



Ordinary Council Meeting Agenda

Monday 5 October 2020 at 7 pm

**Virtual Meeting via Zoom, Virtual Meeting
via Zoom**

Vision

Stonnington will be an inclusive, healthy, creative, sustainable and smart community.

Council's vision will be implemented through four key pillars:

- **Community:** An inclusive City that enhances the health and wellbeing of all residents, where people can feel safe, socially connected and engaged.
- **Liveability:** The most desirable place to live, work and visit.
- **Environment:** A cleaner, safer and better environment for current and future generations to enjoy.
- **Economy:** A City that will grow its premier status as a vibrant, innovative and creative business community.

These pillars reflect the shared priorities of our community and Council, and are consistent with our history and vision for a liveable future. For each pillar, there is a framework for our strategies, actions and measures which outline the key services and projects to be delivered to our community. The Strategic Resource Plan sets out how Council will provide the resources needed to implement strategies and actions within the Council Plan.

Councillors

Cr Steven Stefanopoulos, Mayor
Cr John Chandler, Deputy Mayor
Cr Sally Davis
Cr Marcia Griffin
Cr Judy Hindle
Cr Jami Klisaris
Cr Matthew Koce
Cr Melina Sehr

Chief Executive Officer

Jacqui Weatherill

Executive Staff

Chris Balfour – Director Corporate Services
Stuart Draffin – Director Planning & Place
Cath Harrod – Director Covid Response
Rick Kwasek – Director Environment & Infrastructure
Greg Curcio – Director Engagement & Innovation
James Rouse – Acting Director Community & Wellbeing

Reconciliation Statement

We acknowledge that we are meeting on the traditional land of the Boonwurrung and Wurundjeri people and offer our respects to the elders past and present. We recognise and respect the cultural heritage of this land.

Affirmation Statement

We are reminded that as Councillors we are bound by our Oath of Office to undertake the duties of Councillor in the best interests of the people of the City of Stonnington and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in us under the Local Government Act and any other relevant Act.

Welcome

Welcome to a Stonnington City Council meeting. The role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community. These meetings are an important way to ensure that the democratically elected Councillors work for the community in a fair and transparent way. Council business is conducted in accordance with Part C – Meeting Procedure section of Council’s Governance Rules.

Councillors carry out the functions, powers, authorities and discretions vested with them under the **Local Government Act 2020**, and any other relevant legislation. Councillors impartially perform the Office of Councillor duties, in the best interests of the City of Stonnington residents, to the best of their skills and judgement.

Councillors must formally declare their conflicts of interest in relation to any items listed on the agenda at the start of the meeting and immediately prior to the item being considered, in accordance with Part 6 – Council integrity, Division 2 – Conflict of Interest of the Act.

About this meeting

The agenda, as specified in Stonnington’s Governance Rules, lists of all the items to be discussed. Each report is written by a Council Officer and outlines the purpose of the report, relevant information and a recommended decision for Councillors. Council will consider the report and either accept, reject or make amendments to the recommendation. Council decisions are adopted if they receive a majority vote from the Councillors at the meeting.

Arrangements to ensure meetings are accessible to the public

Council meetings are generally held at the Malvern Town Hall, corner High Street and Glenferrie Road (entry via Glenferrie Road via the door closest to the Malvern Police Station). The Council Chamber is accessible to all. Accessible toilets are also available. If you require translation, interpreting services or a hearing loop, please contact Council’s civic support on 03 8290 1331 to make appropriate arrangements before the meeting.

To ensure that people in the chamber can follow proceedings, the meeting agenda, motions and proposed alternate resolutions (also known as ‘yellows’), are displayed on a screens.

Live webcasting

Council meetings are broadcast live via Council’s website, allowing those interested to view proceedings without needing to attend the meeting. This gives people who are unable to attend, the ability to view Council decisions and debate. A recording of the meeting is available on our website after the meeting (usually within 48 hours). Only Councillors and Council officers are visible. People in the public gallery will not be filmed, but if you speak, you will be recorded.

Members of the gallery

If you choose to attend a Council Meeting as a member of the public gallery, you should note the role of the Chairperson (usually the Mayor) and your responsibilities under the City of Stonnington Governance Rules – Division 8 – Questions to Council from Members of the Public, Division 12 – Recording of Proceedings and Division 13 Behaviour.

Your cooperation is appreciated. We hope you enjoy the meeting.

Mayor, Deputy Mayor and Councillors, Stonnington City Council

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1 Reading of the Reconciliation Statement and Affirmation Statement

2 Introductions

3 Apologies

4 Adoption and confirmation of minutes of previous meeting(s)

4.1 Minutes of the Ordinary Council Meeting held on 21 September 2020 & Minutes of Confidential Council Meeting held on 21 September 2020

Officer Recommendation

That the Council confirms the Minutes of the Ordinary Council Meeting of the Stonnington City Council held on 21 September 2020 and Minutes of the Confidential Council Meeting of the Stonnington City Council held on 21 September 2020 as an accurate record of the proceedings.

5 Disclosure by Councillors of any conflicts of interest in accordance with the Act

6 Questions to Council from Members of the Public

7 Correspondence (only if related to Council business)

8 Questions to Council Officers from Councillors

9 Tabling of Petitions and Joint Letters

10 Notices of Motion

Nil.

11 Reports of Special and Other Committees and Informal meetings of Councillors

12 Reports by Delegates

13 Urgent Business

14 General Business

14.1 Planning Application 0838/19 - 1 Mary Street, Windsor

Coordinator Statutory Planning: Phillip Gul
Director Planning & Place: Stuart Draffin

Purpose of Report

For Council to consider a planning application for extension of a dwelling on a lot less than 500m² in a Neighbourhood Residential Zone at 1 Mary Street, Windsor.

This item was considered at the Council meeting of 21 September 2020. The application was deferred and is now presented to Council for further consideration.

Officer Recommendation Summary

That Council authorise Officers to issue a **Notice of Decision** subject to conditions outlined in the Officer Recommendation.

Executive Summary

Applicant:	Think Property Group
Ward:	South
Zone:	Neighbourhood Residential Zone – Schedule 3
Overlay:	Nil
Neighbourhood Precinct:	Inner Urban
Date Lodged:	08 October 2019
Statutory Days: (as at Council Meeting date)	64
Trigger for Referral to Council:	More than seven (7) objections.
Number of Objections:	Eleven (11) objections from six (6) properties.
Consultative Meeting:	Yes – held on 22 July 2020
Officer Recommendation	Notice of Decision to Grant a Planning Permit

Background

The Proposal

The plans that form part of the basis of Council's consideration were prepared by Whelan Design and are known as Job No.: WD0248, Drawing No.s: TP01 (Rev.: B), TP02 (Rev.: B), TP03 (Rev.: B), TP04 (Rev.: B), TP09 (Rev.: C) and are Council date stamped 25/11/2019 and Drawing No.s: TP06 (Rev.: E), TP07 (Rev.: E), TP08 (Rev.: E), TP10 (Rev.:E), TP11 (Rev.: E), TP12 (Rev.: E), TP13 (Rev.: E) and are Council date stamped 30 July 2020.

Discussion plans were submitted to Council and prepared by Whelan Design and are known as Job No.: WD0248, Drawing No.s: TP04 (Rev.: C), TP06 (Rev.: E), TP07 (Rev.: E), TP08

(Rev.: E), TP09 (Rev.: C), TP10 (Rev.:E), TP11 (Rev.: E), TP12 (Rev.: E), TP13 (Rev.: E) and are Council date stamped 28 September 2020.

The proposal is to partially demolish the existing dwelling (no permit required) and construct a two storey extension to the existing dwelling.

Key features of the proposal are:

- Partial demolition of the dwelling including the living room, bedroom 2, hallway, kitchen, dining, laundry, powder room, and bathroom. The western boundary wall will be entirely demolished (no permit required).
- Construction of a ground floor extension comprising a new walk-in-wardrobe and ensuite, hallway, stairs, powder room, open plan kitchen/dining/living room, laundry and walk-in-pantry.
- Construction of a first-floor extension comprising a bedroom 2, water closet, stairs landing, nook, bathroom and a bedroom 3/retreat.
- The proposed dwelling will have a maximum height of 8.3 metres.
- The extension is constructed from Hebel panels (concrete) and Colorbond sheeting finished in colours referred to as Accord (medium grey) and Monument (dark grey) respectively.
- Construction of a plunge pool along the northern boundary of the site within the rear garden area (no permit required).
- Installation of two (2) rainwater tanks for the reuse of rainwater.

The revised plans Council date stamped 30 July 2020 (formally submitted pursuant to section 57A of the *Planning and Environment Act 1987*) supersede the originally advertised plans (Council date stamped 25 November 2019). These plans were submitted to respond to concerns raised by Council and objections, and include the following key changes:

- Changes to the proposed ground floor and first floor layout. The ground floor changes involve an increase in the size of the walk-in-robe and ensuite (associated with the removal of the east ground floor entrance), relocation of the stairs and reduction in the size of the laundry/pantry. The first-floor changes involve the relocation of the stairs, addition of a study nook, decrease in size of bed 2, addition of a water closet, relocation and reduction in size of the bathroom and reduction in size of bed 3.
- Addition of fixed screening to the height of 1.7 metres above finished floor level with a transparency no greater than 25% to the south facing window associated with bed 2 and the north facing window associated bed 3/retreat.
- Increase in the setback of the first-floor extension from the western boundary from 1.211 metres to 1.844 metres.
- Increase in the length of the eastern boundary wall from 11.1 metres to 14.5 metres.

The revised scheme results in an increase to the setback from the western boundary, a further reduction in overshadowing of the adjacent properties and a reduction in the visual bulk of the extension. This will not result in further potential detriment and therefore the application was not readvertised, however a copy of the revised plans has been circulated to the objectors.

The discussion plans Council date stamped 28 September 2020 respond to concerns raised in the Council Meeting of 21 September 2020 regarding the location of the rainwater tanks. The plans provide for the installation of two (2) underground rainwater tanks.

Site and Surrounds

The site is located on the northern side of Mary Street, Windsor. The site has the following significant characteristics:

- The site is rectangular in shape with a frontage to Mary Street of 6.27 metres and a depth of 24.23 metres providing for a land area of 151.9 square metres.
- The site is located 27.4 metres to the east of the junction between Mary Street and Hornby Street and 62.1 metres to the west of the junction between Mary Street and Cyril Street.
- The site is occupied by a single storey dwelling with no outbuildings identified.
- There is no provision for vehicular access to the site.
- No overlays, covenants or easements are associated with the site.
- The Duke and Hornby Street Heritage Precinct (HO129) abuts the western boundary of the site.
- Development within the immediate vicinity of the site is of a residential nature.

Key features of the surrounding sites are as follows:

To the immediate north of the site is No. 62A Earl Street East. The site is occupied by a three-storey detached dwelling constructed in 2011.

To the immediate west of the site is the rear garden areas of No. 68, No. 70 and No. 72 Hornby Street. No. 68 and No. 70 Hornby Street are occupied by a pair of semi-attached single storey dwellings constructed in 1895 with a B heritage grading. No. 72 Hornby Street is occupied by a semi-attached single storey dwelling constructed in 1905 with an A2 heritage grading. The boundary shared with these three sites represents the eastern boundary of the Duke and Hornby Street Heritage Precinct.

To the south of the site, on the opposite side of Mary Street, is No. 1/4 Mary Street. This is a two-storey semi-attached contemporary dwelling constructed in 1998. The dwelling is one of four located at 4 Mary Street.

To the immediate east of the site is No. 3 Mary Street. The site is occupied by a two storey contemporary dwelling constructed in 2005. A Notice of Decision to Grant a Permit was issued on 5 August 2020 (Planning Permit No.: 0318/20) for this site to allow for the construction of a first-floor extension and roof top terrace. An appeal against the Notice of Decision has been lodged by neighbouring parties meaning this matter will be heard at VCAT.

Previous Planning Application/s

A search of Council Records found no relevant previous planning applications.

The Title

The site is described on Certificate of Title Volume 10168 Folio 768 as Lot 1 on Plan of Subdivision 324761S. No covenants or easements affect the land.

Planning Controls

The following controls/permit triggers are considerations for this application:

Zone

Clause 32.09 – Neighbourhood Residential Zone

Pursuant to Clause 32.09-5 a permit is required to construct or extend one dwelling on a lot less than 500 square metres.

Particular Provisions

Clause 52.06 – Car Parking

Pursuant to Clause 52.06-1 a permit is not required to reduce car parking for an extension to one dwelling on a lot in a Neighbourhood Residential Zone.

Clause 54 – One Dwelling on a Lot

Pursuant to Clause 54 an application to construct one dwelling on a lot less than 500 square metres must meet all the Objectives of this clause and should meet all the Standards of this clause.

Relevant Planning Policies

Clause 15	Built Environment and Heritage
Clause 16	Housing
Clause 21.02	Overview
Clause 21.03	Vision
Clause 21.06	Built Environment and Heritage
Clause 22.18	Stormwater Management (Water Sensitive Urban Design)
Clause 22.23	Neighbourhood Character Policy
Clause 32.09	Neighbourhood Residential Zone
Clause 52.06	Car Parking
Clause 54	One Dwelling on a Lot
Clause 65	Decision Guidelines

Advertising

The application has been advertised pursuant to Section 52 of the Planning and Environment Act 1987 by sending notices to the owners and occupiers of adjoining land and by placing one (1) sign on the site. The public notification of the application has been completed satisfactorily.

The site is located in South Ward and eleven (11) objections from six (6) different properties have been received. Grounds for objection include:

- The proposed plunge pool, location of pool pump and associated equipment will have amenity impacts associated with the noise generated by the equipment.
- The proposal would result in overshadowing of secluded private open space of the adjacent properties to the west and east of the site.
- The proposal would adversely affect levels of daylight into habitable rooms.
- The proposal would result in overlooking of the secluded private open space of adjacent dwellings.
- The proposed side setbacks are non-compliant.
- The proposal would present excessive visual bulk.
- The proposed materials and finishes would adversely affect the amenity of adjacent dwellings.
- The proposal is inconsistent with the identified neighbourhood character.
- The proposal would not integrate with the streetscape and existing dwellings including heritage buildings to the west of the site.
- The resulting construction would have an adverse impact on landscaping elements of adjacent properties.
- The resulting construction would have an adverse impact on boundary fences.
- The resulting construction would have an adverse impact from noise, structural damage and safety of animals.

A Consultative Meeting was held on 22 July 2020 following the advertising of the application plans. The meeting was attended by Councillors Stefanopoulos, Sehr and Hindle, representatives of the applicant, objectors and a Council planning officer. Amended plans were submitted to Council on 30 July 2020 and, whilst no agreement was reached at the meeting itself, changes to the proposal including an increase to the setback of the first floor extension from the western boundary have been shown, seeking to address a number of amenity concerns.

Key Issues and Discussion

Neighbourhood Character

The site is located within the Inner Urban Precinct of the Neighbourhood Character Policy at Clause 22.23. The statement of preferred neighbourhood character for the Inner Urban Precinct is as follows:

The Inner Urban (IU) character precinct is defined by buildings of innovative and high quality architectural styles that sit comfortably within compact streetscapes of Victorian, Edwardian and Interwar dwellings. Consistent front setbacks reinforce the building edge along the streets, and building heights and forms complement, rather than dominate, the rhythm of development. Well-designed gardens for small spaces contribute to the softening of the streetscape. Low or permeable front fences provide views of building facades and front gardens. Where present, carparking structures are located at the rear of buildings with access from rear lanes to provide continuous, uninterrupted footpaths for pedestrian friendly streets. Areas within a Residential Growth or Mixed-Use Zone or within a substantial change area will accommodate more development within a more compact setting but with space for vegetation and high quality, responsive design.

The relevant design objectives for the Inner Urban Precinct are as follows:

*To encourage the retention of intact, older dwellings that contribute to the area.
To ensure new buildings and extensions do not dominate the streetscape.
To encourage a high quality of building detailing that references, without mimicking, the details of buildings in the area.
To maintain and reinforce the alignment of buildings along the street.
To maintain and strengthen the garden settings of buildings and the tree canopy of the neighbourhood.
To prevent the loss of front garden space and the dominance of car parking structures.
To ensure fences complement the predominant style of front boundary treatment in the street and retain views to dwellings and gardens.*

The Mary Street streetscape comprises a mixture of contemporary and older dwellings, resulting in a varied built form character to the streetscape. The scale of the streetscape varies between one and two storeys in height with the built form comprised of a mixture of detached, attached and semi-attached dwellings. The proposed two-storey extension provides a contemporary design response that references, without mimicking, the details of other buildings in the area. The proposed extension would retain the existing verandah and front section of the dwelling to a depth of 3.5 metres behind the front façade including the corresponding section of the corrugated iron roof. The retention of this section of the existing dwelling would provide continuity in the dwelling's presentation to Mary Street in relation to other dwellings on comparable lots.

The proposed extension to the rear of the site would be constructed primarily from Hebel panels (concrete) for the ground floor external walls and Colorbond sheeting for the first-floor

external walls and roof. The materials would be finished in the colours referred to as Accord (medium grey) and Monument (dark grey) respectively. The materials and colours are of a contemporary nature that are consistent with those observed on other contemporary extensions and dwellings observed on Mary Street. The proposal is considered to be an appropriate response to the varied materiality observed on the Mary Street. The proposal would retain the existing front garden area and does not include the provision of any car parking structures on the site. There are no changes proposed to the existing front fence.

The proposal provides a contemporary design response that is largely consistent with the streetscape of Mary Street and reflects the preferred and prevailing neighbourhood character of the Inner Urban Precinct.

Built Form

Site Coverage

The proposal would result in an increase in site coverage from 57.3% to 68.9%. The applicable standard recommends a site coverage no greater than 60%. Despite the non-compliance of the proposal with the standard, the proposed site coverage is generally consistent with site coverage of dwellings in the Inner Urban Precinct where a site coverage greater than 60% is a common feature of higher density residential development. It is noted that the adjacent properties including No. 68 and No. 70 Hornby Street, No. 62A Earl Street and No. 3 Mary Street have a site coverage greater than 60% and is broadly consistent with the proposed site coverage at No. 1 Mary Street. Subsequently, the proposed site coverage is considered to comply with the objective of the standard and a variation can be supported.

Permeability

The proposal would provide for 12.7% of the site being covered by pervious surfaces consistent with the installation of underground water tanks as indicated in the discussion plans Council date stamped 28 September 2020. This is less than the 20% requirement for the site to be covered by pervious surfaces under Standard A6 and is a reduction from the existing 29.8% of the site covered in pervious surfaces. Despite the proposed reduction in the area covered by permeable surfaces, the level is generally consistent with other smaller lots in the Inner Urban Precinct, and as such the arrangement may be supported.

Building Height

The proposal would result in the dwelling providing for a maximum building height of 8.3 metres to the apex of the roof with a maximum of two storeys at any one point. Standard A4 requires that the maximum building height be no greater than 9 metres and two storeys at any one point. The proposal is compliant with the standard.

Side and Rear Setbacks

The assessment of the side and rear setbacks of the extension against Standard A10 is as follows:

Location	Wall Height	Proposed Setback	Required Setback
First Floor (West)	6.9m	1.85m	2.0m

The proposed western first floor setback falls short of the required setback by a distance of 0.15 metres. It is considered appropriate to incorporate a condition which will require full compliance with Standard A10 for the upper level from the western boundary. An increase in the western setback of the first floor extension would reduce the visual appearance of the extension when viewed from the neighbouring properties to the west of the subject site and

provide for a greater sense of amenity and privacy to these properties. Increasing the first floor setback from the western boundary to ensure compliance with Standard A10 could be achieved with little loss of internal amenity, floor area and functionality of the proposed extension.

Walls on Boundaries

The proposal would result in the construction of new walls along both the western and eastern boundaries with the existing western boundary wall to be demolished. The standard suggests for a maximum wall length of 13.56 metres along both the western and eastern boundaries with a maximum wall height of 3.6 metres and an average wall height of 3.2 metres. The assessment of the new walls against the length and height requirements as follows:

Wall Location	Proposed Length	Permissible Length	Average Height	Maximum Height
West	16.8m	13.56m	3.65m	3.8m
East	14.5m	13.56m	6.85m	6.9m

The proposed western boundary wall requires a variation to the standard in regards to the length and height. The 3.8 metre high western boundary wall, measuring 16.8 metres in length, would replace an existing 3.9 metre high boundary wall, measuring 16.1 metres in length. The proposed demolition is being undertaken in part to provide for the construction of a replacement boundary wall that meets the fire rating requirements of the current building standards. The new wall would not result in any amenity impacts not already experienced by the existing wall on the western boundary. The proposed wall would however provide for improved safety standards at the site. For this reason, a variation to the standard can be supported.

A variation is required for the eastern boundary wall in regards to the length and height. The wall would be constructed either partially or fully, dependent on the construction of Planning Permit No. 0318/20 (Notice of Decision approved 05/08/2020), against a double storey boundary wall associated with the dwelling located at No. 3 Mary Street. The wall would not be located opposite any habitable room windows. Consequently, the proposed eastern boundary wall would not have any unreasonable amenity impacts on the property at No. 3 Mary Street. Consequently, a variation to the standard is supported.

Overlooking

The proposal could result in potential overlooking into the Secluded Private Open Space of both No. 68 Hornby Street and No. 3 Mary Street from bedroom 2 and bedroom 3 respectively.

The plans indicate that a fixed vertical screen measuring 300mm deep to a height of 1.7 metres above the internal finished floor level would be installed to the western end of the south facing window in bedroom 2. The proposed screen is not consistent with the requirements for screening as required by Standard A15. It is considered that the proposed screening would not sufficiently limit overlooking into the secluded private open space at the rear of 68 Hornby Street. Should a permit be issued, a condition will be included that requires the addition of adequate screening to the south facing first floor window that complies with Standard A15. Screening consistent with the standard would suitably restrict any overlooking into the secluded private open space of the No. 68 Hornby Street.

The plans also indicate that a fixed privacy screen measuring 800mm deep to a height of 1.7 metres above the internal finished floor level would be installed to the western end of the north facing window in bedroom 3/retreat. This screen would not prevent overlooking into the secluded private open space at the rear of No. 3 Mary Street. Should a permit be issued, a condition will be included that requires the addition of adequate screening to the north facing first floor window that complies with Standard A15. Screening consistent with the standard would restrict any overlooking into the secluded private open spaces of No. 72 Hornby Street, No. 62A Earl Street East and No. 3 Mary Street.

A west facing highlight window is also located on the first-floor wall. This window would provide for a sill height of 1.7 metres above the internal finished floor level. No overlooking would occur from this window into the secluded private open spaces or habitable room windows of the adjacent properties to the west of the site. The west facing highlight window is therefore compliant with the requirements of Standard A15.

The ground floor north facing window associated with the open plan kitchen/dining and living room would not result in any overlooking as a result of the side and rear boundary fences.

Overshadowing

The key assessment mechanism for overshadowing of neighbouring areas of private open space is the Overshadowing Open Space Objective, including Standard A14.

The proposal would result in the following additional overshadowing above existing levels to abutting neighbouring properties:

Address (SPOS/ required area with daylight) / Time	68 Hornby (44.4sqm / 33.3sqm)	70 Hornby (34.2sqm / 25.7sqm)	72 Hornby (80sqm / 40sqm)	3 Mary (27.5sqm / 20.6sqm)
9am	No Change	No Change	-8.2 m ² /52.4 m ²	No Change
10am	No Change	No Change	-1.8 m ² /67.5 m ²	No Change
11am	No Change	No Change	No Change	No Change
12pm	No Change	No Change	No Change	No Change
1pm	No Change	No Change	No Change	No Change
2pm	No Change	No Change	No Change	No Change
3pm	No Change	No Change	No Change	No Change

The Objective states: To ensure buildings do not significantly overshadow existing secluded private open space.

The proposal would result in increased overshadowing to the secluded private open space at No. 72 Hornby Street at the hours of 9am, an additional 8.2 square metres of overshadowing, and 10am, an additional 1.8 square metres of overshadowing. Despite the increase in overshadowing at these times, the secluded private open space at No. 72 Hornby Street would be provided with direct sunlight to an area greater than 40 square metres between the hours of 9am and 3pm on 22 September. The proposal is therefore compliant with the requirements of Standard A14 when assessed against this site. It is noted that the proposal will not result in any additional overshadowing to the rear open spaces of

No. 68 or No. 70 within the hours specified in the Standard. Consequently, there would be no loss of amenity at these two sites as a result.

Daylight to Existing Windows

The proposal would provide adequate daylight to the habitable room windows of all neighbouring properties by meeting the requirements of Standard A12. All habitable room windows would be provided with a light court that has a minimum distance of 1 metre and a minimum area of 3 square metres. The proposal complies with the standard and would not result in any unreasonable amenity impacts on the adjacent properties.

Internal Amenity

The proposed extension would provide for adequate internal amenity through the provision of significant north and south facing windows to the newly constructed habitable rooms at ground and first floor level. The 30 square metre secluded private open space would be directly accessible from the primary living area of the dwelling, the ground floor open plan kitchen/dining and living room, and would take advantage of the north facing aspect to provide for a high level of daylight and solar energy efficiency to the dwelling. Consequently, the internal amenity of the dwelling is deemed to be consistent with the objectives of Clause 54.05.

Water Sensitive Urban Design

Pursuant to Clause 22.18 a water sensitive urban design response is required for an extension to an existing building greater than fifty (50) square metres in floor area. A STORM Rating Report has been submitted as part of the discussion plans Council date stamped 28/09/2020. The proposal achieves a STORM rating of 101% through the installation of two (2) underground rainwater tanks. The first rainwater tank has a capacity of 3,000L and the second rainwater tank has a capacity of 500L. The discussion plans show the 3,000L rainwater tank located underground in the rear garden area and the 500L rainwater tank located underground in the front garden area. The discussion plans do not indicate the purposes for which the rainwater will be used and a roof plan indicating the collection areas to the three tanks has not been provided. Should a permit be issued, a condition will be included that requires these details be included in the plans.

Objections

In response to the grounds for objection not already discussed in the report, the following comments are made:

- The proposal would ensure sufficient daylight is provided to the habitable room windows of the adjacent dwellings. This would be achieved through the provision of a light court that measures a minimum distance of 1 metre and a minimum area of 3 square metres to all adjacent habitable room windows facing the dwelling consistent with Standard A12.
- The proposed materials and finishes are consistent with those of other contemporary dwellings observed on Mary Street and would have no adverse impact on either the neighbourhood character of the streetscape or result in any amenity impacts.
- The proposed plunge pool is exempt from the requirement to obtain a planning permit pursuant to Clause 62.02-2.
- The de-facto use of the existing western boundary wall as a rear boundary fence by the properties at No.s 68, 70 and 72 Hornby Street is not a consideration of the planning assessment. The wall is located within the property known as No. 1 Mary Street and, as stated above, a planning permit is not required for demolition of any structure at the site. The demolition and construction of a new wall on the western

boundary does not prevent the adjacent properties installing a fence should the materials and finishes proposed not be considered aesthetically pleasing.

- The potential impact of construction works on the adjoining properties would be addressed as part of the construction management plan that forms part of the Building Permit process should a Building Permit be applied for.
- Considerations of overshadowing do not extend to include the internal living spaces of adjacent dwellings. Adequate daylight to these areas is assessed against Standard A12, which can be assessed against the submitted plans. Additional cross sections of daylight provided to habitable room of adjacent properties are not required to assess the proposal against these considerations.
- No. 1 Mary Street is not covered by a Heritage Overlay. Subsequently considerations associated with the Heritage Overlay are not applicable to the site and proposal under consideration.

Conclusion

Having assessed the application against the relevant planning controls, it is recommended that the proposal be supported for the following reasons:

- Subject to the applicant addressing the proposed conditions, the proposal will not result in unreasonable amenity impacts on the adjoining properties and would comply with all relevant objectives of Clause 54 (One Dwelling on a Lot).
- The proposal respectfully responds to the design objectives for the Inner Urban Precinct pursuant to Clause 22.23 (Neighbourhood Character Policy).
- The design, scale, siting and built form of the proposal is consistent with the existing neighbourhood character.

Governance Compliance

Conflicts of Interest Disclosure

No Council Officer and/or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Human Rights Consideration

This application has been assessed in accordance with the requirements of the Planning and Environment Act 1987 (including the Stonnington Planning Scheme), reviewed by the State Government and which complies with the Charter of Human Rights & Responsibilities Act 2006.

Attachments

1. 0838/19 - 1 Mary Street, Windsor [14.1.1 - 13 pages]

Officer Recommendation

That Council AUTHORISE Officers to issue a Notice of Decision to Grant a Planning Permit No: 838/19 for the land located at 1 Mary Street, Windsor under the Stonnington Planning Scheme for extension of a dwelling on a lot less than 500m² in a Neighbourhood Residential Zone subject to the following conditions:

1. ***Before the commencement of the development, 1 copy of plans drawn to scale and fully dimensioned, must be submitted to and approved by the Responsible Authority. The plans must be generally in accordance with the plans prepared by***

Whelan Design, Drawing No's TP06 through TP08 and TP 10 through TP13, Council date stamp 30 July 2020, but modified to show:

- a) **An increase in the setback of the first floor west facing external wall or reduction in the building height to demonstrate compliance with Standard A10 from the western boundary.**
 - b) **Addition of fixed screening to the window associated with bed 2 to limit overlooking to the secluded private open space of No. 68 Hornby Street in accordance with Standard A15.**
 - c) **Addition of fixed screening to the window associated with bed 3 / retreat to limit overlooking to the secluded private open spaces of No. 72 Hornby Street and No. 3 Mary Street in accordance with Standard A15.**
 - d) **Plans to show the provision of a 3,000L and 500L underground rainwater tank as per discussion plans Council date stamped 28/09/2020 and submission of a roof drainage plan consistent with the application requirements of Clause 22.18.**
2. **The layout of the site and the size, levels, design and location of buildings and works shown on the endorsed plans must not be modified for any reason, without the prior written consent of the Responsible Authority.**
 3. **The project must incorporate the Water Sensitive Urban Design initiatives detailed in the endorsed site plan and/or stormwater management report.**
 4. **Prior to the occupation of the building, fixed privacy screens (not adhesive film) designed to limit overlooking as required Standard A15 of Clause 54.04-6 in accordance with the endorsed plans must be installed to the satisfaction of the Responsible Authority and maintained to the satisfaction of the Responsible Authority thereafter for the life of the building.**
 5. **Prior to the occupation of the building, the walls on the boundary of the adjoining properties must be cleaned and finished to the satisfaction of the Responsible Authority.**
 6. **This permit will expire if one of the following circumstances applies:**
 - a) **The 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.**

In accordance with Section 69 of the Planning and Environment Act 1987, a request may be submitted to the Responsible Authority within the prescribed timeframes for an extension of the periods referred to in this condition.

NOTES:

- I. **This permit does not constitute any authority to carry out any building works or occupy the building or part of the building unless all relevant building permits are obtained.**
- II. **At the permit issue date, Section 69 of the Planning and Environment Act 1987 stated that the Responsible Authority may extend the periods referred to if a request is made in writing within the following timeframes:**
 - i. **Before or within 6 months after the permit expiry date, where the development allowed by the permit has not yet started; and**

- ii. Within 12 months after the permit expiry date, where the development allowed by the permit has lawfully started before the permit expires.***

14.2 2019/2020 Financial Report and Performance Statement

Chief Financial Officer: Julia Gallace

Director Corporate Services: Chris Balfour

Linkage to Council Plan

Stewardship: Council will strive for excellence, ensuring that it has the capacity to deliver timely and efficient services to meet community needs and continually improve standards of service delivery.

- S1** The City's capacity to deliver the objectives of the Council Plan is based on our service culture, people, good governance, business systems and technology, asset and risk management and responsible financial planning.

Purpose of Report

To seek Council approval in principle of the attached Financial Statements, Performance Statement approved by the Audit Committee at the 23 September 2020 meeting for certification and inclusion in Council's Annual Report.

Note feedback from the Audit Committee has been incorporated into the Financial Statements and Performance Statement as at 30 Jun 2020.

Officer Recommendation

That Council:

- 1. APPROVE in principle the 2019-2020 Financial Statements and Performance Statement;**
- 2. NOMINATE AND AUTHORISE Mayor, Cr Steven Stefanopoulos and Deputy Mayor, Cr John Chandler, to certify the Financial Statements and Performance Statement for the year ended 30 June 2020, in their final form after any changes recommended or agreed to by the auditor have been made, in accordance with the Local Government (Planning and Reporting) Regulations 2014 and in the event of either of the above Councillors not being available, a Councillor who has been Mayor of the City of Stonnington is to be authorised substitute; and**
- 3. NOTE the Draft Closing Report 2020 prepared by the Victorian Auditor-General's Office.**

Executive Summary

The Victorian Auditor-General's Office (VAGO) performs an annual financial and performance statement audit for the City of Stonnington.

As per the Audit Strategy, the VAGO audit for 30 June 2020 was conducted during August and September 2020. Findings from the audit have been reflected in the closing management letter at **Attachment 3**, noting no material findings.

During the financial year the Covid-19 pandemic significantly impacted the delivery of all non-essential services and core service were forced to adapt to the impact of social restrictions. Covid-19 impacts have been considered for the 30 June 2020 reporting cycle

and disclosures requiring significant judgement and assumptions have been included as required.

Background

Under the Local Government Act 1989 s132, the annual Financial Statements and Performance Statement must be approved in principle by Council.

These statements were considered by Council's Audit Committee at a meeting on 23 September 2020. Having reviewed the process to prepare the Financial Statements and Performance Statement, reviewed the draft Annual Financial Report and Performance Statement and consulted with management and auditors, Council's Audit Committee recommended that Council approve in principle the Financial Statements and the Performance Statement for the year ended 30 June 2020.

After the review by the Auditor General Victoria, but prior to his sign off, two Councillors duly authorised by Council are required under the Local Government Act 1989 s132 (5) to certify the Financial Statements and Performance Statement, in their final form after any changes recommended or agreed to by the auditor have been made, in accordance with the Local Government (Planning and Reporting) Regulations 2014. It is proposed that the Mayor, Cr Steve Stefanopoulos and Cr John Chandler be authorised to certify the required statements on Council's behalf.

Upon receipt of the Auditor General's report, a meeting of Council will be required to consider the Annual Report 2019-20 incorporating the audited Financial Statements and Performance Statement.

Key Issues and Discussion

Annual Financial Report

The Financial Statements are prepared in accordance with Australian Accounting Standards, the *Local Government Act 1989*, *Local Government (Planning and Reporting) Regulations 2014* and the Local Government Model Financial Report (LGMFR) published by Local Government Victoria as required by the Regulations.

The Financial Statements are a general-purpose financial report comprising of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and accompanying notes at **Attachment 1**.

Comprehensive Income Statement

Council achieved a \$25.98 million operating surplus for the 2019/20 year (before including the net asset revaluation increment). The operating surplus for the year was \$16.90 million lower than the budgeted operating surplus of \$42.88 million. The 2018/19 operating surplus was \$38.63 million.

As disclosed within Note 1(a) of the Financial Report, during the declared State of Emergency in Victoria in March 2020, Council enacted its Business Continuity and Pandemic Plans with a focus on maintaining core services.

Covid-19 significantly impacted the delivery of all non-essential services and core service were forced to adapt to the impact of social restrictions. Measures taken to mitigate the crisis has impacted City of Stonnington's operations in the following areas for the financial year ended 30 June 2020.

The major variances to budget in 2019/20 included:

- **User Fees:** Footpath permits and Health permits income was refunded as part of the business support program as a result of the unprecedented Covid-19 pandemic \$0.56 million. Loss of income also resulted from the closure and restrictions placed on non-essential services including aquatic services income \$1.38 million and the early years services income \$0.76 million. Parking enforcements were reduced in response to the pandemic, and Council experienced collection issues with Fines Victoria resulting in income lower than budget \$1.73 million. Statutory planning permits income was lower than budgeted \$0.25 million as well as other non-essential community services income.
- **Contributions – monetary:** Open space contributions lower than budget by \$2.0 million due to lower than expected levels of development.
- **Other Income:** Other income lower than budget predominantly due to unfavourable Interest income \$0.67 million impacted by the decreasing interest rate environment, rental reliefs as part of the Covid-19 business support program \$0.45 million, rental income lower than expected as a result of the delay in the opening of the newly developed Prahran Square \$0.11 million, and cost recovery for Victorian Building Authorities (VBA) cladding project no longer forthcoming as full cost recovery is being rebuked by the VBA \$0.13 million. These are partially offset by recovery of valuations work from the State Revenue Office \$0.20 million and Fuel Tax Credit and the Goods and Services Tax recovery.
- **Employee Costs:** Contractors costs exceeded budget \$0.95 million predominantly due to additional resource requirements in the waste disposal and tipping area in response to new safety initiatives requirements, graffiti maintenance, additional compliance functions and initiatives to improve the engagement and communications services. There are a number of unplanned leaves requiring backfill. Cost also exceeded budget due to termination payments following the Covid-19 pandemic.
- **Materials and Services:** Materials and services cost exceeded budget predominantly due to higher than budget security cost \$0.37 million, consulting fees \$0.48 million, legal fees \$0.53 million, tipping fees \$0.28 million, cleaning costs and additional PPE \$0.33 million, telecommunication and software support \$0.36 million and vehicle servicing requirements \$0.26 million. This has been offset by major contract payments savings of \$1.0m which includes saving against the parking enforcement contract with DCA and cost re-prioritisation as a result of Covid-19. A further reduction of contract payment costs of \$1.16m, arising from the impact of the new accounting standard (AASB16 Leases), this amount is re-allocated to depreciation and lease interest expenses.
- **Bad and doubtful debts:** Bad and doubtful debts were \$4.76 million greater than budget as a result of an increment in the provision for doubtful debts for infringement court income owing to Council. The majority of infringement court income owing to Council is offset by a provision for doubtful debts as there is a low likelihood of this income being paid to Council. The collection of infringement court income is managed by Fines Victoria.
- **Depreciation expense:** Depreciation expense is lower than budget as a result of the lower level of capital works completed and capitalised for 2019/20.
- **Amortisation - Right of use assets / Finance costs – Leases:** The new accounting standard for leases (AASB16 Leases) came into effect 1 July 2020. This was not budgeted and shows an overspend of \$1.41 million, offset by a reduction against

materials and services (contract payments). The new standard requires Council to bring operating leases on-balance sheet, and has a net impact on surplus of \$0.11 million.

- **Borrowing Costs:** Budgeted loan borrowings for the Prahran Square redevelopment project were not required to be drawn down until later in the year than originally budgeted and the actual interest rate was lower than budgeted leading to savings.
- **Fair value adjustments for investment property:** This adjustment is unbudgeted and reflects the reduction in the assessed value of Council's investment properties over the last 12 months.

Balance Sheet

Net assets at 30 June 2020 were \$2.99 billion. This was \$116.33 million lower than budget. This is mainly due to the net revaluation budget of Council's assets.

Cash, cash equivalents and other current financial assets were \$106.71 million and exceeded budget by \$4.24 million due to the deferred capital works program into the 2020/21 financial year a result of Covid-19.

Council activated its Financial Hardship Policy in response to this crisis which outlines specific provisions that Council will consider providing temporary relief to those under financial stress as a result of the crisis. Financial impact from deferral of rates revenue/ interest free period is \$0.12 million. This has also resulted in the debtor balance as at 30 June 2020 to increase by \$4.21 million compared to last year. All rate debtor balances are deemed collectible at 30 June 2020.

Council accelerated supplier payments in response to financial hardship experienced by businesses. This has resulted in the trade payables balance as at 30 June 2020 to decrease by \$7.81 million compared to last year.

Council's land, land under roads, buildings, heritage buildings and other infrastructure have been revalued as at 30 June 2020, with a total net increment of \$36.98 million to the asset revaluation reserve. Investment properties have been revalued as at 30 June 2020, with a total expense of \$1.62 million recognised in the income statement.

The market is being impacted by the uncertainty caused by the Covid-19 pandemic. As at the date of valuation there is market uncertainty resulting in significant valuation uncertainty. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to the valuation given the environment and future impact that Covid-19 might have on markets.

A 30 June 2020, Council's investment in Regional Kitchen Pty Ltd at historical cost has been written off at \$229,000 with sale proceeds of \$1.00.

Statement of Capital Works

Expenditure on capital works of \$46.55 million was predominantly funded internally by revenue from Council operations and by loan borrowings. Asset renewal represented 41.9% of this expenditure, new assets represented 39.9%, with upgrade 17.1% and expansion 1.1%. Expenditure on capital works was \$42.41 million lower than budget with the program impacted by Covid-19.

Works already underway totalling \$12.26 million have been carried over to 2020/21 for completion and include: Cato street redevelopment, East Malvern tennis facility renewal, Percy Treyvaud masterplan implementation, Prahran Market upgrade, Harold Holt swim centre masterplan implementation, and Orrong road reconstruction.

Statement of Cash Flows

Cash flows as at 30 June 2020 were impacted by the Covid-19 pandemic.

Net cash flows from operating activities were \$21.46 million lower than budget mainly due to lower cash funds received for: rates and annual charges, statutory fees and fines, user charges and fees, developer contributions, grants, investment revenue. Savings in materials and contracts costs have been offset by GST refunds not collected.

Net cash used in investing activities was \$39,0 million lower than budget primarily due to the timing of the delivery of the budgeted capital works program.

Net cash provided by financing activities was \$1.24 million less than budget.

At 30 June 2020 loan borrowings were \$22.50 million, Council repaid \$3.5 million of loan borrowings during the year.

Annual Performance Report

The Local Government Performance Reporting Framework (LGPRF) is a mandatory reporting requirement under the Local Government (Planning and Reporting) Regulations 2014. The framework includes:

- Report of Operations: contains all service indicator results.
- Performance Statement: This includes a selection of service indicators and all financial and sustainability indicators and is audited by VAGO. The Performance Statement is certified by two Councillors, the CEO and Principal Accounting Officer.
- Governance and Management Checklist: a list of 24 policies, plans, strategies and guidelines.

Performance results are reported in Council's Annual Report 2019-20 and results are published on the '*KnowYourCouncil*' website.

Council's internal control processes ensure compliance with the LGPRF reporting obligations set out by the Act and regulations and contributes to reliable and consistent data collection methods, including:

- Performance reporting milestones aligned with financial reporting processes;
- Internal guidelines (for each service area) that details source systems and methodology used to calculate each measure;
- Quarterly reports to EMT and relevant service areas; and
- Data verification and quality control process prior to VAGO audit

The performance statement has been prepared in accordance with the Local Government Performance Reporting Framework at **Attachment 2**.

Materiality, in the context of performance reporting, is the threshold at which omission or misstatement of information could influence the decisions made and expectations formed by reference to the data reported. Council is required to provide an explanation in its Performance Statement any material variations (+/- 10%) in measures between the results achieved for that financial year and the corresponding results for the preceding three financial years. To maintain consistency, no changes to the adopted materiality thresholds have been proposed from previous periods.

During the financial year the Covid-19 pandemic significantly impacted the delivery of all non-essential services and core service were forced to adapt to the impact of social restrictions.

Material movements at 30 June 2020 include:

Service Performance Indicators

- **Aquatics Facilities Utilisation:** Utilisation has decreased from 5.30 at 30 June 2019 to 4.09 at 30 June 2020. This reflects Covid-19 restrictions, which resulted in only 29,417 visits recorded from April to June 2020, with facilities open for just 23 days during the 3-month period. This has resulted in a reduced utilisation rate.
- **Participation in the MCH service by Aboriginal children:** Participation has increased from 73.33% at 30 June 2019 to 95.45% at 30 June 2020. Staff made a concerted effort to encourage participation of families of Aboriginal children, resulting in improved participation that was 12% above materiality compared with the 2018-19 year, and 22% above the 2018-19 state average.
- **Waste diversion:** Diversion has increased from 34.81% at 30 June 2019 to 40.20% at 30 June 2020. Council promotes community environmental outcomes and has improved waste diversion rates by introducing food waste into green organics bin from 1 March 2020, contributing to the improved result.

Financial Performance Indicators

- **Unrestricted cash compared to current liabilities:** Indicator has decreased from -36.38% at 30 June 2019 to -86.95% at 30 June 2020. The 2019/20 actual result (and prior year results) do not include Council's significant holdings of term deposits with maturity over 90 days (which are classed as financial assets). These term deposits total \$63.0 million in 2019/20. When included in the measure for 2019/20 the result is a very healthy 55.5%. Forecasts for 2019/20 onwards assume that all term deposits as having original maturities of less than 90 days and are therefore included in unrestricted cash.
- **Loans and borrowings compared to rates:** Indicator has decreased from 23.25% at 30 June 2019 to 19.42% at 30 June 2020. The balance of Council borrowings at the end of 2019/20 was \$26 million compared to \$7.5 million at the end of 2018/19. New loan borrowings are forecasted at \$5 million for 2020/21, \$22 million for 2021/22 and \$20 million for 2022/23 to assist in funding the development of major community infrastructure. This is consistent with Council's long-term financial plan.
- **Loans and borrowings repayments compared to rates:** Indicator has increased from 2.38% at 30 June 2019 to 3.35% at 30 June 2020. Loan borrowings of \$3.5 million were repaid in 2019/20. New loans and associated repayments are forecast in 2021/22, 2022/23 and 2023/24 to assist in funding the development of major community infrastructure. This is consistent with Council's long-term financial plan.
- **Indebtedness:** Indicator has decreased from 14.99% at 30 June 2019 to 13.78% at 30 June 2020. At 2019/20 loan borrowings decreased by \$3.5 million. Further loan borrowings of \$5 million for 2020/21, \$22 million for 2021/22 and \$20 million for 2022/23 are forecast to assist in funding the development of major community infrastructure. This is consistent with Council's long-term financial plan.
- **Adjusted underlying surplus:** Indicator has decreased from 18.14% at 30 June 2019 to 6.97% at 30 June 2020. The 2019/20 result is significantly impacted by the lockdown restrictions in place in response to the unprecedented Covid-19 pandemic. Footpath and health permits income were refunded as part of the business support program \$0.77 million. Loss of income resulted from the closure of non-essential services including aquatic services \$1.38 million and the early year's services \$0.76 million.

Parking enforcements were reduced to support essential workers movements \$1.73 million. Council activated its hardship policy and paused or significantly reduced commercial rent agreements for tenants of Council owned properties \$0.45 million.

- **Rates concentration:** Indicator has increased from 56.27% at 30 June 2019 to 65.32% at 30 June 2020. The 2019/20 result is due to other revenue sources decreased compared to 2018/19 as a result of Covid-19. The other revenue sources include user fees, statutory fees and fines, monetary contributions and capital works grants. However, rate revenue will continue to be a key source of funding for the delivery of high-quality services and infrastructure to the community.

Conclusion

The Victorian Auditor-General's Office (VAGO) completed the audit of the annual financial and performance statements for the City of Stonnington at 30 June 2020 and concluded no material findings or adjustments.

Governance Compliance

Policy Implications

There are no policy implications associated with this report.

Financial and Resource Implications

There are no financial and resource implications associated with this report.

Conflicts of Interest Disclosure

No Council Officer and/or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Legal / Risk Implications

There are no legal / risk implications relevant to this report.

Stakeholder Consultation

There was no requirement for external stakeholder consultation in this proposal.

Human Rights Consideration

Complies with the Charter of Human Rights & Responsibilities Act 2006.

Attachments

1. Financial Report 2019-20 Final [**14.2.1** - 62 pages]
2. Performance Statement 2019-20 Final [**14.2.2** - 15 pages]
3. Stonnington - Draft Closing Report 2020 [**14.2.3** - 17 pages]

15 Confidential Business