MSS)*, which forms part of the Local Planning Policy Framework (LPPF) and is intended to guide future development within the municipality. Like the SPPF, the LPPF is a relevant consideration in determining any permit application.

The MSS aims to provide a vision and clear strategic directions for land use and development in the Surf Coast Shire Council, in a way which helps achieve economic, social and environmental goals.

The following areas of Council's MSS are considered relevant to the proposal:

Clause 21.01 Profile and Vision includes Clause 21.01-3 Vision.

At **Clause 21.01-3 Vision**, the Surf Coast Shire Vision is described as:

"Working towards an engaged, innovative and sustainable community"

This vision is supported by five main themes including the following two themes of relevance:

- *Infrastructure: We are committed to understanding and meeting our community's needs for accessible, well maintained and safe infrastructure.*
- *Development & Growth: We foster healthy and sustainable communities by supporting tourism and rural businesses, and encouraging clean industries and development that respects the Surf Coast's environment and lifestyle.*

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In summary it is submitted that the proposal is broadly consistent with Council's MSS, in that the need for improved infrastructure is recognised, and that provision of sophisticated communications facilities proposed by the NBN will contribute to the sustainable economic development of the Bellbrae area.

Clause 21.06 Rural Landscape identifies the site as being within the 'Cape Otway Road to Northern Foot Hills and Coast' landscape unit.

At **Clause 21.06-3 Landscape Outcomes** the following objectives are provided:

- *To protect and enhance the landscape values of the rural precincts as described in Clause 21.06-2.*
- *To protect and maintain open and uncluttered rural landscapes, including vistas from main road corridors.*

Clause 21.06-4 Implementation notes under 'Using policy and the exercise of discretion', that 'In considering any application for non-agricultural land use and/or development apply the following development principles':

- *Buildings should be of modest scale and nestle into the landscape;*
- *Buildings should be subservient to the landscape so as to not detract from its visual qualities;*
- *Proposals should include net gain environmental outcomes; and*
- *Development should be self-sufficient in the provision of infrastructure and associated costs.*

The following is the descriptor for the Cape Otway Road to Northern Foot Hills and Coast landscape unit.

Cape Otway Road to the Northern Foothills and Coast – *visually attractive undulating landscape of open farm land, framed by dense bushland. It extends from the steepening valleys and foothills of the northern slopes of the Otway Ranges in the west, through the lifestyle bush blocks of Wensleydale and Gherang to the semi-pastoral hills of Bells Beach in the east. The gently rolling hills, with some incised creeks and gullies, and pockets of remnant vegetation contribute to a sheltered, enclosed landscape. Buildings tend to be located away from roads, often in valleys or among trees. Bells Beach is listed on the Victorian Heritage Register for its cultural and aesthetic heritage values. While the main land use in the precinct is farming, it occurs predominantly for lifestyle purposes. Dairying, particularly concentrated around Deans Marsh, has declined and timber, grass seed production, vines and olive groves are emerging. There are a number of rural tourism businesses primarily around Deans Marsh and Bellbrae. The landscape and environmental values of this precinct are the primary reasons for its attractiveness for tourist and lifestyle use and development.*

There are a number of objectives and strategies for landscape outcomes, the most relevant being:

Objective 1

To protect and enhance the landscape values of the rural precincts as described in Clause 21.06-2 above.

Objective 2

To protect and maintain open and uncluttered rural landscapes, including vistas from main road corridors.

In regard to the rural landscape policy at Clause 21.06, it is submitted that the proposal represents a relatively minor intrusion into the Cape Otway Road to Northern Foot Hills and Coast landscape unit. The proposed site is extremely well setback from the nearest main roads which are Grossmans, Anglesea, Moores and the Great Ocean Road. The proposed facility is approximately 370 metres east of Anglesea Road which is the closest of the main roads to the site.

Whilst it will be noticeable, we submit that at the distances noted to the surrounding roads it would appear of modest scale and subservient to the landscape so as not to detract from its visual qualities. It would also have little if any impact on the significant Great Ocean Road corridor at approximately 1.9 kilometres distance. The surrounding rural landscape would therefore maintain its open and uncluttered landscape. Whilst there is a Significant landscape Overlay (SLO7) applying to the southern part of the property and part of the Bellbrae township, it has not been applied to the northern portion of the property where the facility is proposed. The proposal would otherwise provide necessary infrastructure which meets the State and Local Planning Policy Frameworks.

The proposed siting of the facility has avoided a completely exposed location, and vegetation adjacent to the facility location will assist with reducing visual impacts with the lower part of the facility. The structure is a monopole and visibility of such structures tends to diminish over distance. Visual amenity considerations are discussed further at Section 7.1 of this submission.

6.4 Local Policies

Clause 21.14 is the **Bellbrae Strategy**. The Bellbrae Strategic Framework Plan (Figure 1) sets out the general pattern of land use and development envisaged for the town. The purpose of the Framework Plan is to provide an overview of land use in and around Bellbrae and to identify locations where specific land use outcomes will be supported and promoted to achieve the strategic vision.

Like many small town strategies it notes a lack of key infrastructure as a key issue, without being specific to telecommunications facilities. The proposed site is well to the north of the area covered by this strategy, and so the strategy does not apply to the subject land.

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6.4.1 Zoning

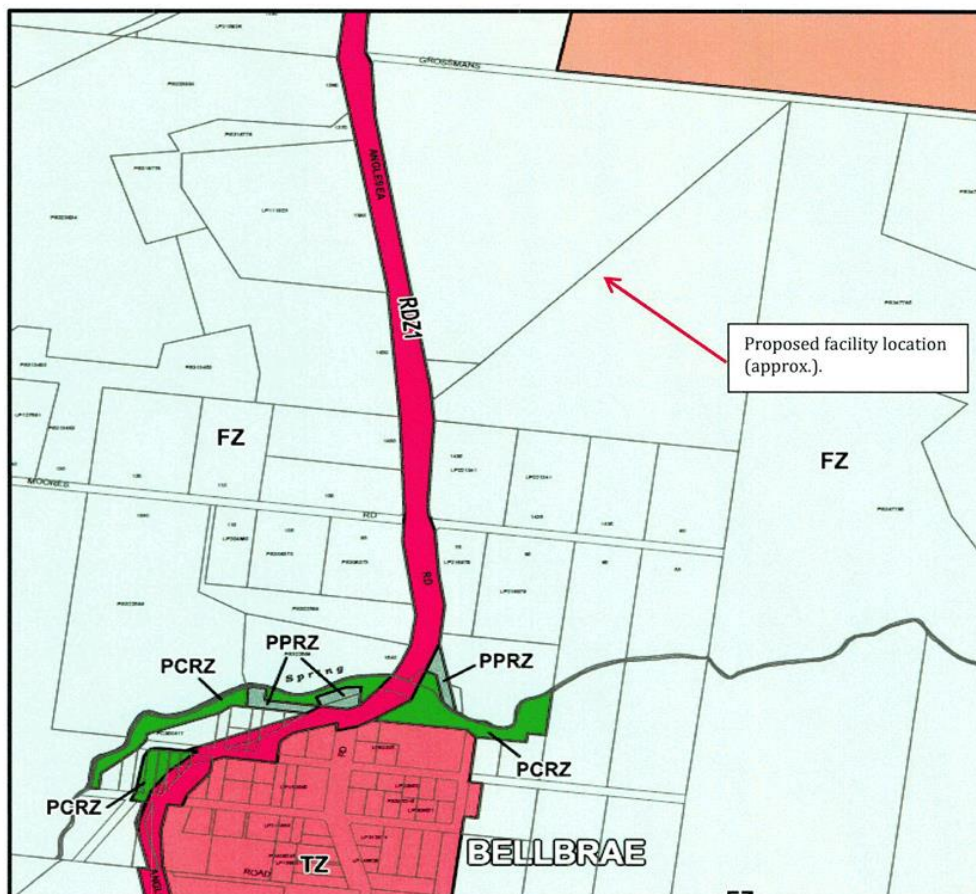


Figure 5: Zoning Map

The site is located within the **Farming Zone (FZ)** pursuant to **Clause 35.07** of the Surf Coast Planning Scheme. The purpose of this zone is:

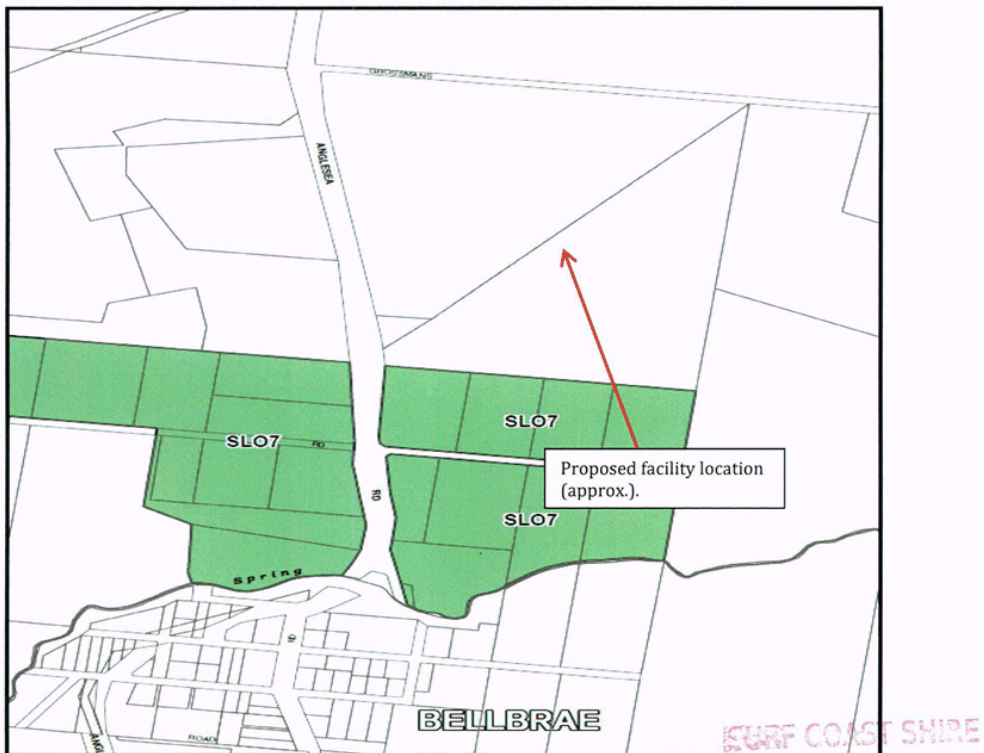
- To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- To provide for the use of land for agriculture.
- To encourage the retention of productive agricultural land.
- To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture.
- To encourage the retention of employment and population to support rural communities.

- to encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.

Pursuant to the Table of uses a Telecommunications facility is a 'Section 1' use (permit not required) under "Any use listed in Clause 62.01." Telecommunications facility is also subject to a condition that Buildings and works must meet the requirements of Clause 52.19. The proposed facility requires a permit for use and buildings and works under Clause 52.19 as it is not a low impact facility or other exempt facility listed under Clause 52.19-2.

6.5 Overlays

There are no overlays affecting the subject site. We have noted the SLO7 applies to the southern part of the property (see below).



6.6 Particular Provisions

Clause 52.19 of the Planning Scheme provides for development and use of all land for the purpose of 'telecommunications facilities'. This land use is defined as:

Land used to accommodate any part of the infrastructure of a Telecommunications network. It includes any telecommunications line, equipment, apparatus, telecommunications tower,

mast, antenna, tunnel, duct, hole, pit, pole, or other structure or thing used, or for use in or in connection with a Telecommunications network.

Clause 52.19-5 of the Planning Scheme lists the information to be submitted with any application as appropriate to the proposal and location. The required information includes a site analysis and design response explaining how the proposed facility addresses the principles of design, siting, construction and operation of telecommunications facilities, as contained in the Code of Practice.

The purpose of Clause 52.19 is generally to ensure infrastructure and services are provided in an efficient and cost effective manner, encourage an effective statewide telecommunications network, and encourage the provision of telecommunications facilities with minimal impact on the amenity of the area.

Before deciding on a permit application under clause 52.19, Council must consider:

- *The decision guidelines under clause 65 of the Planning Scheme.*
- *The principles for the design, siting, construction and operation of a Telecommunications facility set out in A Code of Practice for Telecommunications Facilities in Victoria.*
- *The effect of the proposal on adjacent land.*
- *If the Telecommunications facility is located in an Environmental Significance Overlay, a Vegetation Protection Overlay, a Significant Landscape Overlay, a Heritage Overlay, a Design and Development Overlay or an Erosion Management Overlay, the decision guidelines in those overlays and the schedules to those overlays.*

Information to be submitted with the application under Clause 52.19-5 of the Planning Scheme has been addressed in this submission or attached to this application.

6.7 General provisions (Use and development not requiring a permit)

Clause 62 of the Planning Scheme identifies a number of land uses, buildings and works which do not require a planning permit.

Relevantly:

- Clause 62.01 states that “[a]ny requirement in this scheme relating to the use of land does not apply to... [t]he use of land for a telecommunications facility if the associated buildings and works meet the requirements of Clause 52.19”; and
- Clause 62.02-1 states that “[a]ny requirement in this scheme relating to the construction of a building or the construction or carrying out of works does not apply to buildings and works associated with a telecommunications facility if the requirements of Clause 52.19 are met.”

In our view, as the proposal is not a permit exempt facility under Clause 52.19, a permit is required for use and development.

6.8 General Provisions (Referrals)

Clause 66 of the Planning Scheme requires the Responsible Authority to refer specific applications to nominated referral authorities in accordance with Section 55 of the Planning and Environment Act 1987.

7 PLANNING CONSIDERATIONS

7.1 Design Response

The principles contained within the Code specifically relate to the issues of design, siting, construction and operation of telecommunications facilities. These principles are the basis for the content of any design response, as required by Clause 52.19-5 of the Planning Scheme.

Principle 1	<i>A Telecommunications Facility should be sited to minimise visual impact</i>
<p>The proposal involves the erection of a new 45 metre high monopole and associated antennas. Associated equipment will be located within the 100 square metre lease area with the outdoor cabinets and power distribution board located on ground level.</p> <p>One of the many factors that are considered by nbn in determining their preferred sites for nbnTM wireless facilities is the amenity of the surrounding area.</p> <p>It is submitted that the visual impact of the proposal is minimized by the site being well removed from surrounding roads and surrounding rural dwellings, as has been described earlier. The site selection has resulted in a rural property that has an ample degree of separation from surrounding dwellings, whilst at the same time being close enough to achieve the required quality of service.</p> <p>Furthermore some nearby tree cover closely located to the proposed site will help minimize visibility of the lower portion of the facility. The surrounding area is quite variable in topography, which combined with tree cover in the surrounds will assist in interrupting views to the proposed telecommunications facility. For example, Wood Road in the main town area of Bellbrae is at a lower elevation than the site (approximately 40 metres), and is approximately 1.1 kilometres south of the proposed site.</p> <p>The view of VCAT which has been upheld on numerous occasions is that such facilities will inevitably be seen due to their height and the function they serve. The main issue is to strike an appropriate balance between any visual impacts and the overall community benefits from modern communications infrastructure. It is submitted that the right balance has been achieved for this proposal (Refer photomontages, Appendix 5).</p> <p>As such, the proposed new facility will have limited visual impact on the existing landscape setting as seen by local residents and people passing through the area. The development should not impact upon the character of Bellbrae.</p>	

In summary:

- The subject site is well separated in relation to distances from the nearest rural dwellings, which will minimize visual impacts;
- The facility is designed/sited so as not to compromise any significant views or places of significance or local landmarks. The site and immediate surrounds are not identified in the planning scheme as being of landscape significance, with the SLO7 area to the south;
- The height and design of the proposed tower is considered to be the minimum required to achieve reasonable Radio Frequency (RF) objectives; and
- The site is well removed from surrounding roads, particularly the Great Ocean Road which is approximately 1.9 kilometres to the south. At this distance visual impacts of the proposed facility should be limited.
- The surrounding road network typically features power poles and associated lines. There are also other telecommunications towers in the broader area, examples being at Grossmans Road to the north and the Great Ocean Road to the south.

Principle 2

A Telecommunications Facility should be co-located wherever practical.

nbn aims to investigate all possible co-location opportunities when selecting a site. There are no practical co-location options available here. The two (2) other towers noted above were too far from the preferred search area to be considered.

Principle 3

Health standards for exposure to radio emissions will be met

The proposal will be designed and is intended to be installed to satisfy the requirements contained with *Radiation Protection Standard – Maximum Exposure Levels to Radiofrequency Fields – 3kHz to 300 GHz, ARPANSA, May 2002 (Standard)*.

An EME report has been produced for the Telecommunications Facility and is attached as **Appendix 4**. As explained in section 8.7.1 below, the report shows that the proposed facility complies with the Standard, with the maximum predicted EME will equating to 0.11% of the maximum exposure limit. This is substantially less than 1% of the maximum allowable exposure limit (where 100% of the limit is still considered to be safe).

Principle 4

Disturbance and risk relating to siting and construction should be minimised. Construction activity and site location should comply with State environment protection policies and best practice environmental management guidelines.

The site already comprises a modified environment, being a rural property. Any further disturbance to the existing property is expected to be minimal and limited to the building activities within the existing compound area and access route during construction activities.

The construction area and overall compound area of the facility is designed to have minimal disturbance to the environmental characteristics of the site. The installation of the proposed facility can be undertaken at any time and is not anticipated to affect the use of the site or the surrounding area due to the accessibility of the site.

Construction of the facility is designed to be carried out in accordance with relevant Occupational Health and Safety Guidelines. **nbn** intends to reinstate any damage to the existing property to the standard that existed prior to the facility being installed.

nbn considers that construction of the facility is unlikely to cause any disruption to adjoining properties or public access areas. Due care will be taken to ensure construction is undertaken at times least likely to cause disturbance.

7.2 Zoning

As the proposed **nbn**TM facility at Bellbrae is not classified as a 'low impact facility' under the Telecommunications (Low Impact) Facilities Determination 1997, a permit is required for use and buildings and works for the proposed facility under the Farming Zone (FZ), as outlined previously.

Before deciding on an application in the Farming Zone, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

General Issues

- *The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*
- *Any Regional Catchment Strategy and associated plan applying to the land.*
- *The capability of the land to accommodate the proposed use or development, including the disposal of effluent.*
- *How the use or development relates to sustainable land management.*
- *Whether the site is suitable for the use or development and whether the proposal is compatible with adjoining and nearby land uses.*
- *How the use and development makes use of existing infrastructure and services.*

Agricultural issues and the impacts from non-agricultural issues

- *Whether the use or development will support and enhance agricultural production.*
- *Whether the use or development will adversely affect soil quality or permanently remove land from agricultural production.*
- *The potential for the use or development to limit the operation and expansion of adjoining and nearby agricultural uses.*
- *The capacity of the site to sustain the agricultural use.*
- *The agricultural qualities of the land, such as soil quality, access to water and access to rural infrastructure.*

- *Any integrated land management plan prepared for the site.*

Dwelling issues

- *Whether the dwelling will result in the loss or fragmentation of productive agricultural land.*
- *Whether the dwelling will be adversely affected by agricultural activities on adjacent and nearby land due to dust, noise, odour, use of chemicals and farm machinery, traffic and hours of operation.*
- *Whether the dwelling will adversely affect the operation and expansion of adjoining and nearby agricultural uses.*
- *The potential for the proposal to lead to a concentration and proliferation of dwellings in the area and the impact of this on the use of the land for agriculture.*

Environmental issues

- *The impact of the proposal on the natural physical features and resources of the area, in particular on soil and water quality.*
- *The impact of the use or development on the flora and fauna on the site and its surrounds.*
- *The need to protect and enhance the biodiversity of the area, including the retention of vegetation and faunal habitat and the need to revegetate land including riparian buffers along waterways, gullies, ridgelines, property boundaries and saline discharge and recharge area.*
- *The location of on-site effluent disposal areas to minimise the impact of nutrient loads on waterways and native vegetation.*

Design and siting issues

- *The need to locate buildings in one area to avoid any adverse impacts on surrounding agricultural uses and to minimise the loss of productive agricultural land.*
- *The impact of the siting, design, height, bulk, colours and materials to be used, on the natural environment, major roads, vistas and water features and the measures to be undertaken to minimise any adverse impacts.*
- *The impact on the character and appearance of the area or features of architectural, historic or scientific significance or of natural scenic beauty or importance.*
- *The location and design of existing and proposed infrastructure including roads, gas, water, drainage, telecommunications and sewerage facilities.*
- *Whether the use and development will require traffic management measures.*

Overall, the proposed NBN facility at Bellbrae is considered to be consistent with the SPPF and LPPF of the Surf Coast Shire Planning Scheme including the MSS.

In regard to the other general issues, the subject land is clearly capable of accommodating the proposal, being a large parcel of rural land, sufficiently removed from surrounding dwellings in Bellbrae. The proposal is considered to be compatible with nearby land uses. The nearest rural dwellings have been noted to be approximately 400 and 440 metres from the proposed facility. Visual impacts to the surrounds are therefore assessed to be minimised as required by the planning scheme.

The proposal has access to a power source and existing access to the property and proposed facility site, making use of this existing infrastructure.

No disposal or discharge of effluent is proposed as part of the development of the facility.

In regard to agricultural issues, the proposal takes up only a relatively small footprint of land (10x10m), is located near a boundary and therefore there will be little impact on the operation and viability of any future agricultural uses on the site. Access to fast internet can be seen to have potential flow-on effects for agriculture in the area and agricultural based businesses (further discussed in Section 8.8 of this report).

The facility will also not limit the operation and potential expansion of nearby agricultural uses. The facility will not diminish the agricultural qualities of the land.

No dwellings are proposed so the decision guidelines relating to dwelling issues are not applicable.

In regard to environmental issues, no native vegetation removal is proposed as part of the development of the facility. The facility will not have a detrimental impact on flora, fauna, soil or water quality.

In regard to design and siting issues, as noted elsewhere in this report, the proposal strikes a balance between minimising visual impact and the need for telecommunications infrastructure to be placed in a location that will allow for its effective operation.

It is submitted that the proposal will not dramatically change the appearance of character of the area, and is a typical feature of rural and farming environments.

7.3 Overlays

As noted earlier, no overlays affect the proposed facility location.

7.4 The SPPF

The proposed facility is consistent with the SPPF as it is an essential part of the rollout of the **nbn**[™] network which will enable modern telecommunications facilities to be widely accessible to business, industry and the community. In addition, as explained above, the facility has been sited so as to minimize its impact on the surrounding environs. It is therefore considered compliant with the SPPF.

7.5 The Municipal Strategic Statement

The public infrastructure provided through the **nbn**[™] facility is required to facilitate fixed wireless coverage for the Bellbrae area. **nbn** believes an important telecommunications facility will be established, benefiting the community as a whole. An investment of this type in the local community could provide enormous benefits for the wider community and enable improvements in service delivery and productivity in a number of areas such as health, education and financial services to name a few.

The availability of high speed internet could facilitate services such as the transfer of medical images, the holding of remote consultations by doctors and the provision of distance training for medical professionals. These services also have the potential to allow people to stay in their homes longer by providing improved access to medical professionals, or medical monitoring services.²

The introduction of the **nbn**[™] within the community will allow for access to information and services which have the potential to provide a richer and more diverse experience for the end user.

² End user experience including the speeds actually achieved over the NBN depends on some factors outside NBN Co's control like the end user's equipment quality, software, broadband plans and how the end user's service provider designs its network.

nbn considers that the proposal is therefore consistent with the objectives of the Surf Coast Shire Planning Scheme for the provision of services and infrastructure within the municipality to meet the demands of the local population, and visitors to the region.

7.6 Local Provisions

We have noted previously our assessment is that the proposal accords with Council's MSS, particularly with respect to the provision of infrastructure which would include access to the latest telecommunications services.

7.7 Particular Provisions

The decision guidelines set out in Clause 52.19 of the Planning Scheme establish the list of considerations for the Responsible Authority. In addition to the principles for the design, siting and construction of a telecommunication facility, addressed in Section 7.1 above, the effect of the proposal on adjacent land is to be considered.

In this regard the proposed facility is located in a farming area, and is set a suitable distance away from surrounding rural dwellings as has been noted. This is supported with vegetation nearby which will help screen lower portion of the facility. Surrounding land is rural farmland with scattered rural dwellings. As a result it is submitted that there will be little impact on adjacent land, and the visual impact of the proposed telecommunications facility is considered to be minimised as required by the planning scheme.

Information to be submitted with the application under Clause 52.19 of the Planning Scheme has been addressed in this submission or attached to this application.

8 OTHER ENVIRONMENTAL CONSTRAINTS AND OPPORTUNITIES

8.1 Heritage

In order to determine any possible natural or cultural values of state or national significance associated with the site, a search was conducted through the relevant Heritage Registers. There are no sites of local heritage significance in the immediate vicinity of the site. There is a locally listed site in the Schedule to the Heritage Overlay within the Bellbrae township, HO6, which is the Bellbrae Cemetery Monumental Masonry, approximately 1.7 kilometres south of the proposed site. Otherwise the Great Ocean Road (HO163) is approximately 1.9 kilometres to the south. At these distances there are not considered to be impacts to the heritage qualities of the respective sites.

Matters of Aboriginal cultural heritage must also be considered with planning applications. An assessment needs to be made as to whether a Cultural Heritage Management Plan (CHMP) is required under the Aboriginal Heritage Act 2006. There are three triggers for a CHMP for a telecommunications facility:

- The site must be in an identified area of cultural heritage sensitivity.
- The ground must not have been significantly disturbed.

- The proposal is a “high impact” activity, which for a telecommunications facility includes an underground telecommunications line of over 500 metres.

If all three apply to a proposal, a CHMP is required. In this case, not all three triggers apply, as the property is not identified as being an area of cultural heritage sensitivity and the power run is less than 500 metres.

8.2 Electrical Interference and Grounding of the Facility

The **nbn**[™] fixed wireless network is licensed by the Australian Communications and Media Authority (ACMA) for the exclusive use of the OFDMA2300 frequency band. As **nbn** is the exclusive licensee of this sub-band, emissions from **nbn**[™] equipment within the frequency band should not cause interference.

Filters will also help to ensure that each facility meets the ACMA specifications for emission of spurious signals outside the **nbn**[™] frequency allocations. **nbn** intends to promptly investigate any interference issues that are reported.

The facility is also designed to be grounded to the relevant Australian Standards – that is, the facility will be ‘earthed’.

8.3 Erosion, Sedimentation Control and Waste Management

All erosion and sediment control mitigation measures will be detailed in construction plans and will be designed to comply with the Building Code of Australia and local Council standards. In addition, contractors must comply with the ‘**nbn** Construction Specification’ that requires contractors to undertake the necessary erosion and sediment control measures in order to protect the surrounding environment. On completion of the installation, the site will be restored and reinstated to an appropriate standard. No waste which requires collection or disposal should be generated by the operation of the facility.

8.4 Flora and Fauna Study

In order to determine any possible natural Flora and Fauna significance associated with the site, a search was conducted through the relevant environmental searches.

An EPBC Protected Matters Search was carried out. Due to the size of the proposal it is not anticipated that the proposal will have a significant impact on this matter of national environmental significance. Accordingly, approval from the Minister for the Environment is not expected to be required in this instance.

8.5 Endangered Species

As above, due to the size of the proposal it is not anticipated that the proposal will have a significant impact on these matters of national environmental significance. Accordingly, approval from the Minister for the Environment is not expected to be required in this instance.

8.6 Social and Economic Impacts

Access to fast internet is an essential service in modern society. Initially, small to medium business customers accounted for a significant part of the demand for broadband technology, but internet services have now been embraced by the general public. Usage of internet services continues to widen as new technologies become progressively more affordable and accessible for the wider community.

The proposed development should provide significantly enhanced fixed wireless internet coverage to the Bellbrae area. This is expected to be of particular benefit for residential dwellings in the locality.

The new **nbn**[™] network is designed to provide the community with access to fast and reliable internet services. A reliable internet service is important to help promote the economic growth of communities, and the facility is anticipated to have significant social and economic benefits for the local community.

8.7 Public Safety

8.7.1 Radiofrequency Emissions

In relation to public safety and specifically Electromagnetic Emissions (EME) and public health, **nbn**[™] network operates within the operational standards set by the Australian Communication and Media Authority (ACMA) and Australian Radiation Protection and Nuclear Safety Agency (ARPANSA). ARPANSA is a Federal Government agency incorporated under the Health and Ageing portfolio and is charged with the responsibility for protecting the health and safety of both people and the environment from the harmful effects of radiation (ionising and non-ionising).

All **nbn**[™] installations are designed and certified by qualified professionals in accordance with all relevant Australian Standards. This helps to ensure that the **nbn**[™] facility does not result in any increase in the level of risk to the public.

This facility is to be operated in compliance with the mandatory standard for human exposure to EME – currently the Radio communications (Electromagnetic Radiation Human Exposure) Standard 2003. The EME Report associated with this site is attached in Appendix 4. The report shows that the maximum predicted EME will equate to 0.11% of the maximum exposure limit. This is substantially less than 1% of the maximum allowable exposure limit (where 100% of the limit is still considered to be safe).

Moreover, all **nbn**[™] equipment has the following features, all of which help to minimise the amounts of energy used and emitted:

- Dynamic/Adaptive Power Control is a network feature that automatically adjusts the power and hence minimises EME from the facility.
- Varying the facility's transmit power to the minimal required level, minimising EME from the network, and
- Discontinuous transmission, a feature that reduces EME emissions by automatically switching the transmitter off when no data is being sent.

8.7.2 Access

The proposed facility will have restrictions aimed at preventing public access, and will only be able to be accessed by trained technicians.

8.8 The Public Interest and the Benefits of Telecommunications

The proposed **nbn**[™] facility is expected to have significant benefit for residents in the Bellbrae area. **nbn** believes that the public interest would be served by approval of the proposal, given benefits for enhanced internet coverage in the area. The facility is expected to have benefits for local residents and businesses within the district.

8.8.1 Other Benefits of Reliable Broadband Services

There are numerous other benefits of telecommunications connectivity, as follows:³

- There are many potential educational benefits justifying the implementation of the NBN. Curriculum and data sharing, increased availability and accessibility of research materials, and virtual classroom environments are good examples. Such elements are particularly beneficial within a tertiary education context.
- Businesses can, through internet usage, increase efficiency through time, resource and monetary savings. Improved internet services effectively remove physical distance and travel time as a barrier to business.
- Improvements to internet services may also be of benefit for local employees, by enabling telecommuting and home business. The telecommuting trend is heavily reliant on access to fast internet services, and is anticipated to continually increase in popularity.

The public benefits of access to fast internet have been widely acknowledged for many years. Reliable internet access is now more than ever an integral component of daily life, so much so that its absence is considered a social disadvantage.

9 CONCLUSION

The proposed **nbn**[™] network facility, comprising a 45 metre high monopole with attached antennas and equipment units, has been sited in the most appropriate location given the context of the local area and service objective – providing broadband services to Bellbrae.

The facility has been strategically sited and designed to minimise visibility within the surrounding environment as much as practicable. The visual impact of the development on the surrounding area has been assessed and given the siting and design, the proposal is considered to have limited impacts to the visual amenity or scenic value of the area. Although the monopole would be visible at varying degrees depending on the line of site of the viewer, impacts on visual amenity are deemed to be acceptable when assessed against the relevant planning scheme criteria.

³ End user experience including the speeds actually achieved over the NBN depends on some factors outside **nbn**[™]'s control like the end user's equipment quality, software, broadband plans and how the end user's service providers designs its network.

Accordingly, it is considered that the visual impact of the proposal is acceptable having had full regard to the context of the locality, the nature of the design employed, and the coverage benefits deriving from the installation.

nbn considers that the proposal is also consistent with the stated objectives of the Surf Coast Shire Planning Scheme and, in particular, Clause 52.19 relating to telecommunications facilities. It is considered that the proposal will provide an important community benefit to Bellbrae by providing coordinated and open access shared communication infrastructure, and therefore greatly improved fixed wireless internet coverage within the local area.

10 APPENDIX

10.1 Appendix 1 – Copy of Title

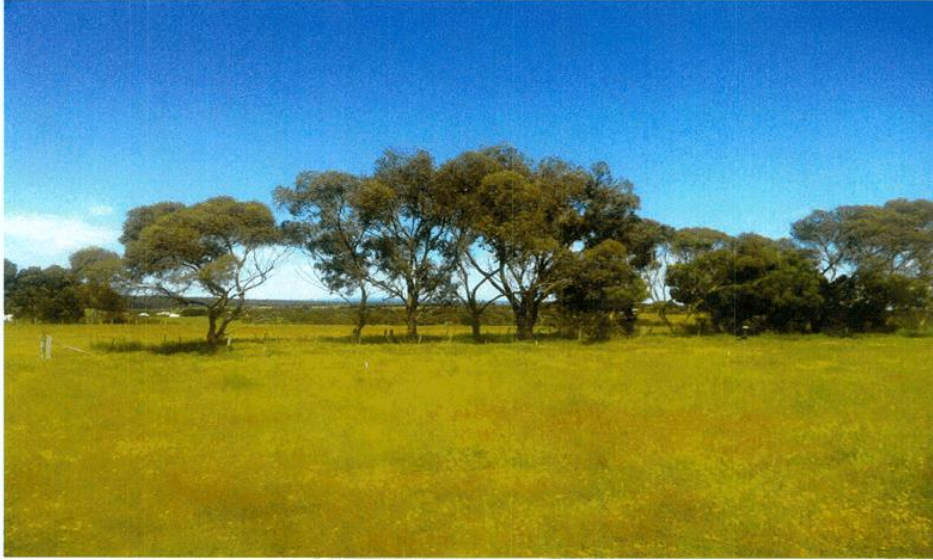
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10.2 Appendix 2 – Site Photographs



Looking south west (approx.) from the proposed facility, shows boundary trees nearby.



Looking north (approx.) from near gate near proposed site.



Looking north-west (approx.) from near proposed site.



Looking south-west (approx.) from near proposed site.

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10.3 Appendix 3 – Proposed Plans



10.4 Appendix 4 – ARPANSA EME Report



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10.5 Appendix 5 – Photomontage



2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

APPENDIX 2 SITE PLANS

		12.10.16	13.10.16	29.03.17			
DATE OF ISSUE							
DRAWING PACKAGE VERSION		1	2	3			
GENERAL							
3M00-51-01-BELR-T1	COVER SHEET	01	02	03			
3M00-51-01-BELR-C1	SITE SPECIFIC NOTES	01	02	03			
3M00-51-01-BELR-C2	OVERALL SITE PLAN	01	02	03			
3M00-51-01-BELR-C3	SITE SETOUT PLAN	01	02	03			
3M00-51-01-BELR-C4	SITE ELEVATION AND DETAILS	01	02	03			
ELECTRICAL							
RF AND TX CONFIGURATIONS							
3M00-51-01-BELR-A1	NBN ANTENNA CONFIGURATION & SETOUT PLAN	01	02	03			
STRUCTURAL							
CIVIL							
MONOPOLE							
LEASE							
DISTRIBUTION							
ERICSSON	JORDAN ZANDER	1	1	1			
AURECON	LISA SHIELDS	1	1	1			

SITE CODE: 3M00-51-01-BELR BELLBRAE

1435 ANGELSEA ROAD
BELLBRAE
VIC 3228

RFNSA No: 3228017



Australia's
broadband
network



PROJECT SUMMARY

PROPOSED NBN GREENFIELD 45m HIGH MONOPOLE WITH CIRCULAR HEADFRAME
PROPOSED NBN OUTDOOR CABINETS ON CONCRETE SLAB ON GROUND

Client: 	
Client: 	
Client:	
Project: NATIONAL BROADBAND NETWORK SITE No: 3M00-51-01-BELR BELLBRAE 1435 ANGELSEA ROAD BELLBRAE VIC 3228	
PRELIMINARY	
03 29.03.17 TX TOPOLOGY RE-ROUTE AND ADD FIBRE RUN	
02 13.10.16 PRELIMINARY ISSUE	
01 12.10.16 PRELIMINARY ISSUE DRAFT	
Rev Date Revision Details	
 Aurecon Australia Pty Ltd ABN 64 005 139 873	
DESIGNER: KW	
CHECKED: LS	
APPROVED: GM	
Drawing Title: COVER SHEET	
Drawing No: 3M00-51-01-BELR-T1	Revision: 03

SITE INFORMATION:

1. SITE ADDRESS

1435 ANGELSEA ROAD, BELLBRAE VIC 3228

2. GENERAL

THE CONTRACTOR SHALL COMPLY WITH ALL RELEVANT NBN CONSTRUCTION STANDARDS, CURRENT AUSTRALIAN STANDARDS AND SPECIFICATIONS.

3. SITE ACCESS

2WD ACCESS OFF ANGLESEA ROAD VIA EXISTING ACCESS TRACK LEADING TO SITE LOCATION (APPROX. 535m).

4. EQUIPMENT

PROPOSED NEW NBN OUTDOOR CABINETS TO BE INSTALLED ON CONCRETE SLAB WITHIN NBN LEASE AREA.

5. STRUCTURE

PROPOSED NBN GREENFIELD 45m MONOPOLE WITH CIRCULAR HEADFRAME.

6. ANTENNA ACCESS

PROPOSED ANTENNA ACCESS USING ACCESS LADDER WITH LAD-SAF OR EWP, BY RIGGER QUALIFIED PERSONNEL ONLY.

7. EXISTING SERVICES

THE CONTRACTOR SHALL IDENTIFY AND CONFIRM THE LOCATION OF ALL RELEVANT EXISTING SERVICES AS REQUIRED PRIOR TO THE COMMENCEMENT OF WORKS.

8. EXISTING SITE HAZARDS

THE FOLLOWING HAZARDS ARE PRESENT ON THIS SITE:

- OVERHEAD POWER LINE ALONG ACCESS TRACK.
- AGRICULTURAL HOLDING WITH LIVESTOCK.
- ELECTRIC FENCE WITHIN VICINITY.

9. ELECTRICAL SUPPLY

REFER TO DRAWINGS 3M00-51-01-BELR-C2, C3 FOR DETAILS.

10. TRANSMISSION LINK & RF CONFIGURATION

REFER TABLE ON DRAWING 3M00-51-01-BELR-A1 FOR DETAILS.

11. SITE SPECIFIC INFORMATION

- EXCAVATED MATERIAL TO BE STOCKPILED AT LAND OWNERS DIRECTION.
- OVERHEAD POWER LINE ALONG ACCESS TRACK.
- AGRICULTURAL HOLDING WITH LIVESTOCK.
- ELECTRIC FENCE WITHIN VICINITY.
- APPROX 4No TREES TO BE SIDE TRIMMED FOR CONSTRUCTION ACCESS, REFER TO DWG C1



Project:
 NATIONAL BROADBAND NETWORK
 SITE No: 3M00-51-01-BELR
 BELLBRAE
 1435 ANGELSEA ROAD
 BELLBRAE
 VIC 3228

PRELIMINARY

03	29.03.17	TX TOPOLOGY RE-ROUTE AND ADD FIBRE RUN
02	13.10.16	PRELIMINARY ISSUE
01	12.10.16	PRELIMINARY ISSUE DRAFT
Rev	Date	Revision Details



DESIGNER: KW

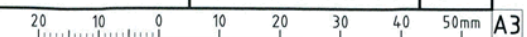
CHECKED: LS

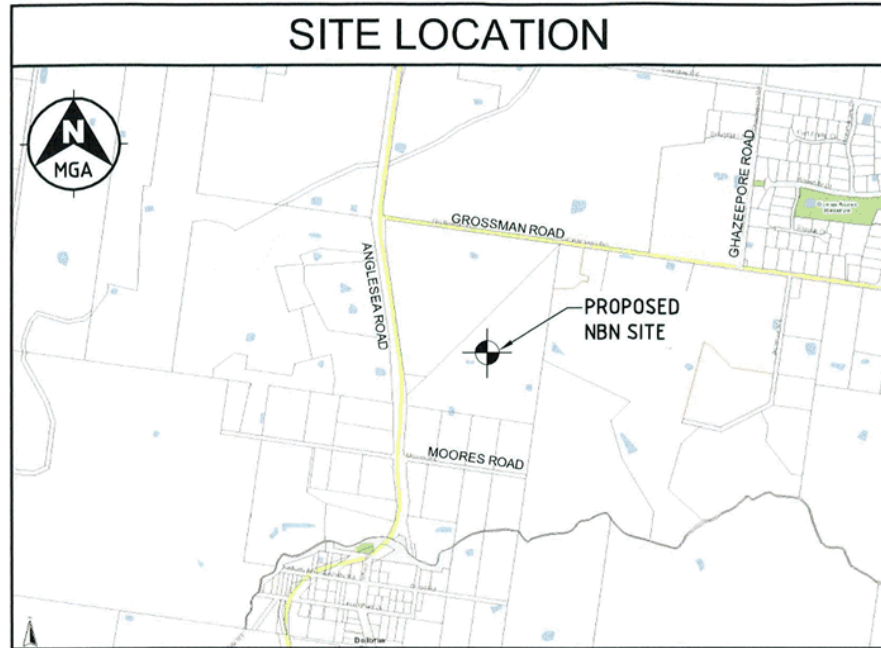
APPROVED: GM

Drawing Title:
SITE SPECIFIC NOTES

Drawing No. 3M00-51-01-BELR-C1 Revision 03

SURF COAST SHIRE
 4 APR 2017
 PLANNING



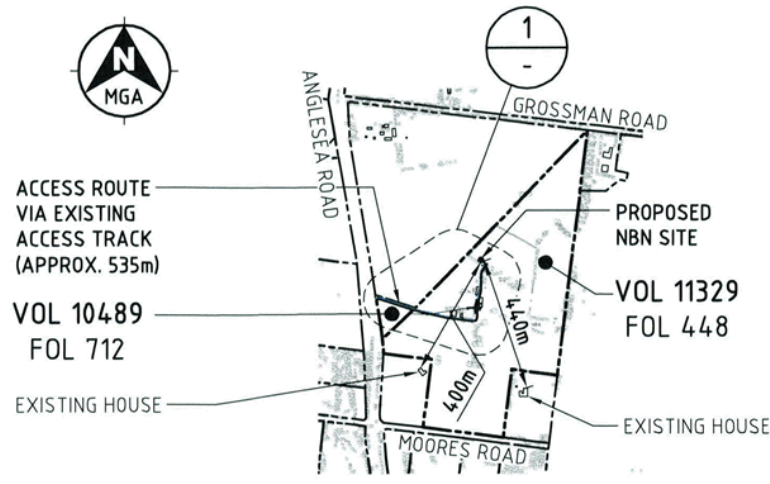


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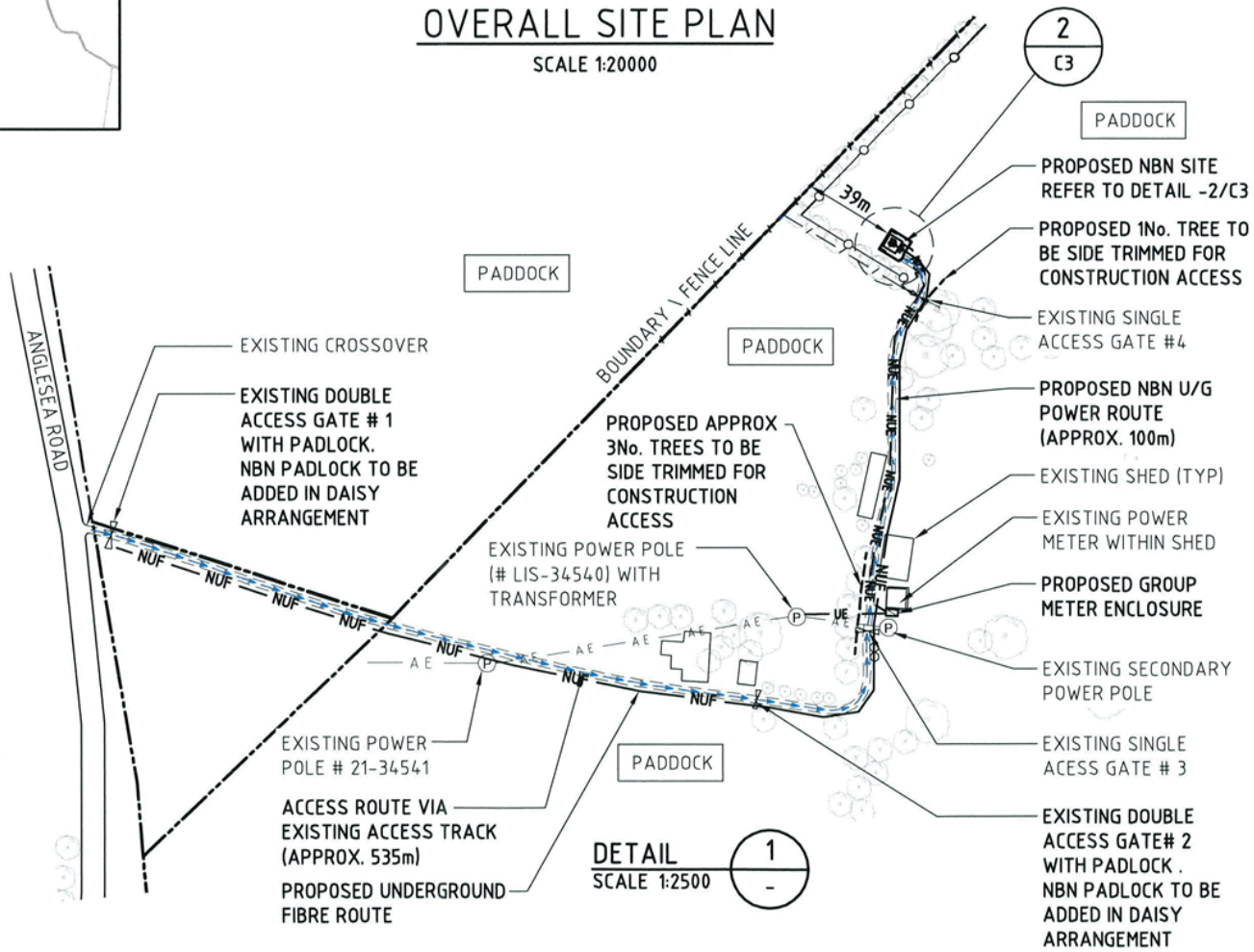
SITE CO-ORDINATES	
MONOPOLE LOCATION	
DATUM: MGA (GDA94)	ZONE: 55
LATITUDE	-38.32076°
LONGITUDE	144.26881°
EASTING	261 236
NORTHING	5 755 065

LEGEND

- EXISTING ACCESS GATE
- EXISTING POWER POLE
- NBN UNDERGROUND FIBRE
- NBN UNDERGROUND ELECTRICAL ROUTE
- PROPERTY BOUNDARY
- EXISTING FENCE
- EXISTING ELECTRIC FENCE
- EXISTING OVERHEAD ELECTRICAL LINE



OVERALL SITE PLAN
SCALE 1:20000



DETAIL
SCALE 1:2500

NOTES:

1. THE NBN CONSUMERS MAINS ROUTE SHOWN ON THE DRAWINGS IS INDICATIVE ONLY. ELECTRICAL CONTRACTOR TO DETERMINE EXACT ROUTE. ELECTRICAL CONTRACTOR TO LOCATE AND IDENTIFY EXISTING U/G SERVICES PRIOR TO COMMENCEMENT OF WORK.
2. THIS DRAWING IS DIAGRAMMATIC ONLY AND SHOULD NOT BE SCALED. ALL DIMENSIONS, COORDINATES AND LEVELS ARE APPROXIMATE ONLY AND SUBJECT TO CONFIRMATION BY SURVEY.

Client:

Client:

Client: SURF COAST SHIRE
4 APR 2017
PLANNING
DEPARTMENT

Project:
NATIONAL BROADBAND NETWORK
SITE No: 3MOO-51-01-BELR
BELLBRAE
1435 ANGELSEA ROAD
BELLBRAE
VIC 3228

PRELIMINARY

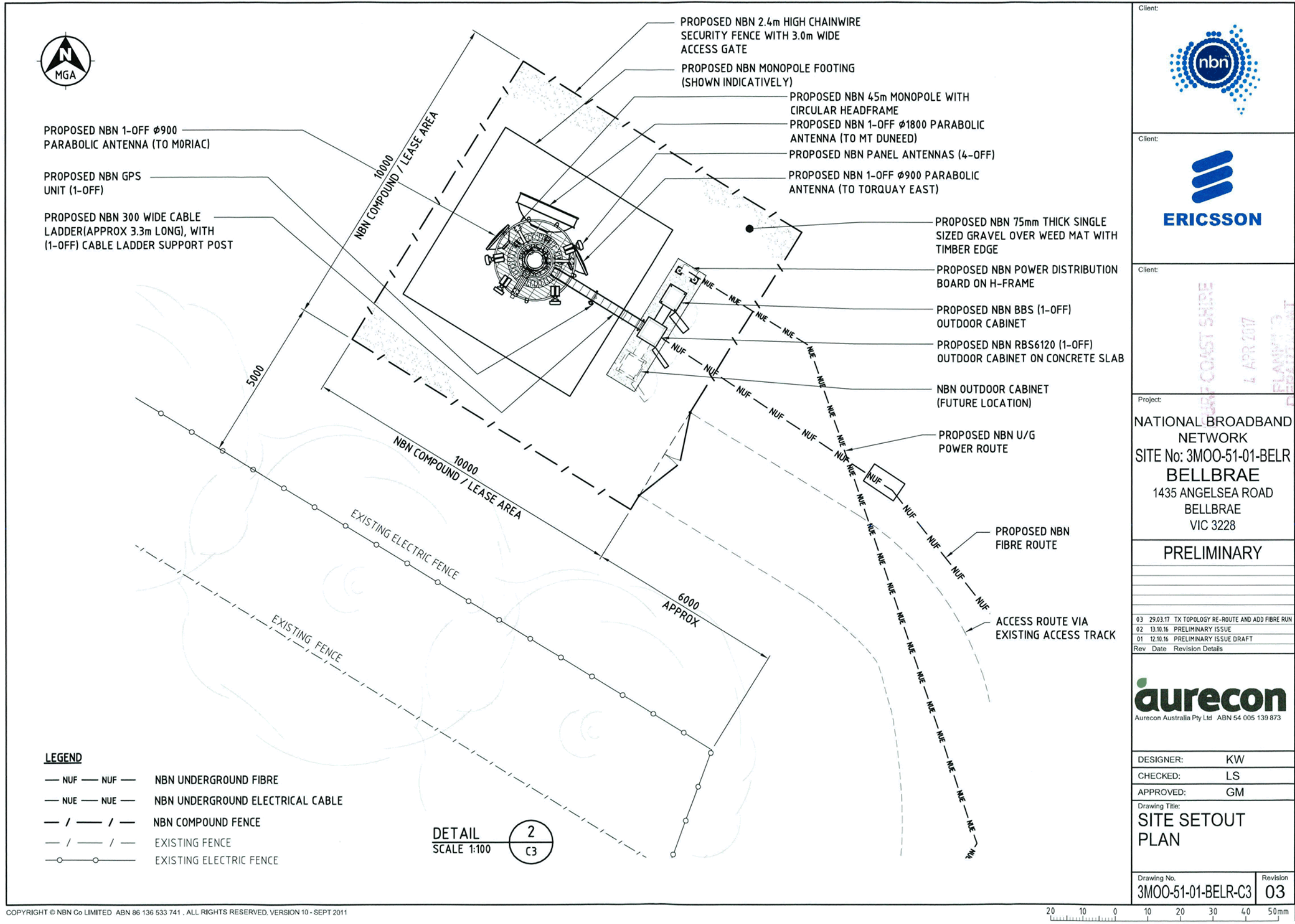
Rev	Date	Revision Details
03	29.03.17	TX TOPOLOGY RE-ROUTE AND ADD FIBRE RUN
02	13.10.16	PRELIMINARY ISSUE
01	12.10.16	PRELIMINARY ISSUE DRAFT

Aurecon Australia Pty Ltd ABN 54 005 139 873

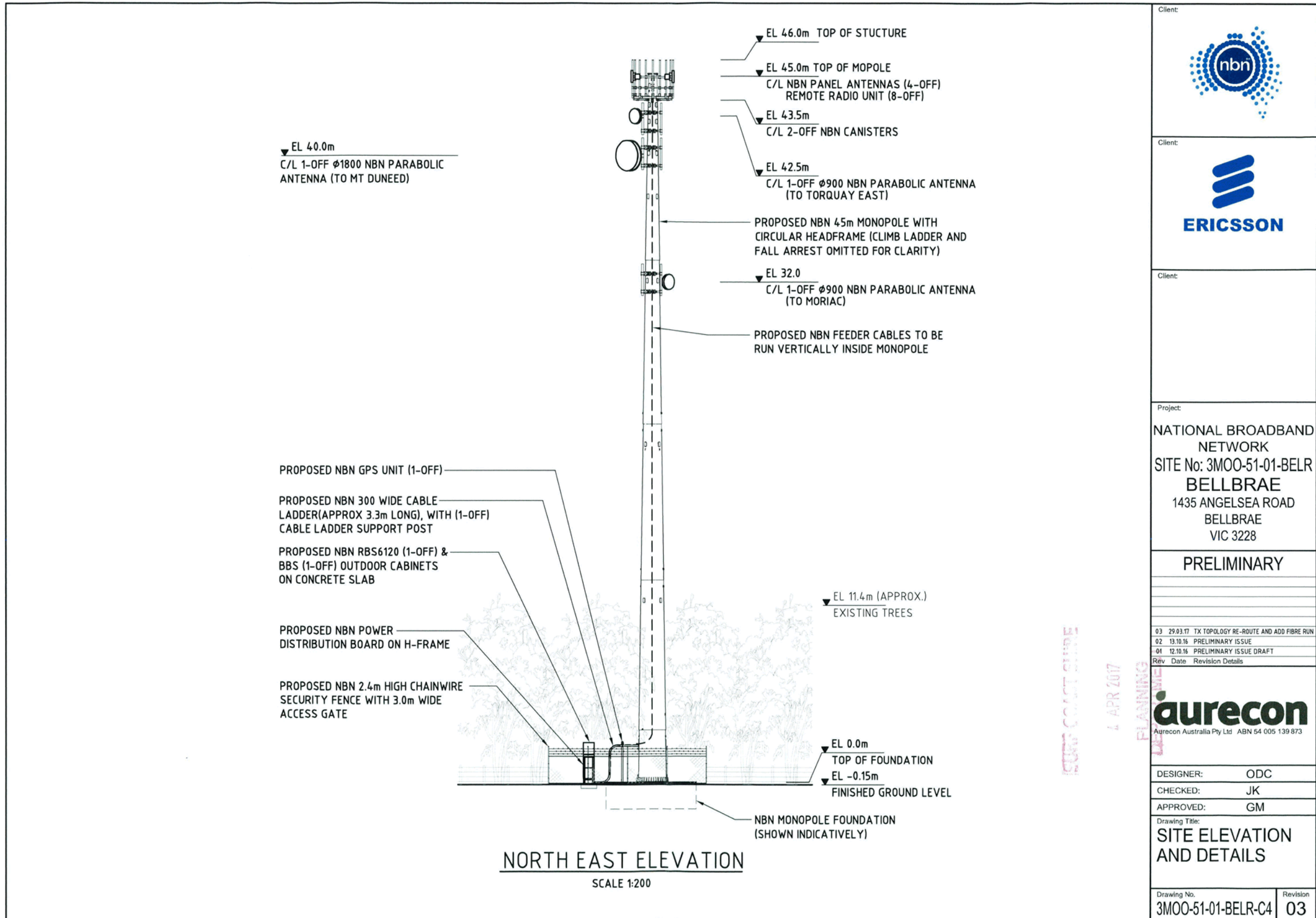
DESIGNER: KW
CHECKED: LS
APPROVED: GM

Drawing Title:
OVERALL SITE PLAN


Drawing No. 3MOO-51-01-BELR-C2
Revision 03




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Client:



Client:



Client:

Project:

NATIONAL BROADBAND NETWORK
 SITE No: 3MOO-51-01-BELR
 BELLBRAE
 1435 ANGELSEA ROAD
 BELLBRAE
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PRELIMINARY

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01	12.10.16	PRELIMINARY ISSUE DRAFT
Rev	Date	Revision Details



DESIGNER: ODC
 CHECKED: JK
 APPROVED: GM

Drawing Title:
**SITE ELEVATION
 AND DETAILS**

Drawing No. 3MOO-51-01-BELR-C4 Revision 03

NBN ANTENNA CONFIGURATION - 3400MHZ																					
SECTOR	SYMBOL	PANEL ANTENNA DETAIL								MAIN FEEDER DETAIL					RRU DETAIL				RF TAIL H&S 1/2" BIRD PROOFED LISCA CABLE	RET CABLE 1/TSR 484 21/2000	
		TYPE	DIMENSION HxWxD	C/L HEIGHT	AZIMUTH (TN)	P1 & P2 E-TILT	P3 & P4 E-TILT	MECH TILT	ANTENNA ACTION REQ	TYPE	OVERALL LENGTH	CANISTER HEIGHT	CANISTER TO RRU LENGTH	FEEDER ACTION REQ	TYPE	LOCATION	C/L HEIGHT	ANTENNA PORT	RRU ACTION REQ	LENGTH	LENGTH
B1	B1	ARGUS SSPX310R	750x300x115	45m	70°	8°	8°	0°	INSTALL	H&S HYBRID MKII 6/6 (27.5mm)	55m	43.5m	3m	INSTALL	RRUS2218	BEHIND ANTENNA	45m	1 + 3	INSTALL	1.5m	2m
B2	B2	ALPHA AW3497	957x319x100	45m	180°	4°	4°	0°	INSTALL				3m	INSTALL	RRUS2218	BEHIND ANTENNA	45m	2 + 4	INSTALL	1.5m	
B3	B3	ALPHA AW3497	957x319x100	45m	215°	4°	4°	0°	INSTALL				3m	INSTALL	RRUS2218	BEHIND ANTENNA	45m	1 + 3	INSTALL	1.5m	
B4	B4	ARGUS SSPX310R	750x300x115	45m	260°	4°	4°	0°	INSTALL				H&S HYBRID MKII 3/3 (22mm)	55m	43.5m	3m	INSTALL	RRUS2218	BEHIND ANTENNA	45m	1 + 3
																3m	INSTALL	RRUS2218	BEHIND ANTENNA	45m	2 + 4

ANTENNA	SYMBOL	ANTENNA DETAIL					MAIN FEEDER DETAIL			RAU DETAIL	
		TYPE	DIMENSION	C/L HEIGHT	AZIMUTH (TN)	DESTINATION	ANTENNA ACTION REQ	TYPE	OVERALL LENGTH	FEEDER ACTION REQ	ACTION REQ
A	A	PARABOLIC	φ900	42.5m	65°	TORQUAY EAST	INSTALL	1-OFF LDF1-50	52m	INSTALL	1-OFF INSTALL
B	B	PARABOLIC	φ1800	40m	24°	MT DUNEED	INSTALL	1-OFF LDF1-50	50m	INSTALL	1-OFF INSTALL
C	C	PARABOLIC	φ900	32m	312°	MORIAC	INSTALL	1-OFF LDF1-50	42m	INSTALL	1-OFF INSTALL
GPS		KRE 101 2082/1	φ69x96	2.5m	N/A		INSTALL	1x LDF1-50	7m	INSTALL	

ANTENNA SETOUT PLAN
SCALE 1:50



Client:
Client:
Project:
NATIONAL BROADBAND NETWORK
SITE No: 3MOO-51-01-BELR
BELLBRAE
1435 ANGELSEA ROAD
BELLBRAE
VIC 3228

PRELIMINARY

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Rev	Date	Revision Details



DESIGNER: KW
CHECKED: LS
APPROVED: GM

Drawing Title:
**NBN ANTENNA
CONFIGURATION
& SETOUT PLAN**

Drawing No. 3MOO-51-01-BELR-A1
Revision 03

2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

APPENDIX 3 OFFICER REPORT



OFFICER REPORT

Planning Application No: 17/0106

ALLOCATED OFFICER	Michelle Warren
DATE RECEIVED	27-Apr-2017
PROPERTY NUMBER	12290
PROPERTY ADDRESS	RHONDDA, 1435 ANGLESEA ROAD, BELLBRAE, VIC 3228
LOT SIZE	27.9ha (approximate)
APPLICANT	Aurecon Australia
OWNER	MC MOORE
PROPOSAL	Use and Development for a Telecommunications Facility
ZONE	Farming Zone
OVERLAY/S	Significant Landscape Overlay-Schedule 7 (part)

PROPOSAL

The application seeks approval for the Use and Development of a Telecommunications Facility with the structure comprising of (in simple terms) a monopole and antennae with a finished height of 46m.

The facility is expected to provide the infrastructure required to facilitate the fixed wireless component of the National Broadband Network (NBN). The NBN is an upgrade to Australia's existing telecommunications network and seeks to provide Australians with access to fast, affordable and reliable internet and landline phone services.

The application submits that in order to support the Fixed Wireless component of this network, NBN requires a site to provide fixed wireless internet coverage to Bellbrae and to serve as a key communications anchor point for other NBN Fixed Wireless facilities in the wider Surf Coast Shire Council region.

The facility that is proposed to be installed comprises of:

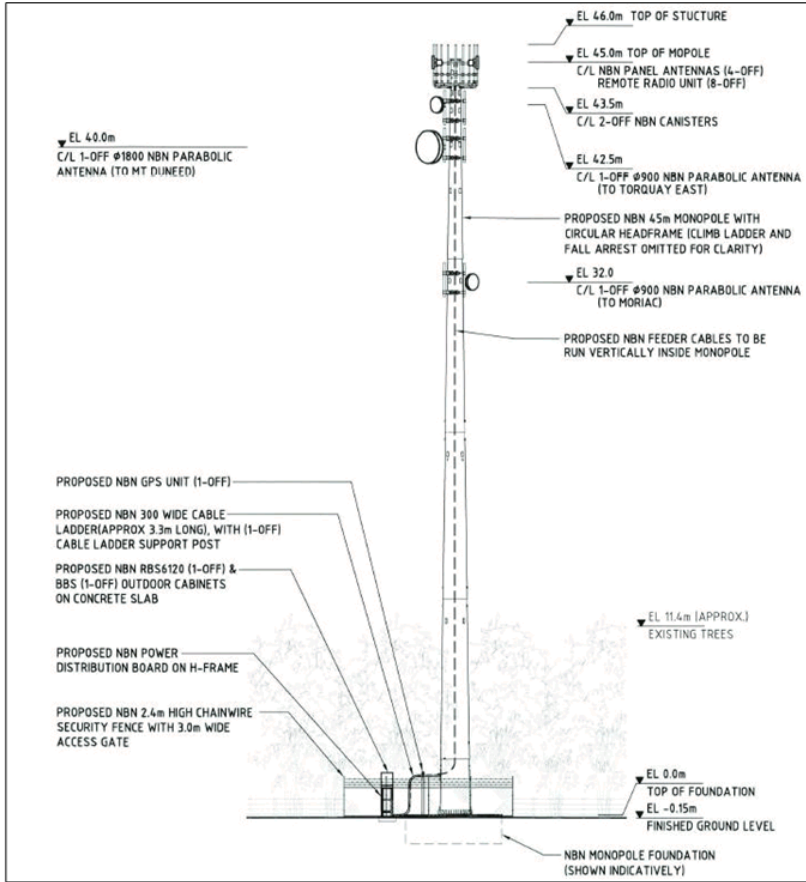
- a 45 metre high monopole;
- radio transmission equipment including 1 x parabolic dish antenna, 4 x panel antennas and 8 x remote radio units;
- 4 x new outdoor cabinets (one future); and
- ancillary equipment associated with operation of the facility, including cable trays, cabling, safe access methods, bird proofing, earthing, electrical works and air-conditioning equipment, inside a 10m x 10m fenced compound.



OFFICER REPORT

Planning Application No: 17/0106

Figure 1 - Telecommunications Facility



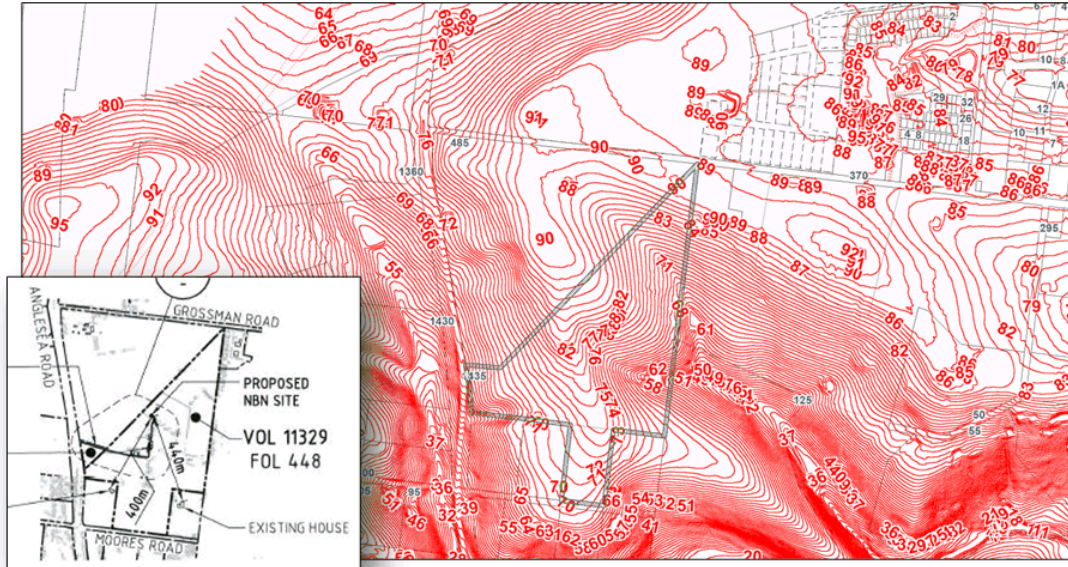
The facility is proposed to be located at a high point in the central west area of the site, 39m from the north-western title boundary (see figure 2 below).



OFFICER REPORT

Planning Application No: 17/0106

Figure 2 - Proposed Siting and Contour Maps



SITE AND SURROUNDING AREA

The 27-9ha application site is irregular in shape and is comprised of three lots held in common. These are Lots 1 and 2: TP865145 and Lot 2: TP16231 which are commonly addressed as 1435 Anglesea Road, Bellbrae.

Figure 3 - Aerial with NBN Site



The property is developed by a dwelling and various outbuildings which vehicular access via a driveway and crossing that provide direct connection to Anglesea Road. The access arrangement is unusual in that access is gained over 485 Grossmans Road to the north of the site's Anglesea Road frontage.



OFFICER REPORT

Planning Application No: 17/0106

Vehicular access to the site for the purpose of maintenance of the tower will be provided via the same driveway (see further discussion below).

The site has abutments to the Anglesea Road and to Moores Road to the south. Given the irregular shape of the lot, there are a number of abutments to adjoining properties including:

West:

- 485 Grossmans Road – A Farming Zoned property of approximately 30ha that is developed by a dwelling and outbuildings in its north-west corner. The cluster of buildings would be approximately 500m from the proposed facility.

East:

- 399 Grossmans Road – A Farming Zoned property which is part of a larger holding of approximately 60.6ha. The property at 399 Grossmans Road is developed by a dwelling and ancillary infrastructure and outbuildings. The buildings are located approximately 450m north-east of the proposed facility. The property also includes land at 50 Ashmore Road which is developed by the Saltair Day Spa Resort.

South-east:

- 125 Ashmore Road – A Farming Zoned property that is currently vacant. Planning approval was granted in 2012 to use and develop the land for a dwelling. Plans have not yet been endorsed under the permit and construction has not yet commenced. However, based on the application plans the proposed facility will be approximately 550m from the proposed dwelling.

South:

- 60 Moores Road – One of a cluster of smaller lifestyle lots on Moores Road. The 3.3 ha (approx.) property is zoned Farming Zone and is developed by a dwelling and outbuilding/s at the northern end of the lot. The existing dwelling is located approximately 430m from the proposed facility.
- 80 Moores Road – A Farming Zoned property of approximately 3ha. Approval was granted in 2016 to allow the use and development of the land for a dwelling. Once constructed, the proposed dwelling would be approximately 380m from the proposed facility.
- 90 Moores Road – A Farming Zoned property of approximately 3.4 ha. The land is developed by a dwelling and associated outbuilding in the north-east corner of the site. The dwelling is located approximately 395m from the proposed facility.

Relevant History and Background

Past permits:

No record exists for any previous planning permit applications for the site.

Registered Restrictions

Under Section 61(4) of the *Planning & Environment Act 1987* the Responsible Authority must not issue a planning permit that would result in a breach of a registered restriction. The subject land is not affected by registered restrictions.

CULTURAL HERITAGE MANAGEMENT PLAN (CHMP)

The Aboriginal Heritage Regulations 2007 specify the circumstances in which a Cultural Heritage Management Plan is required for an activity or class of activity. Part 2 - Division 2 of the Aboriginal Heritage Regulations 2007 specifies exempt activities which do not require a Cultural Heritage Management Plan.

The site is not located within an area of Aboriginal cultural significance. In light of the above, a CHMP is not required.

REFERRALS

No external referrals were required to be undertaken.



OFFICER REPORT
Planning Application No: 17/0106

PUBLIC NOTICE

Is the land owned, occupied or managed by Council?		No		
Advertising required?	Yes			
Advertise by:	<input type="checkbox"/> Applicant	<input checked="" type="checkbox"/> Council		
Advertising method:	Letters	Date letters sent	18-May-2017	
	Sign(s) on site	No. of signs required	One	
		Location of sign	Anglesea Road frontage near vehicle access point	
		Date signs displayed	31-May-2017 – 15-June-2017	
Date Notice completed satisfactorily (completed Stat. Dec. received or notice signed off by PO):			16-June-2017	

AMENDMENT TO APPLICATION AFTER NOTICE

The application was not amended prior to or after notice.

OBJECTIONS

Of the 64 objections received (ie. 64 objections from 43 households plus 1 x letter of support), 4 x referenced health issues as a concern, 53 x referenced coverage, 6 x referenced property values and 6 x referenced the need (or lack of).

Objecting parties have questioned the merits of the proposed site in the context of maximising NBN access for Surf Coast Shire property owners and occupiers in the Bellbrae area. The objections also reference a suggested alternative site at 261 Vickerys Road, Bellbrae. The potential for related health issues and speculative impact on property values have also been raised.

Although referenced in the context of a VCAT hearing, Member Bennett (quoting Deputy President Gibson) in VCAT decision *Marshall v Ararat RCC [2013]*¹, listed a number of matters that are not planning grounds including:

- Potential health risks,
- Lack of Community consultation;
- Alternative locations;
- Opposition to details of the NBN program;
- Loss of property values.

In short, while the concerns raised are of importance to the objecting parties, the matters that may be considered under the planning scheme are confined. This is set out in the discussion below but in essence and as relevant to this application and the concerns raised here, the relevant matters are limited to visual impact and more broadly, compliance with State and Local planning policy.

The purpose of the particular provision does seek to respond to the objectives of Section 4 of the Planning and Environment Act 1987 and achieve a net community benefit. However, clause 52.19 does not trigger a permit for the 'use' and therefore, the effectiveness of one tower in the broader network is outside the ambit of considerations. The focus of the purpose (of clause 52.19) as referenced above is considered to be on the enhancement of the broader network to achieve the outcomes of the act rather than a critical assessment of the location of each tower.

In light of the confined matters that may be considered here, the matters listed above are not further discussed in this report.

The visual impact of the proposed tower is a relevant planning consideration and as it is discussed under the heading "discussion" below, it is not drawn out in this part of the report except in the context of adjoining properties (see below).

Pursuant to Sections 60(1)(f) and 60(1B) of the Planning and Environment Act 1987, the responsible authority must also consider (inter alia):

¹ Marshall v Ararat RCC [2013] VCAT 681 (6 May 2013)



OFFICER REPORT

Planning Application No: 17/0106

- any significant social effects and economic effects which the responsible authority considers the use or development may have; and
- for the purposes of subsection (1)(f), the responsible authority must (where appropriate) have regard to the number of objectors in considering whether the use or development may have a significant social effect.

In light of this, decision makers are obliged to consider the possible significant social effects of the development. Having said this, while it is noted that 64 objections have been received, the emphasis of many of those objections is on matters that are not planning grounds. This is relevant in that it is considered that it is not simply the number of objections raised that determines the merits of the application but rather, it is the planning relevance of the issues raised that should be considered having regard to this section of the Act.

As the majority of the objecting parties have raised concern about matters that are not planning grounds, the application is considered to meet this test.

While the concerns of all objecting parties are relevant in the assessment of this application, as a number of the sixty-four submissions have been received from properties that are quite removed from the site the planning related concerns of all but the adjoining property owners have been responded to more generally. The concerns of adjoining property owners have been responded to specifically.

Adjoining property owners

East 50 Ashmore Road



The emphasis on the concerns raised by the owners and occupiers of 50 Ashmore Road was on the visual impact of the NBN tower, including the consequential impacts on guests visiting the Day Spa.

The red triangle to the left depicts the approximate location of the NBN facility and the green star, the site at on 50 Ashmore Road.

The buildings at 50 Ashmore Road have an approximate separation distance from the facility of 985 metres although given the sight lines and the more limited vegetation on the southern portion of the site, it is likely that the NBN tower will be

visible from the cottages.

The photograph below was taken from the western end of Ashmore road, south of 50 Ashmore Road and it is expected that the tower will be visible in this view.



As mentioned previously, in considering this and its effect, it is acknowledged that the surrounding landscape is not a pristine landscape, already being developed by dwellings and other vertical infrastructure. In a planning context, it is also relevant to note that the site is not been identified as sensitive in a landscape context through the application of a Significant Landscape Overlay.

Given the estimated 985m separation and the site lines, the tower will be visible. However, given the surrounding landscape context and relevant planning scheme considerations, it is considered that the addition of the tower in this location will not cause significant detriment due to its visibility.



OFFICER REPORT
Planning Application No: 17/0106



OFFICER REPORT

Planning Application No: 17/0106

East 375 Grossmans Road



The emphasis on the concerns raised by the owners of 375 Grossmans Road is on the visual impact of the NBN tower.

The objecting party has submitted that the tower will create an eyesore from the proposed dwelling (permit approved 2012 although construction has not yet commenced).

Concern has also been raised that the tower will affect vistas through the Spring Creek corridor and affect future development potential.

The red triangle to the left depicts the approximate location of the NBN facility and the green star, the approximate proposed house site location at 375 Grossmans Road.

The proposed building site is estimated to be approximately 500m from the facility.

It is also noted that the proposed dwelling would sit lower in the landscape than the application site with the high point of the hill to the rear of the tower. It is expected that the NBN tower will be visible from the property. It is also acknowledged that the tower will be visible through the Spring Creek corridor as another vertical infrastructure element in the broader landscape.

As previously mentioned, it is noted that the surrounding landscape is not a pristine landscape, already being developed by dwellings and other vertical infrastructure including the transmission towers further to the west (ie. running south-west to north-east to the west of the application site).

In a planning context, it is also relevant to note that the site has not been identified as sensitive in a landscape context through the application of a Significant Landscape Overlay.

Given the 500m separation, the surrounding landscape context, it is considered that the addition of the tower in this location will not cause significant material detriment through its visual presence. It is further considered that given the zoning of the land and relevant planning considerations the existence of the tower will limit future development potential.

North-west 485 Grossmans Road



Concern has been raised about the visual impact of the NBN facility and the consequential reduction on property values. The objection also raises concern about the health impacts of the facility

As mentioned above, potential health risks and possible impacts on property values are not matters that may be considered under the planning scheme provisions. However, the visual impact of the tower is considered here.

The red triangle to the left depicts the approximate location of the NBN facility and the green star, the dwelling on 485 Grossmans Road.

The dwelling has an approximate separation distance from the facility of 500 metres.

It is also noted that the dwelling sits lower in the landscape than the application site with the high point of the hill between. In spite of this, it is expected that the NBN tower will be visible from the dwelling and from other areas on the property.



OFFICER REPORT
Planning Application No: 17/0106

In considering this and its effect, it is acknowledged that the surrounding landscape is not a pristine landscape, already being developed by dwellings and other vertical infrastructure including the transmission towers to the west (ie. running south-west to north-east to the west of the application site). In a planning context, it is also relevant to note that the site has not been identified as sensitive in a landscape context through the application of a Significant Landscape Overlay.

Given the 500m separation, the surrounding landscape context and relevant planning scheme considerations, it is considered that the addition of the tower in this location will not result in material detriment due to a significant visual impact.

PLANNING SCHEME PROVISIONS

The use is defined as dwelling which is nested under accommodation.

Zone table

Farming Zone and Schedule (FZ) *last updated VC103*

Clause	Requirement	Proposal	Permit required
Clause 35.07-1 Use of land	Permit is not required to use the land for a telecommunications tower provided that the facility can meet the development requirements of Clause 52.19	Development (buildings and works) for a telecommunications facility	Yes
Clause 35.07-4 Buildings and works	<p><i>A permit is required to construct a building or construct or carry out:</i></p> <ul style="list-style-type: none"> ▪ <i>Buildings and works associated with a Section 2 Use, this does not apply to:</i> <ul style="list-style-type: none"> - <i>An alteration or extension to an existing dwelling provided the floor area of the alteration or extension does not exceed 100 square metres.</i> - <i>An out-building associated with an existing dwelling provided the floor area of the out-building does not exceed 100 square metres.</i> - <i>An alteration or extension to an existing building used for agriculture provided the floor area of the alteration or extension does not exceed 200 square metres. The building must not be used to keep, board, breed or train animals.</i> - <i>A rainwater tank.</i> ▪ <i>Earthworks which change the rate of flow or discharge point of water across a property boundary – refer to exemption in Schedule</i> ▪ <i>Earthworks which increase the discharge of saline groundwater - refer to exemption in Schedule</i> ▪ <i>A building which is within any of the following setbacks:</i> <ul style="list-style-type: none"> - <i>100 metres from a Category 1 Road;</i> - <i>40 metres from a Category 2 Road;</i> - <i>20 metres from any other road;</i> - <i>5 metres from a boundary;</i> - <i>100 metres from a dwelling not in the same ownership.</i> - <i>100 metres from a waterway, wetlands or designated flood plain.</i> 	Development (buildings and works) for a telecommunications facility	Yes



OFFICER REPORT

Planning Application No: 17/0106

Particular Provisions

Clause 52.19 Telecommunications Facility

Clause 52.19-2 provides that a permit is required to construct a building or to construct or carry out works for a Telecommunications Facility, subject to a number of exemptions. The applicant has advised that the proposed development is not a low impact facility as described in the Telecommunications (low impact) Facilities Determination and therefore does not meet the exemptions as listed.

A permit is therefore required pursuant to Clause 52.19 for buildings and works for the telecommunications facility.

The purpose of Clause 52.19 is:

- *To ensure that telecommunications infrastructure and services are provided in an efficient and cost effective manner to meet community needs.*
- *To ensure the application of consistent provisions for telecommunications facilities.*
- *To encourage an effective state-wide telecommunications network in a manner consistent with the economic, environmental and social objectives of planning in Victoria as set out in Section 4 of the Planning and Environment Act 1987.*
- *To encourage the provision of telecommunications facilities with minimal impact on the amenity of the area.*

The Decision Guidelines of this clause direct decision makers to consider as appropriate:

- *The principles for the design, siting, construction and operation of a Telecommunications facility set out in A Code of Practice for Telecommunications Facilities in Victoria.*
- *The effect of the proposal on adjacent land.*

The **Code of Practice for Telecommunication Facilities in Victoria** (the Code) is an incorporated document in all Planning Schemes in Victoria pursuant to Clause 52.19.

The purpose of the Code is to:

- Set out the requirements under which land may be developed for a telecommunications facility without the need for a planning permit.
- Set out principles for the design, siting, construction and operation of a telecommunications facility which a responsible authority must consider when deciding on an application for a planning permit.

The Code aims to:

- Ensure that telecommunications infrastructure and services are provided in an efficient and cost effective manner to meet community needs.
- Ensure the application of consistent provisions for telecommunication facilities.
- Encourage an effective state-wide telecommunications network in a manner consistent with the economic, environmental and social objectives of Planning in Victoria as set out in Section 4 of the Planning and Environment Act 1987.
- Encourage the provisions of telecommunications facilities with minimal impact on the amenity of the area.

Part 4 of the Code sets out the principles for the design, siting, construction and operation of telecommunication facilities, which must be applied where relevant. These principles will be discussed later in this report and fall under the following headings:

Principle 1: A Telecommunication facility should be sited to minimise visual impact.

- *On, or in the vicinity of a heritage place, a telecommunications facility should be sited and designed with external colours, finishes and scale sympathetic to those of the heritage place. A heritage place is a heritage place listed in the schedule to the Heritage Overlay in the planning scheme.*
- *A telecommunications facility mounted on a building should be integrated with the design and appearance of the building.*



OFFICER REPORT

Planning Application No: 17/0106

- *Equipment associated with the telecommunications facility should be screened or housed to reduce its visibility.*
- *The relevant officer of the responsible authority should be consulted before any street tree is pruned, lopped, destroyed or removed.*
- *A telecommunications facility should be located so as to minimise any interruption to a significant view of a heritage place, a landmark, a streetscape, vista or a panorama, whether viewed from public or private land.*

Principle 2: Telecommunications facilities should be co-located wherever practical.

- Wherever practical, telecommunications lines should be located within an existing underground conduit or duct.
- Overhead lines and antennae should be attached to existing utility poles, towers or other radiocommunications equipment to minimise unnecessary clutter.

Principle 3: Health standards for exposure to radio emissions will be met.

- A telecommunications facility must be designed and installed so that the maximum human exposure levels to radio frequency emissions comply with *Radiation Protection Standard – Maximum Exposure Levels to Radiofrequency Fields – 3kHz to 300 GHz*, Arpansa, May 2002.

Principle 4: Disturbance and risk relating to siting and construction should be minimised. Construction activity and site location should comply with State environment protection policies and best practice environmental management guidelines.

- Soil erosion during construction and soil instability during operation should be minimised in accordance with any relevant policy or guideline issued by the Environment Protection Authority.
- Construction should be carried out in a safe and effective manner in accordance with relevant requirements of the *Occupational Health and Safety Act 1985*.
- Obstruction or danger to pedestrians or vehicles caused by the location of the facility, construction activity or materials used in construction should be minimised.
- Where practical, construction should be carried out during times that cause minimum disruption to adjoining properties and public access.
- Traffic control measures should be taken during construction in accordance with *Australian Standard AS1742.3 – 2002 Manual of uniform traffic control devices – Traffic control devices on roads*.
- Open trenching should be guarded in accordance with *Australian Standard Section 93.080 – Road Engineering AS 1165 – 1982 – Traffic hazard warning lamps*.
- Disturbance to flora and fauna should be minimised during construction and vegetation replaced to the satisfaction of the land owner or responsible authority at the conclusion of work.
- Street furniture, paving or other existing facilities removed or damaged during construction should be reinstated (at the telecommunication carrier's expense) to at least the same condition as that which existed prior to the telecommunications facility being installed.

State Planning Policy Framework

The following State policies have been considered with respect to this application:

- **Clause 10.04 – Integrated Decision making**

Society has various needs and expectations such as land for settlement, protection of the environment, economic well-being, various social needs, proper management of resources and infrastructure. Planning aims to meet these by addressing aspects of economic, environmental and social well-being affected by land use and development.

Planning authorities and responsible authorities should endeavour to integrate the range of policies relevant to the issues to be determined and balance conflicting objectives in favour of net community benefit and sustainable development for the benefit of present and future generations.



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Consistent with the objectives of local government under the Local Government Act 1989, municipal planning authorities are required to identify the potential for regional impacts in their decision-making and co-ordinate strategic planning with their neighbours and other public bodies to achieve sustainable development and effective and efficient use of resources.

- **Clause 19.03-4 – Telecommunications**

The relevant objective of clause 19.03-4 is:

- *To facilitate the orderly development, extension and maintenance of telecommunication infrastructure.*

The relevant strategies of this clause are:

- *Ensure the communications technology needs of business, domestic, entertainment and community services are met.*
- *Do not prohibit the use of land for a telecommunications facility in any zone;*
- *In consideration proposal for telecommunications services, seek a balance between the provision of important telecommunications services and the need to protect the environment from adverse impacts arising from telecommunications infrastructure.*
- *Planning should have regard to national implications of a telecommunications network and the need for consistency in infrastructure design and placement.*

Policy guidelines:

Planning must consider as relevant:

- *A code of Practice for Telecommunication Facilities in Victoria (Department of Sustainability and Environment, 2004).*

Local Planning Policy Framework

Municipal Strategic Statement

The MSS is a statement of the key strategic planning, land use and development objectives for the municipality and the strategies and actions for achieving those objectives. The key provisions of the MSS as it relates to this application include:

- Agriculture – Clause 21.05
- Rural Landscape – Clause 21.06

Officer Direct or Indirect Interest

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

DISCUSSION OF KEY ISSUES

The application seeks approval for buildings and works to construct a telecommunications facility (the Facility) including a 45m monopole, associated antennas (46m with antennas) and equipment cabinets, all of which will be located within a 100 square metre lease area.

Permit Triggers

The application site is zoned Farming Zone where the use is a section 2 use. There are a number of conflicting VCAT decisions on this point but for ease of explanation here, I draw on VCAT decision Pfarr v Campaspe SC [2014] VCAT 872. The decision relates to the use and development of a telecommunications facility in the Farming Zone and of value to this assessment, Deputy President Helen Gibson clearly explains the construct of the scheme in arriving at the conclusion that a use and development trigger exists under the zone as well as the particular provision.

In summary, Deputy President Gibson concludes that:

Clause 62.01 (Uses not requiring a permit) includes that *“Any requirement in this scheme relating to the use of the land, other than a requirement in the Public conservation and Resource Zone, does not apply to...The use of the land for a Telecommunications facility if the associated buildings and works meet the requirements of Clause 52.19”*.



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Clause 52.19 (Telecommunications Facility), under the heading "Permit requirement" states that "a permit is required to construct a building or construct or carry out works for a Telecommunications Facility. This does not apply to...". A number of elements are listed providing decision makers with the criteria to determine whether or not the facility is a low impact facility thereby exempting it from requiring a planning permit. As with the NBN tower that is the subject of this application, the tower in the Gibson decision was not a low impact facility and therefore, required a permit. Having said this, Deputy President Gibson does highlight the poor drafting of the State Provisions and the consequential ambiguity which has resulted in confusion about how they should be applied. The decision does provide a logical thought pathway and this has therefore, been drawn on here.

Ultimately, Deputy President Gibson concluded that:

- *A permit is required for buildings and works for the telecommunications facility pursuant to clause 52.19-2.*
- *Use of the land for a telecommunications facility is not exempt under clause 62.01.*
- *A permit is required for use of the land for a telecommunications facility under section 2 of clause 35.07-1. Because the use does not comply with clause 62.01, which would make it a section 1 use, it falls within the category "any other use not in section 1 or 3" and is therefore a section 2 use in the Farming Zone.*
- *A permit is required for buildings and works associated with a use in section 2 of clause 35.07-1 pursuant to clause 35.07-4. The requirement for a permit for buildings and works in the Farming Zone is not exempt from the need for a permit under clause 62.02-1 because the requirements of clause 52.19 are not met.*
- *The buildings and works for which a permit is required include the telecommunications tower, associated equipment and antennas, the fenced compound ...*

While the southern portion of the site is covered by a Significant Landscape Overlay, the tower location is unaffected (ie. by overlays) and the proposal therefore, does not require a permit under the overlay. It does, however, require a permit under Clause 52.19-2 (Telecommunications Facility) of the Surf Coast Planning Scheme.

While a permit is triggered under the zone, the assessment criteria is limited to the decision guidelines at clause 35.07-6 which generally focus on the impact of the proposal on the agricultural purpose of the land. In this instance, the tower and its compound would occupy a 10m x 10m lease area. The use would not be impacted by or impact on agricultural uses although very broadly speaking, the enhancement of the network might improve access to telecommunication services by those farming the land. The buildings and works element would have a minor impact on the agricultural use of the land through the loss of the lease area itself but this is not considered to be a significant impact in this context.

The application must also be assessed against the provisions of clause 52.19. The purpose of the planning scheme particular provision for Telecommunication Facilities seeks (inter alia) to encourage telecommunications networks consistent with the objectives of section 4 of the Planning and Environment Act 1987. In this context, providers should consider the need for a telecommunications network and associated infrastructure. In this instance, the need has not been contended by either the permit applicant or the objecting parties.

The particular provision triggers a permit for buildings and works associated with the construction of a telecommunication facility; the use elements are only triggered under the Farming Zone and are referenced above. In assessing the application, the decision making criteria is thus limited.

Put simply, the matters that may be considered in assessment an application for a telecommunication facility are confined to those set out in the decision guidelines under the Farming Zone (clause 35.07) and the particular provision at clause 52.19. While there have been a number of personal concerns raised by objecting parties in relation to this application, it is of consequence that of those raised, visual impact is the only matter that is a planning ground that may be directly considered under the decision guidelines of clause 35.07 and 52.19. The remaining concerns, while they are of obvious importance to the objecting parties, may not be considered other than in the context mentioned earlier.

As the site is not covered by any of the overlays listed at clause 52.19-6, the two matters under this clause that decision makers are directed to consider are:

- The principles for the design, siting, construction and operation of a Telecommunications facility set out in 'A Code of Practice for Telecommunications Facilities in Victoria'; and
- The effect of the proposal on adjacent land.



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As mentioned above, the Code of Practice includes four principles which also include "an application of principle" (listed as dot points under the principles set out above) which provide guidance on their application. An assessment against the Code of Practice is set out below.

Assessment against Code of Practice for Telecommunications Facilities

Principle 1 requires that **a telecommunication facility should be sited to minimise visual impact:**

Of the five "Applications of Principle" under Principle 1, three are relevant to this application:

- *On, or in the vicinity of a heritage place, a telecommunications facility should be sited and designed with external colours, finishes and scale sympathetic to those of the heritage place. A heritage place is a heritage place listed in the schedule to the Heritage Overlay in the planning scheme.*
- *Equipment associated with the telecommunications facility should be screened or housed to reduce its visibility.*
- *A telecommunications facility should be located so as to minimise any interruption to a significant view of a heritage place, a landmark, a streetscape, vista or a panorama, whether viewed from public or private land.*

As the Facility will be located at a high point, it will be visible in the landscape, including in distant views across the application site. Approximately 20 of the submitters raised the visual impact of the facility as viewed from the road (and in particular, the Great Ocean Road) as cause for concern.

This matter is relevant to this principle, including in the context of the status of the Great Ocean Road as a Heritage Place.

Without deviating too much from the most relevant points, it is worth noting that under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), an action that has, will have or is likely to have a significant impact on the heritage values of a National Heritage Place (inter alia) may be referred to the Australian government Minister for the Environment (the Minister) for assessment. In short, the obligation in determining whether or not a matter will be referred under the EPBC Act rests with the permit applicant; the application has not been referred in this instance.

As it relates to Principle 1, the application submits that the visual impact of the proposal is minimised as the telecommunications tower is well removed from surrounding roads and nearby dwellings. On this, it is generally agreed that in the context of its setting a reasonable degree of separation from key viewing points is achieved. The Facility would be in excess of 350m from the closest adjoining dwelling and the Anglesea Road, approximately 480m from Grossmans Road, 540m from Moores Road and 1.7km from the Great Ocean Road.

The applicant has also stated that the existing tree cover adjacent to the proposed site will limit the visibility of the lower portion of the Facility thereby reducing the visual impact of the proposal. Again, it is agreed that the trees will filter views to the lower sections of the Facility although it will not screen it. Given the 46m height of the tower and the need to ensure a clear line of sight, screening of the tower is not possible.

State planning policy makes it clear that an optimal telecommunications outcome is an important objective of the planning policy framework and any limitation on this must be on compelling landscape values.

The planning framework acknowledges telecommunications facilities must be taller than surrounding structures to effectively function and that this infrastructure forms part of a vital service to modern functioning communities.

While it is acknowledged that the Facility will be visible from beyond the site, it is important to recognise that this principle requires that the visual impact be minimised rather than avoided. It is considered that locating the Facility approximately 480m from the closest road and 350 meters from the closest dwelling will suitably limit its visual intrusiveness including from the Great Ocean Road where intermittent or fleeting views to the Facility 1.7km to the north-west are possible (please also see further discussion below).



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Figure 4 - Photo taken from fence-line adjacent to Great Ocean Road and looks towards the application site. The arrow indicates the estimated location of NBN site



Figure 5 - Photograph taken from Ashmore Road looking north-west. Arrow indicates estimated location of NBN site



For the above reasons it is considered that the siting of the Facility will achieve a reasonable balance between the visual impacts and the overall community benefits provided from modern communications infrastructure.

Principle 2 requires that **telecommunication facilities should be co-located wherever practical:**

Forty-nine submissions commented on the suitability of the Facility's location as it relates to the provision of coverage. This was discussed earlier in the report and will not be repeated here except to emphasise that it is the acceptability of the proposal put forward in this application that must be considered; the planning scheme does not provide the discretion to speculate about outcomes on other sites.

In relation to Principle 2 specifically, the application states that there "are no practical co-location options available" with the two closest towers still too far from the preferred search area.



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Principle 3 requires that **Health standards for exposure to radio emissions will be met:**

The applicant has advised that the proposed facility will be designed and installed to satisfy the requirements contained with *Radioactive Protection Standard – Maximum Exposure Levels to Radiofrequency Fields – 3kHz to 300 GHz, ARPANSA, May 2002*. The application has included a standard EME (Electromagnetic Environment) report to demonstrate compliance with predicted EME equating to 0.11% of the maximum exposure limit.

Principle 4 requires that **Disturbance and risk relating to siting and construction should be minimised. Construction activity and site location should comply with State environmental protection policies and best practice environmental management guidelines:**

The applicant has stated that the site is already a modified environment, being a rural property that has clearly been used for agriculture over a period of time.

Short term access by heavy vehicles will be required during the construction phase and lighter vehicles will periodically access the site subsequent to this. Any disturbance during construction will, however, be limited to the accessway and the area immediately around the proposed Facility although having said this, the application notes that the lopping (not removal) of adjacent trees will be required. Longer term, no significant disturbance is likely to occur outside of the identified compound.

The application also submits that construction will be undertaken in accordance with the *Occupational Health and Safety Guidelines* and that any damage will be rectified to return the property (outside of the lease area) to the standard that existed prior to the facility being installed.

In summary, it is considered that disturbance and risk relating to the siting and construction will be minimised and the construction activity complies with the relevant State environmental protection policies and best practice environmental management guidelines.

Conclusion

On balance the application is considered to achieve a net community benefit in accordance with clause 10.04 of the scheme and is appropriate for the reasons set out in the discussion. It is recommended that a Notice of Decision to Grant a Permit be issued for the Use and Development of a Telecommunications Facility subject to conditions.

2.1 Planning Permit Application 17/0106 - 1435 Anglesea Road, Bellbrae

APPENDIX 4 SUBMITTERS LIST

Submitter Number	Address of Affected Property	Objection or Support	Summary of Concerns					
			Health	Visual Impact	Coverage	Property Values	Screen Planting	Lack of Need
1	Moores Road, Bellbrae	O		Visual Impact			Screen Planting	
2	Bells Road, Bells Beach	S	Health		Coverage	Property Values		
3	Gundrys Road, Bellbrae	O		Visual Impact	Coverage			
4	Elkington Road, Bellbrae	O			Coverage			
5	Eaglepoint Road, Bellbrae	O		Visual Impact	Coverage			
6	Nortons Road, Paraparap	O			Coverage			
7	Great Ocean Road, Bellbrae	O			Coverage			
8	Portreath Road, Bellbrae	O		Visual Impact	Coverage			
9	Portreath Road, Bellbrae	O		Visual Impact	Coverage	Property Values		
10	Gundrys Road, Bellbrae	O			Coverage			
11	Gundrys Road, Bellbrae	O			Coverage			
12	Gundrys Road, Bellbrae	O			Coverage			
13	Gundrys Road, Bellbrae	O			Coverage			
14	Gundrys Road, Bellbrae	O			Coverage			
15	Gundrys Road, Bellbrae	O			Coverage			
16	Ashmore Road, Bellbrae	O		Visual Impact				
17	Woodacres Road, Bellbrae	O		Visual Impact	Coverage			
18	Gundrys Road, Bellbrae	O		Visual Impact	Coverage			
19	Anglesea Road, Bellbrae	O			Coverage			
20	Elkington Road, Bellbrae	O			Coverage			
21	Minter Drive, Bellbrae	O		Visual Impact	Coverage			
22	Ashmore Road, Bellbrae	O		Visual Impact				Lack of Need
23	Ghazeeopore Road, Bellbrae	O		Visual Impact				Lack of Need
24	Ashmore Road, Bellbrae	O		Visual Impact				Lack of Need
25	Ashmore Road, Bellbrae	O		Visual Impact				Lack of Need
26	Grossmans Road, Torquay							
27	Grossmans Road, Bellbrae	O	Health	Visual Impact		Property Values		
28	Flaxbournes Road, Paraparap	O		Visual Impact	Coverage			
29	Portreath Road, Bellbrae	O			Coverage			
30	Portreath Road, Bellbrae	O			Coverage			
31	Ghazeeopore Road, Bellbrae	O	Health	Visual Impact		Property Values		
32	Ghazeeopore Road, Bellbrae	O		Visual Impact				Lack of Need
33	Eaglepoint Road, Bellbrae	O			Coverage			
34	Portreath Road, Bellbrae	O			Coverage			
35	Portreath Road, Bellbrae	O		Visual Impact	Coverage			
36	Portreath Road, Bellbrae	O			Coverage			
37	Portreath Road, Bellbrae	O			Coverage			
38	Eagle Point Road, Bellbrae	O			Coverage			
39	Portreath Road, Bellbrae	O			Coverage			
40	Portreath Road, Bellbrae	O			Coverage			
41	Portreath Road, Bellbrae	O			Coverage			
42	Eagle Point Road, Bellbrae	O			Coverage			
43	Loutitt Bay Road, Freshwater Creek	O			Coverage			
44	Gundrys Road, Bellbrae	O			Coverage			
45	Gundrys Road, Bellbrae	O			Coverage			
46	Gundrys Road, Bellbrae	O			Coverage			
47	Gundrys Road, Bellbrae	O			Coverage			
48	Gundrys Road, Bellbrae	O			Coverage			
49	Vickers Road, Bellbrae	O			Coverage			
50	Eaglepoint Road, Bellbrae	O			Coverage			
51	Eaglepoint Road, Bellbrae	O			Coverage			
52	Gundrys Road, Bellbrae	O			Coverage			
53	Gundrys Road, Bellbrae	O			Coverage			
54	Portreath Road, Bellbrae	O			Coverage			
55	Hendy Main Road, Freshwater Crk	O			Coverage			
56	Grossmans Road, Torquay	O		Visual Impact				
57	Eagle Point Road, Bellbrae	O			Coverage			
58	Portreath Road, Bellbrae	O			Coverage			
59	Flaxbournes Road, Paraparap	O		Visual Impact	Coverage			
60	Portreath Road, Bellbrae	O		Visual Impact	Coverage	Property Values		
61	Grossmans Road, Torquay	O		Visual Impact				
62	Portreath Road, Bellbrae	O		Visual Impact	Coverage			
63	Gundrys Road, Bellbrae	O		Visual Impact	Coverage			
64	Anglesea Road, Bellbrae	O	Health		Coverage	Property Values		White elephant
65	Charas Road, West Bellbrae	O			Coverage			
Total			4	23	53	6	1	6

Close: There being no further items of business the meeting closed at pm.