

AGENDA

SCHEDULED COUNCIL MEETING

WARRNAMBOOL CITY COUNCIL

5:45 PM - MONDAY 5 FEBRUARY 2024



WARRNAMBOOL
CITY COUNCIL

VENUE:

Reception Room

Warrnambool Civic Centre

25 Liebig Street

Warrnambool

COUNCILLORS

Cr. Ben Blain (Mayor)

Cr. Otha Akoch

Cr. Debbie Arnott

Cr. Vicki Jellie AM

Cr. Angie Paspaliaris

Cr. Max Taylor

Cr. Richard Ziegeler

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can be obtained online at www.warrnambool.vic.gov.au

Andrew Mason

CHIEF EXECUTIVE OFFICER

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BEHAVIOUR AT COUNCIL MEETINGS

Thank you all for coming – we really appreciate you being here. These meetings are the place where, we as Councillors, make decisions on a broad range of matters. These can vary greatly in subject, significance and the level of interest or involvement the community has. As part of making these decisions, we are presented with comprehensive information that helps us to form our position – you will find this in the agenda. It should also be remembered that the Council meeting is a “meeting of the Council that is open to the public”, not a “public meeting with the Council.” Each Council is required to have Governance Rules that pertains to meeting procedures. Warrnambool City Council has followed best practice in this regard and its Governance Rules provides regulations and procedures for the governing and conduct of Council meetings. Copies of the Conduct and Behaviour excerpt from Warrnambool City Council's Governance Rules can be obtained online at www.warrnambool.vic.gov.au. We thank you in anticipation of your co-operation in this matter.

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1. OPENING PRAYER & ORIGINAL CUSTODIANS STATEMENT

Almighty God
Grant to this Council
Wisdom, understanding and Sincerity of purpose
For the Good Governance of this City
Amen.

ORIGINAL CUSTODIANS STATEMENT

I wish to acknowledge the traditional owners of the land on which we stand and pay my respects to their Elders past, present and emerging.

2. APOLOGIES

3. CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Scheduled Meeting of Council held on 4 December 2023, be confirmed.

4. DECLARATION BY COUNCILLORS AND OFFICERS OF ANY CONFLICT OF INTEREST IN ANY ITEM ON THE AGENDA

Section 130 of the Local Government Act 2020 (Vic) (**the Act**) provides that a relevant person must disclose a conflict of interest in respect of a matter and exclude themselves from the decision making process in relation to that matter including any discussion or vote on the matter at any Council meeting or delegated committee meeting and any action in relation to that matter.

Section 126(2) of the Act sets out that a relevant person (Councillor, member of a delegated Committee or member of Council staff) has a conflict of interest if the relevant person has a **general conflict of interest** within the meaning of section 127 of the Act or a **material conflict of interest** within the meaning of section 128 of the Act.

A relevant person has a **general conflict of interest** in a matter if an impartial, fair minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty.

A relevant person has a **material conflict of interest** in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken. Councillors are also encouraged to declare circumstances where there may be a perceived conflict of interest.

5. MAYORAL PRESENTATION

6. PUBLIC QUESTION TIME

7. REPORTS

7.1. CHIEF EXECUTIVE EMPLOYMENT AND REMUNERATION POLICY 2024

DIRECTORATE : Executive Services

PURPOSE:

This report presents Council with an updated Chief Executive Officer Employment and Remuneration Policy and Chief Executive Officer Employment Matters Advisory Committee Terms of Reference.

EXECUTIVE SUMMARY

Warrnambool City Council's Chief Executive Officer and Employment and Remuneration Policy is currently due for review. Several changes have been made to the document to improve it and bring it better in line with both the Chief Executive Officer Employment Matters Advisory Committee Terms of References and the Chief Executive Officer's contract of employment. Some very minor syntax and grammatical changes have also been made to the terms of reference document.

RECOMMENDATION

That Council:

- 1. Revoke the Chief Executive Officer Employment and Remuneration Policy adopted on 6 December 2021.**
 - 2. Revoke the Chief Executive Officer Employment Matters Advisory Committee Terms of Reference adopted on 4 December 2023.**
 - 3. Adopt the attached Chief Executive Officer Employment and Remuneration Policy 2024.**
 - 4. Adopt the attached Chief Executive Officer Employment Matters Advisory Committee Terms of Reference.**
-

BACKGROUND

Council's Chief Executive Officer is the only member of Council staff directly appointed by Council. Section 45 of the *Local Government Act 2020* ('the Act') requires Council to develop, adopt and keep in force a Chief Executive Officer and Employment and Remuneration Policy. This is policy is required to provide for a number of things, including the recruitment and appointment process, provisions to be included in the contract of employment, and an annual review.

Warrnambool City Council's Chief Executive Officer and Employment and Remuneration Policy is currently due for review.

ISSUES

The Chief Executive Officer and Employment and Remuneration Policy has been reviewed and a number of changes have been made. Generally, changes have been made to bring the Policy, the Chief Executive Officer Employment Matters Advisory Committee ('CEEMAC) Terms of Reference, and the CEO's contract into alignment so that there is consistency across all three documents. There have also been changes to add greater clarity, correct typos, align with legislative requirements and improve processes.

Specifically, the following changes have been made:

- Changes to the CEEMAC section of the policy to bring it in line with the Terms of Reference, as well as providing flexibility for Council to determine how many Councillors will be part of the committee.
- Inserted a new section covering the role of the Independent Chair of CEEMAC as the policy had been largely silent on the matter.
- Expanded the 'Recruitment of CEO' section to better provide for the process that is usually followed with a recruiter undertaking the process under direction from Council.
- Reformatted and improved clarity in the 'Appointment of CEO' section, as well as bringing into line with both the Act and Council's obligations under the CEO's contract.
- Brought the Total Remuneration Package section in line with the CEO's contract.
- Remove reference to a 'Facilitator' to assist the committee in developing the CEO Performance Plan and replace with the Independent Chairperson performing that role.
- Added clarity to timeframes for annual review and notification to the CEO for multiple actions, bringing in line with the CEO's contract of employment.
- Improved acting CEO provisions to bring it more precisely in line with the Act.
- Various other minor updates around formatting, position titles, and grammar.

The CEEMAC Terms of Reference were last updated in December 2023, however the newly appointed Independent Chairperson of the committee has recommended some minor grammatical changes for improved clarity. These changes have been made to the document and it is attached to this report for adoption.

FINANCIAL IMPACT

Nil.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

5 An effective Council

5.1 Leadership and governance: Council will be a high-functioning team committed to respectful relationships, collaboration and ongoing engagement. It will provide strong, effective leadership, sound governance and informed decision-making

5.4 High-performance culture: Council will foster an organisational culture to support engaged, committed and high-performing staff for the effective delivery of Council's services and programs.

5.5 Organisational and financial sustainability: Council will ensure organisational and financial sustainability through the effective and efficient use of Council's resources and assets.

5.6 Risk mitigation: Council will mitigate and manage organisational risks through sound management systems and processes.

TIMING

N/A.

COMMUNITY IMPACT / CONSULTATION

Warrnambool City Council's Chief Executive Officer and the CEEMAC's independent chairperson were consulted on the development of this policy.

LEGAL RISK / IMPACT

This policy allows the CEEMAC to obtain legal advice if required and gives it access to a suitably qualified independent chairperson to provide expert advice. This mitigates the potential legal risks posed by Council undertaking executive employee management in a Local Government context.

OFFICERS' DECLARATION OF INTEREST

Nil.

COLLABORATIVE PROCUREMENT

N/A.

CONCLUSION

Changes have been made to the Chief Executive Officer and Employment and Remuneration Policy to add greater clarity, correct typos, align with legislative requirements and improve processes. There have also been very minor changes made to the CEEMAC Terms of Reference at the advice of the committee's independent chair. These updated documents are attached to this report for Council's consideration.

ATTACHMENTS

1. Chief Executive Officer Employment and Remuneration Policy 2024 [7.1.1 - 11 pages]
2. Chief Executive Officer Employment and Remuneration Policy 2024 Tracked Changes [7.1.2 - 11 pages]
3. CEEMAC Terms of Reference [7.1.3 - 5 pages]

7.2. USE OF ARTIFICIAL INTELLIGENCE POLICY 2024

DIRECTORATE : Corporate Strategies/Executive Services

PURPOSE:

This report presents Council with the Use of Artificial Intelligence Policy 2024 for adoption.

EXECUTIVE SUMMARY

The emergence and rapid advancement of artificial intelligence (AI) provides opportunities for Local Government to operate more effectively and efficiently. However, there is also the potential for AI to be poorly used or applied and there are also ethical questions when it comes to the use of AI for some tasks.

The attached Use of Artificial Intelligence Policy 2024 seeks to address the use of AI tools by Council staff in a way that embraces the potential of positive transformative change presented by the technology, but also ensures that the utilisation of AI aligns with Council's legal, ethical, and community standards.

RECOMMENDATION

That Council adopt the Use of Artificial Intelligence Policy 2024.

BACKGROUND

Artificial Intelligence's rapid ascent is quite notable even in an era of rapid innovation in technology and software. Its continued evolution will inevitably lead to integration with various industries and sectors and Local Government will be no exception. It seems clear that this technology has the potential to reshape the nature of work in the not-too-distant future.

AI can create efficiencies and deliver improved outcomes for some tasks and services. It can be used in a range of ways from taking on mundane tasks to generating/gathering ideas.

Governments, organisations and businesses globally are considering the benefits and challenges of using artificial intelligence. Simpler forms of AI have been around for decades (spellchecking, facial recognition, chatbots) but in recent years the level of sophistication and "generative learning" capability of AI has taken a quantum leap.

While there is widespread agreement that AI can deliver benefits, governments in particular are cognisant that there are also risks associated with AI.

At a global AI Safety Summit held in London several weeks ago Australia was among 28 governments to sign a declaration to agree to work together on AI safety research.

On November 16 the Australian Government announced a deal with Microsoft to explore the safe and responsible use of generative artificial intelligence (AI) in the public service through the Digital Transformation Agency (DTA).

The Australian Government will conduct a six-month trial of Microsoft 365 Copilot, making it one of the first governments in the world to deploy generative AI service.

ISSUES

While it is impossible to anticipate how Artificial Intelligence will evolve and shape the way Local Government functions into the future, it is anecdotally already being used by staff to perform daily tasks and Managers are reporting seeing job applications written by AI. It is important that Council is on the front foot and has policy that gives shape to how staff use AI at present but is also adaptable and principles based so that it can be used to assess future uses that we may not anticipate.

Simple AI, such as spellcheck and predictive text in word processing software, reminders from Outlook when an attachment is forgotten, and several automated processes used by Council owned software have been used for some time. However, there are an increasing number of uses that are more complex and creative in nature, doing more than just the most basic processing tasks. The most topical example is ChatGPT, which is an AI language model which produces human-like text based on the inputs it receives. It can be used for any instance where text is needed, which may include drafting emails and correspondence, writing reports, proofreading and editing, and drafting social media posts.

It is also a very effective tool for idea generation and conducting research. If a staff member is working through a concept or needs to produce a piece of work, they can use something like ChatGPT to produce a list of ideas or points to consider.

This technology has the potential to transform the way work is done, but also comes with key risks. Some potential uses include:

- Customer support through chatbots and potentially an entirely over the phone conversation service as the technology evolves.
- Automation of repetitive and administrative tasks such as filing documents in ECM, scheduling and diary management, data entry, inventory management, processing transactions etc.
- Assist in the recruitment process by scanning resumes, conducting initial interviews, and even predicting the suitability of candidates based on historical data.
- Improve Cybersecurity by having AI detect and respond to security threats in real-time by monitoring network traffic, identifying anomalies, and preventing data breaches.
- Data analysis and analytics by analysing large datasets quickly and extracting insights.
- Staff management by monitoring engagement and productivity.
- Producing risk assessments or assisting staff in developing their own.
- Creating entirely computer-generated art, video, and audio without the need for any staff or initial subject matter.

Risks posed include:

- Staff displacement and enterprise agreement impacts
- Costs – there is likely to be a growing dependency on AI and there will inevitably be subscription models for access to useful AI products.
- Data risks – Council requests to AI, and the responses from AI are stored in places and by companies about which we know little.
- Responsibility around the use of AI and culpability if it makes mistakes.

The attached policy aims to address the use of AI tools by Council staff in a way that embraces the potential of positive transformative change presented by the technology, but also ensures that the utilisation of AI aligns with Council's legal, ethical, and community standards.

It uses guidance from the Australian Government's Digital Transformation Agency to inform its content, but it is adapted to the specific needs of Warrnambool City Council. It organised under the following four areas:

- AI should be Deployed Responsibly
- Accountability and Human Centred Decision Making
- Transparency
- Privacy Protection and Security

Given the rapidly changing nature of AI it is recommended that this policy is revisited every year, rather than once every three or four years as is the case with most Council policies

FINANCIAL IMPACT

There is no immediate financial impact of adopting this policy. However, it is likely that AI tools will increasingly cease to be offered for free and Council may have to consider purchasing software at some point in the future.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

Not Applicable

TIMING

The AI space is rapidly changing as such it is important that a policy is in place and is regularly reviewed as the technology matures and regulation occurs.

COMMUNITY IMPACT / CONSULTATION

Council will take an inform approach to consultation in relation to the use of AI and the adoption of this policy. The policy also deals with transparency around the use of Artificial Intelligence.

LEGAL RISK / IMPACT

The primary risk in regard to this policy is around data security and privacy. The policy requires that inputs into AI tools do not include or reveal any classified information, or personal information held by council.

OFFICERS' DECLARATION OF INTEREST

Nil.

COLLABORATIVE PROCUREMENT

N/A.

CONCLUSION

It is important that Council is on the front foot and has policy that gives shape to how staff use AI at present but is also adaptable and principles based so that it can be used to assess future uses that we may not anticipate. The attached Use of Artificial Intelligence Policy 2024 seeks to achieve this.

ATTACHMENTS

1. Use of Artificial Intelligence Policy 2024 [7.2.1 - 5 pages]

7.3. S11A INSTRUMENT OF APPOINTMENT AND AUTHORISATION (PLANNING AND ENVIRONMENT ACT 1987)

DIRECTORATE : Executive Services

PURPOSE:

This report seeks Council's endorsement of an updated S11A Instrument of Appointment and Authorisation (Planning and Environment Act 1987).

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's endorsement for appointment of authorised officers under the *Planning and Environment Act 1987* through the updated Instrument of Authorisation and Appointment ('the instrument'). This is the result of a recent appointment.

By authorising the relevant officers to perform their duties under the *Planning and Environment Act 1987*, Council will ensure these officers have the required authority to carry out their roles within legislated requirements.

RECOMMENDATION

Council resolves that:

- 1. The persons referred to in the instrument attached be appointed and authorised as set out in the instrument.**
 - 2. The instrument comes into force immediately upon the common seal of Council being affixed to the instrument and remains in force until Council determines to vary or revoke it.**
 - 3. The Instrument of Appointment and Authorisation (*Planning and Environment Act 1987*) dated 6 November 2023 be revoked.**
 - 4. The common seal of Council be affixed to the Instrument.**
-

ISSUES

Officers authorised to act under the *Planning and Environment Act 1987* have authorisation to enter sites, gather evidence or serve legal notices, etc. if required, as appropriate to their level of experience and qualifications.

The specific authorisations provided through this instrument include:

1. Under section 147(4) of the *Planning and Environment Act 1987* (Vic) - appointment as an authorised officer for the purposes of the *Planning and Environment Act 1987* and the regulations made under that Act; and
2. Under section 313 of the *Local Government Act 2020* (Vic) authorisation generally to institute proceedings for offences against the Act and/or any regulations.

If officers are not appropriately authorised, they will not have the legal authority to perform key aspects of their role which would result in a lack of enforcement across the City. If officers act without the correct authority, actions can also be challenged and invalidated on that basis, and the officers may be personally liable.

The attached instrument has been reviewed and updated to reflect recent staff changes and authorises the following officers:

Hannah Carswell
John Edwards
Julie McLean
Matthew Cross
Morteza Mirgholami
Nicholas Legoe
Peter Reid
Rob Wandell
Simon Glenister
Srimali Mellawa

FINANCIAL IMPACT

Nil.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

5 An effective Council

5.1 Leadership and governance: Council will be a high-functioning team committed to respectful relationships, collaboration and ongoing engagement. It will provide strong, effective leadership, sound governance and informed decision-making

5.6 Risk mitigation: Council will mitigate and manage organisational risks through sound management systems and processes.

TIMING

N/A

COMMUNITY IMPACT / CONSULTATION

Nil.

LEGAL RISK / IMPACT

Not endorsing the updated instrument will limit the authorisations and authority of selected officers. Additionally, If officers act without the correct authority, actions can also be challenged and invalidated on that basis, and the officers may be personally liable.

OFFICERS' DECLARATION OF INTEREST

Nil.

COLLABORATIVE PROCUREMENT

N/A.

CONCLUSION

By authorising the relevant officers to act under the *Planning and Environment Act 1987* Council will ensure these officers have the required authority to carry out their roles within legislated requirements.

ATTACHMENTSS11A Instrument of Appointment and Authorisation (Planning and Environment Act 1987) [7.3.1 - 2 pages]

7.4. SHORT STAY ACCOMMODATION LOCAL LAW REVIEW

DIRECTORATE : Corporate Strategies

PURPOSE:

This report provides information on Warrnambool City Council's Short Stay Accommodation Local Law and associated levy and makes recommendation to Council regarding the future of the Local Law and associated levy in response to new legislation to be introduced by the Victorian State Government.

EXECUTIVE SUMMARY

With the introduction of new legislation relating to short stay accommodation in 2025 as part of the State Government's housing statement, Council will no longer be able to charge a registration fee for short stay accommodation. This report reviews the operation of the short stay accommodation Local Law for the last 12 months and makes recommendation regarding the Local Law's operation for the 2024 calendar year.

RECOMMENDATION

That Council:

- 1. Resolve to not charge the Short Stay Accommodation Local Law registration fee for the 2024 calendar year.**
- 2. Instructs the Chief Executive Officer to undertake the required legislative process to revoke the *Warrnambool City Council Local Law No. 2 – Short Stay Accommodation Local Law.***

BACKGROUND

Warrnambool City Council implemented the *Warrnambool City Council Local Law No. 2 – Short Stay Accommodation Local Law* ('Short Stay Accommodation Local Law' or 'Local Law') in February 2023. The Local Law was introduced to address a gap in legislation at other levels of government, and had the following objectives:

1. Provide clear guidelines on the required standards for the operation of this type of accommodation;
2. Ensure equity within the municipal tourism sector by Short Stay Rental Accommodation providers contributing to the tourism sector;
3. Enhance neighbourhood amenity;
4. Provide for the administration of this Local Law and of Council's powers and functions; and
5. Assist with the Peace, order and good governance of the municipal district.

A Community Impact Statement was also prepared prior to the Local Law's introduction to help inform community members during the consultation period.

The Short Stay Accommodation Local Law is currently in force and requires owners of short stay accommodation properties to be registered with Council and maintain compliance with the Short Stay Rental Accommodation Code of Conduct, which covers:

- Displaying the code of conduct for occupants and visitors;
- Taking responsibility for the behaviour of occupants and visitors and addressing unacceptable behaviour;

- Informing occupants and visitors of waste disposal arrangements and removing any excess waste left by occupants and visitors;
- Providing off-street parking for occupant's motor vehicles, and providing parking arrangement information to occupants prior to arrival;
- Banning additional accommodation by way of tents, caravans, campervans, or similar facilities;
- Restricting the use of outdoor areas between 11pm and 7am; and
- Maintaining land connected to the dwelling in good condition.

The Local Law also requires owners of Short Stay Accommodation to register with Council and pay a \$400 registration fee each calendar year.

ISSUES

In September 2023, the Victorian State Government announced that a new state-based levy would be introduced on short stay accommodation. The levy would amount to a 7.5% charge and be introduced from January 2025 as part of its new housing policy, with the funds collected to be directed towards social housing. The 7.5% levy is expected to raise \$70m for the state government.

The estimated revenue is intended to be transferred to Homes Victoria to be invested in social and affordable housing options, with 25 per cent to be invested in homes in regional Victoria. The state government indicated that this levy would replace any levies introduced by local government authorities. Local Government Authorities were not consulted prior to the announcement by the state government.

In terms of the operation of the Short Stay Accommodation Local Law by Warrnambool City Council,

- Registration Fees: As of December 2023, 139 properties had registered as short stay accommodation providers with the Council, generating \$55,600 in registration fees for the 2023 calendar year. The registration fee is collected after the summer visitation period.
- 16 properties identified as potential short-stay accommodation providers have not registered with Council. Reminder notices have been sent to overdue property owners, but Council has not yet sent these invoices to debt collection.
- Council received advice that 57 properties were not short stay accommodation.
- Code of Conduct: The Code of Conduct was incorporated into the registration process and must be displayed prominently in registered properties. Anecdotal evidence suggests increased awareness and compliance, although further data collection and analysis is needed.
- Feedback: Council received a number of initial questions and comments from property owners, including:
 - From those that only rent out their property during May race week, that they should not be included in the local law
 - From those that felt the fee was too cheap compared to the income being produced by the Short Stay Accommodation property
 - Those that had decided to rent their property out long term as opposed to short term, and
 - Those that thought the fee was too high.
- Compliance: Overall, there was a high level of compliance to the Local Law and Registration Fee.

- **Complaints and Enforcement:** Council did not receive many complaints regarding short stay accommodation properties over the last 12 months, with the only notable complaint regarding the number of vehicles parked in front of a short stay accommodation property.
- **Administrative Efficiency:** Online registration and streamlined processes have facilitated efficient administration of the law.

With the State Government soon to enact legislation in relation to Short Stay Accommodation, including removing Council's ability to levy a registration fee, Council have three options to consider for the 2024 Calendar year:

1. Remove the Local Law and associated registration fee for the 2024 calendar year.
 - (i) This option is recommended by officers.

This would mean that the Local Law placing requirements upon Short Stay Accommodation property owners would be revoked, and property owners would not be charged the \$400 registration fee for the 2024 calendar year. Responsibilities relating to poor behaviour at Short Stay Accommodation properties would return to previous settings.

2. Do not change the current arrangement:
 - (i) This would mean that the registration fee and local law would continue to operate as normal until the 31st of December 2024. Council would issue notices and collect the \$400 registration fee in 2024 and be responsible for the operation of the Local Law. Under this option, Council would update the Local Law with a sunset clause, which repeals the Local Law when the Victorian Government's new rules come into effect, which is expected to be at the start of January 2025.
3. Maintain the Local Law but remove the registration fee:
 - (i) This would mean that Council would not collect the \$400 fee from Short Stay Accommodation property owners for the 2024 calendar year but would maintain the other requirements of the Short Stay Accommodation Local Law on property owners. In this case, Council would also maintain responsibility for the operation of the Local Law.

Officers do not recommend this option, as it would mean that responsibility for enforcement remains with Council, but revenue would be collected by the State Government and allocated to other purposes. This would be an example of cost shifting, where responsibilities for services are shifted to local government authorities without financial support.

Local Law Revocation Process

A Local Law can only be revoked by Council making another Local law to do so – i.e. a 'Revocation Local Law'. This means that Council will need to go through the full local law-making process to revoke the Short Stay Accommodation Local Law.

The requirements of Local Laws and the process for their adoption are outlined in the *Local Government Act 2020*. The requirements include a certificate from a qualified person that it is consistent with the local law requirements, a community engagement process, and that a notice is published in the gazette and Council's website.

Council Officers will be able to undertake this process before bringing a 'Revocation Local Law' back to Council for adoption.

FINANCIAL IMPACT

As of December 2023, 139 SSA properties have registered with the Council, generating \$55,600 in registration fees.

COMMUNITY IMPACT / CONSULTATION

The Short Stay Accommodation Local Law was introduced in February 2023 after two separate community engagement processes.

LEGAL RISK / IMPACT

The State Government intends to implement legislation that will over-ride any Local Government rules from 1st January 2025. Council must revoke its Local Law by 31 December 2024.

OFFICERS' DECLARATION OF INTEREST

The Officer preparing this report has no conflict of interest to declare.

CONCLUSION

The introduction of a new Short Stay Accommodation levy by the Victorian State Government will introduce a new tax on short stay accommodation providers and remove the ability of Local Government authorities to raise revenue in this space. Warrnambool City Council's introduction of the Short Stay Accommodation Local Law in February last year was, in part, to seek to address legislative gaps in the Short Stay Accommodation, which the State Government will start addressing through its housing statement.

The incentive to remove housing stock from the short-term accommodation market will also be more fully achieved by the new legislation being enacted by the State Government.

Local amenity issues could still be resolved with the Local Law in place

ATTACHMENTS

Nil

7.5. QUARTERLY FINANCIAL REPORT - OCTOBER TO DECEMBER 2023

DIRECTORATE : Corporate Strategies

PURPOSE:

The purpose of this report is to present the October to December 2023 Quarterly Financial Report to Council.

EXECUTIVE SUMMARY

- This quarterly finance report compares actual financial results to budget and forecast for the three months from 1 October 2023 to 31 December 2023 – refer Attachment 1 Quarterly Finance Report.
- The report sets out the financial results for Council's recurrent (day-to-day) operations, projects, capital works, rates, and borrowings.
- Overall, the actual results indicate an unfavourable financial position of (\$0.29m) compared to the YTD forecast. However, this is mainly due to timing of project funding and expenditure, with recurrent operations favourable to forecast by \$0.3m on a year-to-date basis.
- An updated forecast was prepared in December resulting in a full year forecasted cash position of \$0.55m. The net impact was a favourable increase to the previously budgeted position, mainly resulting from savings in employee costs due to vacancies, higher than budgeted interest on investments and higher supplementary property rates from new developments, The updated forecast shows that Council remains in a sound financial position.
- Under section 97(3) of the *Local Government Act 2020*, The CEO is required to make a statement in the second quarterly statement of the year as to whether a revised budget is required.
 - A revised budget for 2023-24 is not required.

This report meets the requirements of section 97 of the *Local Government Act 2020* to present a quarterly financial report to Council at a public meeting that compares actual results against budget.

RECOMMENDATION

That the Quarterly Financial Report for the period October to December 2023 be received.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

5 An effective Council

5.5 Organisational and financial sustainability: Council will ensure organisational and financial sustainability through the effective and efficient use of Council's resources and assets.

LEGAL RISK / IMPACT

This report meets the requirements of section 97 of the *Local Government Act 2020* to present a quarterly financial report to Council at a public meeting that compares actual results against budget.

Under section 97(3) of the act, The CEO is required to make a statement in the second quarterly statement of the year as to whether a revised budget is required. This would generally be required if operations or finances were significantly and materially affected by unforeseen circumstances.

A revised budget for 2023-24 is not required.

CONCLUSION

The October to December 2023 Quarterly Financial Report is attached to this report.

ATTACHMENTS

1. Quarterly Finance Report - October to December 2023 [7.5.1 - 14 pages]

7.6. AWARD OF CONTRACT 2024016 - BRIERLY REC RESERVE EASTERN OVAL REDEVELOPMENT - ELECTRICAL & LIGHTING CONSTRUCTION WORKS

DIRECTORATE : City Infrastructure

PURPOSE:

This report provides information in relation to the award of Contract 2024016 - Brierly Recreation Reserve Eastern Oval Redevelopment – Electrical & Lighting Construction.

EXECUTIVE SUMMARY

- A public tender was advertised on Saturday 11th November 2023, inviting tender submissions from suitably qualified and experienced contractors to carry out the construction of the Electrical & Lighting Construction component of Brierly Recreation Reserve Eastern Oval Redevelopment.
- Close of tenders was 2:00pm 15 December 2023. Many companies downloaded the tender documents through the online portal.
- The submissions received have been assessed by a tender assessment panel.
- The submissions received were within the budget range as per the original estimate.
- The officers recommendation is to proceed with the tender offer provided by Simon Lucas Electrical Services Pty Ltd for \$405,839.00 excluding GST.

RECOMMENDATION

That Council:

- 1. Award Contract No. 2024016 Brierly Recreation Reserve Eastern Oval Redevelopment – Electrical & Lighting Construction to Simon Lucas Electrical Services Pty Ltd, for the tendered amount of \$405,839.00 excluding GST, with a total delegated award value of \$446,422.90 including GST.**
- 2. Accept the schedule of rates offered to undertake any extra works over and above the lump sum price if required, provided that additional works can be accommodated within the project budget.**
- 3. Authorise the CEO to sign, seal and vary the contract as required.**

BACKGROUND

The Brierly Recreation Reserve Eastern Oval Redevelopment will see the playing surface upgraded to a multi-sport competition-based reserve. The construction will consist of two full-sized soccer pitches overlaying a cricket oval, with improved drainage, sub surface irrigation, a new synthetic cricket pitch, LED lighting (200 lux) and fencing.

In October 2022, Council matched \$1 million funding received via the 2022 Local Sports Infrastructure Fund – Female Friendly Facilities stream, bringing the total budget for the project to \$2 million. This project progressed with the creation of a Project Control Group, and subsequent completion of concepts and detailed designs for both the field of play and electrical portions of works.

A Request for Tender (RFT) for Contract 2023035 was advertised on Friday, 11 August 2023, and was open for 4 weeks, ending Friday, 8 September 2023. A three-week Best and Final Offer process was undertaken following this period to ensure conformance and value-for-money.

During the Best and Final Offer process it became apparent that by tendering the Electrical and Lighting component as a separate contract, better value for money for this component of the works may be able to be achieved.

Subsequently, a rate tender process was undertaken for contract 2024016 - Electrical & Lighting Construction. The outcome of that procurement process forms the basis of this report.

ISSUES

The purpose of entering into this construction contract is to appoint a suitable contractor to deliver the associated works to the best standard in a safe, timely and efficient manner while minimising the risks to Council.

The submission that was deemed most advantageous was submitted by a local contractor, Simon Lucas Electrical Services Pty Ltd.

As a result, the officers' recommendation is to proceed with the tender offer provided by Simon Lucas Electrical Services Pty Ltd for \$405,839.00 excluding GST.

FINANCIAL IMPACT

The result of the assessment supports the Project Control Group's decision to undertake a separate procurement for the lighting component of the greater project and is commended.

Subject to Council's approval of the contract, a budget allocation of \$450,000 will be transferred from;

- A reallocation of \$150,000 from Recreation Capital
- Forecast savings from the sports pitch renewal and the remainder from Open Space Reserves.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

1 A healthy community

1.3 Health and wellbeing: Council will take action to improve health, wellbeing and safety outcomes for Warrnambool's community.

5 An effective Council

5.5 Organisational and financial sustainability: Council will ensure organisational and financial sustainability through the effective and efficient use of Council's resources and assets.

TIMING

Contract Award	05 February 2024
Estimated Construction Commencement	12 February 2024
Construction Completion	Operational on completion of the sports field upgrade project.

COMMUNITY IMPACT / CONSULTATION

Stakeholders will remain updated in line with the Project Communications Plan.

Ongoing liaison with both the Brierly Cricket Club and the incoming Warrnambool Rangers Football Club will ensure key stakeholders are aware of project progression when updates are available. This approach is also consistent with the Modern Dog Club and Brierly Sharks Auskick in a less frequent manner.

LEGAL RISK / IMPACT

Funding milestones within the project currently indicate a construction completion date of 30 April 2024, however, discussions have indicated there is some flexibility should circumstance arise that result in an extension.

OFFICERS' DECLARATION OF INTEREST

A declaration was made by an officer, and they were removed from the process.

To note:

A Project Manager working on the Brierly Recreation Reserve Eastern Oval Redevelopment project declared a conflict of interest due to a connection to a tender submission received for contract 2024016 - Electrical & Lighting Construction. This conflict of interest has been managed with the Project Manager removed from any further project involvement with contract 2024016, including the Tender Evaluation process.

COLLABORATIVE PROCUREMENT

Project specific procurement - collaborative procurement not applicable.

CONCLUSION

The evaluation panel deemed the submission received from Simon Lucas Electrical Services Pty Ltd, suitable for the Brierly Recreation Reserve Eastern Oval Redevelopment Electrical and Lighting Construction and recommends awarding the contract in full.

ATTACHMENTS

Nil

7.7. FLAGSTAFF HILL RE-IMAGINED VISION & OPPORTUNITIES PLAN DRAFT REPORT

DIRECTORATE : City Growth

PURPOSE:

This report presents the final version of the Flagstaff Hill Re-Imagined Vision and opportunities plan for adoption. The report also includes background information, issues moving forward to implement the plan, and a summary of the feedback received during public consultation.

EXECUTIVE SUMMARY

The Flagstaff Hill Re-Imagined Vision and opportunities plan offers a vision for Flagstaff Hill (FSH) including ambitious opportunities based on research and appropriate industry engagement. There has been extensive engagement with specific industry leaders in forming the final draft.

Along with the extensive community engagement during the compilation of the plan, with over 500 respondents, the final draft document received another 20 written submissions while on public display.

This plan was produced incorporating research around the latest tourism data and previous work looking into benchmarking FSH current operations against similar experiences in Victoria.

The following vision has been developed to support the re-imagining of Flagstaff Hill:

“Flagstaff Hill is a thriving integrated community and major tourism precinct in Warrnambool.

Set amongst layers of historic buildings and regenerated landscape, visitors can engage with a range of activities and experiences (geothermal bathing, accommodation, contemporary approach to the display and interpretation of the museum artefacts, food and beverage, First People’s led experiences, wellness, history and heritage, functions, and events).

The precinct and its experiences recognise and are responsive to First Peoples culture, state significant heritage assets, museum artefacts and the sites unique attributes and landscape”

The vision developed in the plan was complied with these strategic directions;

1. Create a demand driving destination
2. Facilitate investment
3. Integrate First People’s led experiences
4. Protect state significant heritage
5. Leverage the sites unique attributes
6. Renew, re-use and adapt infrastructure
7. Improve access and accessibility
8. Allow for staged development

The implementation approach of 3 phases has been identified;

Phase 1 (0-2 years)

- Detailed site masterplan, including detailed designs for interim capital works. Progress planning to unlock investment opportunities including First People’s led experiences

Phase 2 (3-5 years)

- Deliver interim capital works

- Progress planning related to commercial investment opportunities and implement Planning Framework

Phase 3 (5+ years)

- Progress investment attraction and commercial investment opportunities

This report also outlines the issues associated with realising the vision and issues affecting the implementation of the plan and next steps.

RECOMMENDATION

That Council adopt the Flagstaff Hill Re-Imagined Vision and Opportunities Plan.

BACKGROUND

For half a century FSH has operated as a ticketed attraction in Warrnambool. Now, 50 years since the village was constructed, a new future for the site is being imagined to both address critical issues, respond to project objectives and drive longer term economic, tourism and social benefits to the region.

The aim of the Flagstaff Hill Re- Imagined project was to explore the future precinct development opportunities and options for the Flagstaff Hill site, articulate a vision for the site and provide a framework that will guide the future directions and investment into the precinct.

Recent studies and a thorough look in to the operations of FSH, has led to these observations;

1. Visitation to the attraction has declined, with a loss of around 30,000 annual visitors from 2009 to 2019.
2. Council provides ongoing subsidies to operate the attraction, equating to an average cost of \$720K (Note: this includes operation of the visitor information centre).
3. Investment and re-investment into the Sound and Light Show has not resulted in the creation of additional visitation to the site or improved the financial operating performance of the attraction.
4. Without progress towards a re-imagined site, it is likely that incremental capital investments will continue to be required to keep the attraction operating at a functional level.
5. The positioning, breadth and quality of the current offering results in a failure to drive significant visitation, yield and value add from the visitor market.
6. The attraction is located on a prominent and strategic position within Warrnambool but the existing infrastructure does not take advantage of the site.

In early 2023 Council and consultants Urban Enterprise asked for community and stakeholder input around the future of Flagstaff Hill.

An online survey attracted 506 responses and community drop-in sessions, with over 50 participants, at Flagstaff Hill along with a visitor survey. Of all survey respondents, 83 per cent agreed with the statement “Flagstaff Hill requires a new vision and re-thinking in terms of its role as a visitor and community asset.”

The following options were identified during the process of preparing the plan with Council preferring option 3 being explored in detail for the final report.

Options identified in Flagstaff Hill Re-Imagined

Options	1. Enhance the current experience (Business as usual)	2. Re-think the experience, considering new strategic investment opportunities.	Preferred option 3. Integrated precinct development, considering public and private sector investment opportunities.
Summary	<ul style="list-style-type: none"> Maintain the site in its current format; Select experience and infrastructure upgrades and enhancements Council managed. 	Re-positioning of the offering. <ul style="list-style-type: none"> Exploration of new value add experiences (village activations, night experiences, functions and events, dining and hospitality and tour operators etc). Council managed. Potential to involve other commercial operators and partners (food and beverage, tours operators) 	<ul style="list-style-type: none"> Major re-visioning and re-positioning of the site. Open and integrated visitor and community precinct. Private and public sector investment opportunities.
Possible Uses and Activities (examples)	<ul style="list-style-type: none"> Maritime Village (with additional activations). Upgraded/new sound and light show production. Dining and hospitality. Broader use for events and functions. 	<ul style="list-style-type: none"> Museum and visitor servicing Village (re-positioned offering / new activations); New night experiences (e.g. light festival events); Event/amphitheatre space (festivals, events), Expanded dining and hospitality offerings; Spaces for tour operators; Food and beverage. 	<ul style="list-style-type: none"> Geothermal/wellness; Accommodation; Functions and events; Museum, retail/shop, tour operators and visitor servicing; Integrated First Nations experience Hospitality and dining (brewery, distillery, café etc); Functions and events;
Capital investment	Low-Medium	High	Major
Capital Funding	Public	Public	Private / Public
Operational Funding	Council	Council	Private / Public
Implementation Risk	Low	Low	High
Re-imagining	None	Medium	High
Tourism Impact	Low	Low-Medium	High

ISSUES

The site does present challenges to achieve its full potential. The site being Crown Land and the limited commercial lease terms available of 21 years would inhibit significant private investment into the precinct. A pathway forward has been identified where the Minister can issue a lease up to 67 years under specific conditions.

The creation of Great Ocean Road Coast and Parks Authority (GORCAPA) and their future role as potential land manager of coastal crown land in Warrnambool may present complexities. Although both GORCAPA and DEECA were involved in the development of the plan, it is unknown if and when GORCAPA will seek to assume crown land management role within Warrnambool. However the plan has been developed in a way that could be executed whether Council or another agency has land management functions.

WHAT ARE THE CRITICAL ISSUES?

1. Visitation to the attraction has been declining over the long term, with a loss of around 30,000 annual visitors from FY09 to FY19.
2. Council provides ongoing subsidies to operate the attraction, equating to an average cost of \$720K per annum or \$7.2 million over the past ten-years (including operation of the visitor information centre).
3. Investment and re-investment into the Sound and Light Show has not resulted in the creation of additional visitation to the site or improved the financial operating performance of the attraction.
4. Without progress towards a re-imagined site, it is likely that incremental capital investments will continue to be required to keep the attraction operating at a functional level.
5. The positioning, breadth and quality of the current offering results in a failure to drive significant visitation, yield and value add from the visitor market.
6. The attraction is located on a prominent and strategic site within Warrnambool, the current attraction and existing infrastructure mean the favourable aspects of the site are not being leveraged, leading to an underutilisation of the asset.
7. There are several current infrastructure and operational challenges, such as a lack of universal accessibility; village buildings requiring re-investment to provide for adaptive re-use opportunities; limited foot traffic through the village to provide sufficient demand for adaptive re-use of village buildings.
8. The site is Crown Land, which generally provides opportunity for leases of up to 21 years. Lease terms of greater than 21 years are reserved for large scale projects of regional or state significance, where the associated costs are higher and a longer lease term is required.
9. Major investment is required to re-position and re-imagine the site with private sector investment. Facilitation of major private sector investment will require securing a lease term over 21 years, which will require ministerial approval.
10. The site contains State Significant Heritage assets, which require preservation, conservation and management. Specific heritage advice is required to determine development and management requirements.

-4.7% per annum

Average visitation decline between FY09 – FY19

-30,000

Total loss of visitors based on FY09 performance vs FY19 performance

\$720K per annum

Total average operating subsidy between FY14-FY23 (including Flagstaff Hill & Visitor Services)

\$7.2 million

Total operating subsidy between FY14-FY23

The private investment and as such the crown lease, and potentially GORCAPA and DECCA's views are critical to implementing the Preferred option 3. Integrated precinct development, considering public and private sector investment opportunities. A combined approach of Option 2. Re-think the experience, considering new strategic investment opportunities, could be considered. Especially in relation to Strategic Direction 7. Improve access and accessibility, with the "Storm Viewing Tower and combined lift into the precinct.

FINANCIAL IMPACT

There is no financial impact at this stage however, the plan identifies that the implementation considerations will mean a greater level of planning will be required to realise the vision and change of this magnitude.

This will require time and investment into the planning process, some of which may come from the private sector, if a public / private partnership sought to implement some of the proposed changes.

Further advice is required to inform a detailed masterplan for the site and expand on other considerations, especially if a phased implementation approach is adopted.

The following will be required:

- Engagement
- Site Survey
- Heritage assessment
- Geotechnical Investigations
- Infrastructure and services advice
- Statutory planning advice
- Legal advice and investment / implementation strategy
- Traffic assessment
- Private sector / specialist advice in relation to private sector investment opportunities
- Governance
- Investment Attraction

There will also be budget savings to Council as the village evolves away from a ticketed attraction and Council operations change.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

1 A healthy community

1.1 Be a welcoming and inclusive city: Warrnambool will be a city that is more welcoming to all and which fosters diversity.

1.4 An accessible city: Council will improve physical and social accessibility to community services, facilities, places and precincts.

3 A strong economy

3.1 Build on competitive strengths: Council will support initiatives that foster ongoing development and investment in the industries which underpin Warrnambool's economic strengths and comparative advantages

3.2 Emerging industries: Council will encourage emerging industry sectors that contribute to Warrnambool's economic growth and diversity.

3.3 Visitor growth: Council will facilitate Warrnambool's visitor growth and year-round visitation through industry development, effective destination management and promotion of attractions, experiences and by leveraging key events.

3.4 Workforce capability: Council will foster the development of a workforce capable of supporting the needs of the local and regional economy

4 A connected, inclusive place

4.1 Effective planning: Council will ensure its planning acknowledges the unique character and attributes of local places and that that supports social connection, equitable access, appropriate housing and sustainable population growth.

5 An effective Council

5.7 Effective advocacy: Council will pursue effective advocacy by providing compelling materials for desired support and funding for community priorities through establishing strong relationships with other levels of government, strategic partners and key stakeholders

TIMING

Proposed for Council to adopt the plan in February 2024. If adopted, work will begin on the phasing and scoping of next steps.

The long-term operational impacts identified that can be implemented within the current service are already being considered and planned for.

COMMUNITY IMPACT / CONSULTATION

The community consultation during the process was very extensive with the consultation period for the draft plan was open for four weeks closing on Tuesday 5th December with all feedback received through the council website. The consultation period was heavily publicised through our social media, mainstream media, newsletters, and business database resulting in twenty submissions.

Most of the written submissions were relatively supportive of proposed changes and the site needing a new way forward. There were also helpful comments around operations and other aspects not related to the document. A detailed summary of the feedback is contained in attachment 2 Feedback Notes.

No changes have been made to the draft document based on feedback but a number of points raised will be considered moving forward. A response will be provided to all submissions once the Council has adopted the plan.

LEGAL RISK / IMPACT

No risk assessment required at this stage

OFFICERS' DECLARATION OF INTEREST

NA

COLLABORATIVE PROCUREMENT

NA

CONCLUSION

It is recommended the Flagstaff Hill Re-Imagined Vision and opportunities plan be adopted by Council.

ATTACHMENTS

1. Flagstaff- Hill- Re- Imagined- Final- Jan-2024 [7.7.1 - 102 pages]
2. Flagstaff Hill Re Imagined Community FEEDBACK NOTES [7.7.2 - 5 pages]

7.8. WARRNAMBOOL EVENTS STRATEGY - DRAFT

DIRECTORATE : City Growth

PURPOSE:

This report presents the draft of the 2024-28 Events Strategy and requests Council endorsement to release the draft for public consultation.

EXECUTIVE SUMMARY

Events are a key driver of economic activity and can form part of a place's identity. They also promote and enhance social cohesion and wellbeing in the community. The draft Events Strategy 2024-28 (attached) is presented for review and endorsement by Council to be released for public consultation.

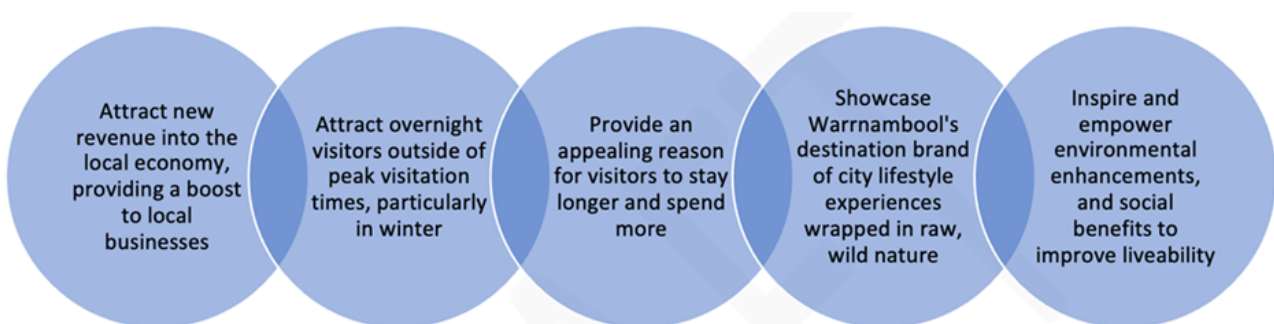
Key stakeholder engagement involved input from 62 individuals across 12 stakeholder groups during October 2023.

This draft strategy outlines how the City's Events & Promotion team will focus on supporting the growth and attraction of destination events, as well as increasing the economic benefits of events, achieved through a suggested implementation framework.

The draft focusses on and distinguishes between two types of events:

- Destination Events: Events that attract visitors from outside the region.
- Community events: Events mainly for residents of Warrnambool and the surrounding Shires that Warrnambool serve as a service hub.

The draft strategy is for the whole of the Council whereas the previous strategy was focused on the Events & Promotion Team role. The key directions from the draft strategy include:



The four strategic priorities over the coming four years will be to

1. Identify and nurture fit for purpose events.
2. Maximise events' contribution to the local economy.
3. Empower and enable community and industry to deliver successful events.
4. Ensure events are socially, environmentally, and economically sustainable.

RECOMMENDATION

The Council resolves to release the draft Events Strategy 2024-2028 for public consultation for a period of 28 days.

BACKGROUND

The previous WCC Events Strategy covered 2018-2022. Once COVID restrictions had eased work began on the new strategy to cover 2024-28. The process has been through comprehensive key stakeholder engagement involving 62 individuals across 12 stakeholder groups during October 2023.

ISSUES

The strategy acknowledges that the events offered are broad and complex by nature and are becoming increasingly difficult to deliver and facilitate in the current economic climate. Council needs to focus on the best possible outcomes for the investment available. Leveraging events to deliver Council aspirations around driving visitation and enhancing economic and community outcomes is a strong focus of the draft strategy.

One of the major issues identified during the drafting of the new strategy was the challenge around facilitating the numerous Community events run in Warrnambool while still maintaining resources for destination or economic events. The draft strategy discusses this in detail and focusses on attracting Destination / Economic events. There is a strong focus on enhancing already established events to leverage.

The strategy also discusses working with locally organised events with the capacity to grow and achieve these outcomes, while recommending some actions to maintain the facilitation of community events in a more streamlined manner.

FINANCIAL IMPACT

The draft strategy has been completed within the budget allocated.

LEGISLATION/POLICY/COUNCIL PLAN CONTEXT

1 A healthy community

1.1 Be a welcoming and inclusive city: Warrnambool will be a city that is more welcoming to all and which fosters diversity.

1.3 Health and wellbeing: Council will take action to improve health, wellbeing and safety outcomes for Warrnambool's community.

1.5 Recreation, arts, culture and heritage: Council will support opportunities to participate in a wide range of recreational, arts and cultural programs that promote activity, wellbeing, diversity heritage and which increase community connectedness.

3 A strong economy

3.3 Visitor growth: Council will facilitate Warrnambool's visitor growth and year-round visitation through industry development, effective destination management and promotion of attractions, experiences and by leveraging key events.

TIMING

Draft document to go out for consultation for 28 days with a summary and results to be returned to Council for proposed adoption at the April general meeting.

COMMUNITY IMPACT/CONSULTATION

Many stakeholders have been engaged through the review, and the process will also include 28 day public consultation, once approved by the Council.

LEGAL RISK/IMPACT

The draft strategy includes information on accessibility and inclusion. No significant risks have been identified.

OFFICERS' DECLARATION OF INTEREST

No conflicts of interest have been identified.

COLLABORATIVE PROCUREMENT

N/A

CONCLUSION

Events are a key driver of economic activity and can form part of a place's identity. They also promote and enhance social cohesion and wellbeing in the community. A new draft 2024-2028 Events Strategy has been prepared in consultation with stakeholders and Officers recommend it is released for public consultation, with a summary and updated document to come back to Council at a later date for adaption and / or adoption.

ATTACHMENTS

1. 3587 WCC Event Strategy [7.8.1 - 30 pages]

7.9. BUSINESS CASE - NEW WARRNAMBOOL ART GALLERY

DIRECTORATE : Community Services

PURPOSE:

To provide a summary of the results of community feedback to a Preliminary Business case for a new Warrnambool Art Gallery on the existing site and to recommend Council endorsement of the Business Case.

EXECUTIVE SUMMARY

A Business case developed to explore the feasibility and benefits of a new Warrnambool Art Gallery on the existing site has found that there is potential to contribute to the economic growth of Warrnambool and the region through increased visitation, expenditure and additional jobs. A new art gallery will also create a community asset that can become a landmark tourist destination within a wider civic and cultural precinct. The Business case found that a new Warrnambool Art Gallery, together with the Lighthouse Theatre, new Library and Learning Centre, existing hospitality and retail offerings can create a hub of activity to provide critical mass to attract the Great Ocean Road tourist market and regional visitors.

This report summarises the feedback from the community consultation, reflecting strong support for a new gallery on the existing site.

RECOMMENDATION

- 1. That Council endorses the preliminary Business Case for a new Warrnambool Art Gallery on the Liebig Street site.**
 - 2. That Council acknowledge a preference identified through the consultation process for concept design Option 2, and that this be used to inform future design development.**
 - 3. That Council pursue external funding opportunities for the art gallery when and if they arise.**
-

BACKGROUND

A feasibility study conducted in 2021 found that a new Art Gallery in Warrnambool could provide a major tourist and educational attraction and a stimulus for economic investment in the region and develop Warrnambool City's market position as a regional destination for cultural tourism. An expanded Marr Nation Gallery could provide a link to Tower Hill and Budj Bim cultural trail.

The existing Warrnambool Art Gallery building is limited in its capacity to present larger exhibitions, more interactive experiences, functions, and events. The building does not provide suitable storage for collection, loading or administration space.

Guided by a recommendation of a Feasibility Study completed in 2019, Council has commissioned a Business Case to explore the feasibility of a new Warrnambool Art Gallery on the existing site.

The Business Case explored how a new gallery located in the CBD can increase visitation to the city, increase cultural content and meet functional requirements. The existing site on the corner of Liebig and Timor Streets is Council owned and includes the Civic Green and adjacent carpark area.

The desired outcome is for a new iconic regional facility and tourist destination, delivering exemplary creative, cultural, and educational experiences.

The Preliminary Business Plan includes:

- Economic Contribution Study and Cost Benefit Analysis.

- Architectural massing study.
- High level concept designs that explore the potential for the site to meet the functional brief.
- High level construction costs.

ISSUES

Summary of findings

The key findings presented in the preliminary Business Case are:

- The existing Liebig Street site can support a gallery that will meet the future needs of the city, whilst still retaining and providing an opportunity to enhance the open space.
- The existing site can meet the functional requirements and the following key criteria:
 - Create a greater connection to Timor and Liebig Streets to enhance the Art Gallery's presence as a landmark within central Warrnambool.
 - Invigorate Civic Green and improve functionality and accessibility to public open spaces.
 - Maintain connection from Timor Street through to Smith Avenue.
 - Respectfully respond to existing heritage buildings on the site.
 - Allow for car parking and efficient loading for larger vehicles.
 - Address the low-level residential setting of Smith Avenue.
 - Use the northerly aspect to enhance natural light and amenity.
- There is a major opportunity to capture additional visitor numbers by "out of town" visitors by providing an interesting destination and experience that is in addition to the existing "natural" attributes of the area.
- The existing structure of the Day Tour industry to the Great Ocean Road could be re-structured to include Warrnambool as an overnight stay destination, providing not only additional visitation to the Art Gallery, but also an opportunity to drive demand for accommodation and meals and therefore the increase visitor spend in the region.
- There is untapped demand for a wider range of leisure / tourism activities than what has traditionally been on offer at Warrnambool.
- Visitor interest in, and attendance at, First Nations arts and craft activities has continued to increase in recent years. The Australia Council's National Arts participation survey found that nearly half of all Australians are actively interested in First Nations arts (47%) and seven million attended in 2016 – a record level of attendance and double that of 2009.
- The estimated capital cost for the investment of a new Warrnambool Art Gallery is \$52.5 million excluding escalation and GST.
- The potential economic benefits include the economic contribution generated through construction, additional operational expenditure of a new facility and additional tourist expenditure across both Warrnambool and Victoria.
- The Benefit Cost Ratio that monetises benefits and compares against the costs indicates a positive rate of 1.16 and Net Present Value of \$9,813,940, which demonstrates an economically viable project.

FINANCIAL IMPACT

The preliminary Business Plan was delivered on time and within budget. There is no further budget allocation required at this time.

LEGISLATION/POLICY/COUNCIL PLAN CONTEXT

1 A healthy community

1.5 Recreation, arts, culture and heritage: Council will support opportunities to participate in a wide range of recreational, arts and cultural programs that promote activity, wellbeing, diversity heritage and which increase community connectedness.

3 A strong economy

3.1 Build on competitive strengths: Council will support initiatives that foster ongoing development and investment in the industries which underpin Warrnambool's economic strengths and comparative advantages

3.3 Visitor growth: Council will facilitate Warrnambool's visitor growth and year-round visitation through industry development, effective destination management and promotion of attractions, experiences and by leveraging key events.

TIMING

Delivery of a new Warrnambool Art Gallery is a lengthy process. There are many steps in the process of planning, securing funding, designing, consulting, and constructing that might take more than 10 years. As the process to develop any new significant social infrastructure is such a long and complex process dependent on so many external determinates it is prudent for Council to commence these types of projects that position Council in line for potential external funding, and that plan for the future well in advance of expected delivery date. The current potential for funding from State and Federal governments is weak.

COMMUNITY IMPACT/CONSULTATION

The preliminary Business Case has been made available on Council's website for 6 weeks from Monday 11th December until Sunday 21st January. During this period a printed summary of the Business Case findings and concept designs that included a QR Code link to the full report and a brief survey was also made available for review at the Warrnambool Art Gallery, Warrnambool Library and Learning Centre, AquaZone and Council Civic Centre. A link to the report and survey was also promoted through Council's social media platform.

213 responses to the survey were received. The survey asked:

Q1 How suitable do you think the current site is for a redeveloped art gallery?

Total 212 Responses YES: 165 NO: 42 Unsure: 5

Q2 If Warrnambool City Council could attract funding from the Victorian and/or Australian governments and from philanthropic trusts, would you support Council continuing to investigate a new gallery?

Total 214 Responses YES: 159 NO: 55

Q3 Would it be beneficial to you and/or Warrnambool if a new gallery could host more and better exhibitions?

Total 214 Responses YES: 155 NO: 59

Q4 Understanding that the designs presented are concepts only, do you prefer Option 1 or Option 2?

Total 156 responses Option 1: 54 Option 2: 102

The preferred concept Option 2, comprises of three levels of a basement, ground and level 1 spread across the site from Smith to Timor Streets to bridge the transition from residential to major shopping strip and set back along Liebig Street. The concept design allows for 1950m² of Civic Green, demonstrating that an expanded gallery and the Civic Green can coexist. The concept design allows for an expanded First Nations gallery and maximises the potential for public programs, exhibitions and food and beverage opportunities. Appropriate ground level and basement parking is included in the concept.

The survey results include comments that reflect both strong preferences for and against a new gallery reflective of the above numbers.

LEGAL RISK/IMPACT

n/a

OFFICERS' DECLARATION OF INTEREST

Nil

CONCLUSION

The Preliminary Business Case for a new Warrnambool Art Gallery has determined that a new Warrnambool Art Gallery at the Liebig Street site will not only address the functional limitations of the existing building but will also contribute to the economic growth of Warrnambool and the region through increased visitation, expenditure, and additional jobs to create a community asset that can become a landmark tourist destination within a wider civic and cultural precinct.

A new Warrnambool Art Gallery, together with the Lighthouse Theatre, new Library and Learning Centre, existing hospitality and retail offerings can create a hub of activity to provide critical mass to attract the Great Ocean Road tourist market and regional visitors.

Community feedback has identified that there is support for a new gallery and has identified a preferred concept to inform the next stage.

ATTACHMENTS

1. 231130 WAG Updated Business Case Liebig St Rev C_ [7.9.1 - 249 pages]

7.10. ADVISORY COMMITTEE REPORTS

PURPOSE

This report contains the record of 3 Advisory Committee meetings.

REPORT

Airport Reference Group Meeting – 13 November 2023 – refer **Attachment 1**.

Planning Advisory Committee – 29 November 2023 – refer **Attachment 2**.

Environment & Sustainability Advisory Committee – 30 November 2023 – refer **Attachment 3**.

ATTACHMENTS

1. Minutes WARG 13 November 2023 [7.10.1 - 9 pages]
 2. Planning Advisory Committee Minutes - 29 November 2023 [7.10.2 - 53 pages]
 3. Environment & Sustainability Advisory Committee Minutes - 30 November 2023 [7.10.3 - 6 pages]
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RECOMMENDATION

That the records of the following Advisory Committee meetings be received:-

1. **Airport Reference Group Meeting – 13 November 2023;**
 2. **Planning Advisory Committee – 29 November 2023; and**
 3. **Environment & Sustainability Advisory Committee – 30 November 2023.**
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7.11. INFORMAL MEETINGS OF COUNCIL REPORTS

PURPOSE

The purpose of this report is to provide Council with copies of Informal Meetings of Council (previously known as “Assembly of Councillor Records”) as previously required under section 80A(2) of the Local Government Act 1989.

BACKGROUND INFORMATION

Section 80A(2) of the Local Government Act 1989 required the record of an Assembly of Councillors to be reported at an ordinary Council meeting.

Assembly of Councillor Records are no longer a requirement in the Local Government Act 2020 as of 24 October 2020. However, under Council’s Governance Rules, a summary of the matters discussed at the meeting are required to be tabled at the next convenient Council meeting and recorded in the minutes of that Council meeting.

REPORT

The record of the following Informal Meetings of Council are enclosed:-

Monday 11 December 2023 – refer **Attachment 1**.

Monday 22 January 2024 – refer **Attachment 2**.

Monday 29 January 2024 – refer **Attachment 3**.

ATTACHMENTS

1. Assembly of Councillors Record 11 December 2023 [7.11.1 - 1 page]
2. Assembly of Councillors Record 22 January 2024 [7.11.2 - 1 page]
3. Assembly of Councillors Record 29 January 2024 [7.11.3 - 2 pages]

RECOMMENDATION

That the record of the Informal Meetings of Council held on 11 December 2023, 22 and 29 January 2024 be received.

7.12. MAYORAL & CHIEF EXECUTIVE OFFICER COUNCIL ACTIVITIES - SUMMARY REPORT

PURPOSE

This report summarises Mayoral and Chief Executive Officer Council activities since the last Ordinary Meeting which particularly relate to key social, economic and environmental issues of direct relevance to the Warrnambool community.

REPORT

Date	Location	Function
5 December 2023	Allansford	Deputy Mayor attended the Allansford Hall Annual General Meeting.
6 December 2023	Warrnambool	Deputy Mayor attended the Francis Foundation Annual General Meeting.
7 December 2023	Melbourne	Mayor attended the MAY Mayoral Welcome and Induction Program.
	Warrnambool	Mayor launched the 2024 Lighthouse Theatre Season.
	Virtual	Chief Executive Officer attended Great South Coast Regional Partnership meeting.
8 December 2023	Warrnambool	Mayor attended the SouthWest Victoria Alliance December Board meeting.
10 December 2023	Warrnambool	Mayor and Chief Executive Officer attended the 3YB Coast FM Christmas function.
13 December 2023	Warrnambool	Deputy Mayor attended the Brauer College Middle School Assembly.
		Deputy Mayor attended the Emmanuel College Student Award presentations.
		Mayor attended the Brauer College Senior School Assembly.
14 December 2023	Bendigo	Mayor and Chief Executive Officer attended the Regional Cities Victoria meeting.
	Warrnambool	Deputy Mayor attended the Warrnambool East Primary School Graduation of Class of 2023.
	Warrnambool	Deputy Mayor attended the West Warrnambool Primary School graduation.
19 December 2023	Melbourne	Mayor and Chief Executive Officer had advocacy meetings with Minister Tierney, Freight Victoria.
21 December 2023	Torquay	Cr Arnott and Chief Executive Officer attended the Great Ocean Road Regional Tourism Board meeting.

23 January 20224	Warrnambool	Mayor , Councillors and Chief Executive Officer attended the Citizen of the Year Awards and the Australian Citizenship ceremony with 28 residents becoming Australian Citizens.
24 January 2024	Geelong	Mayor and Chief Executive Officer held advocacy meetings with Sarah Mansfield MP, Great Ocean Road Coast & Parks Authority and Bev McArthur MP.

RECOMMENDATION

That the Mayoral & Chief Executive Officer Council Activities – Summary Report be received.

8. NOTICE OF MOTION

No Notices of Motion have been received.

9. GENERAL BUSINESS

10. URGENT BUSINESS

11. CLOSE OF MEETING