

ELEVATING ESD TARGETS PLANNING POLICY AMENDMENT – STAGE 2

MEMORANDUM OF UNDERSTANDING

For support and resources associated with **Stage 2** of the **Elevating ESD Targets Planning Policy Amendment** Project ('the Project').

DATE **TBC May 2021**

BETWEEN

The Municipal Association of Victoria (MAV) of Level 12, 60 Collins St, Melbourne on behalf of
Council Alliance for a Sustainable Built Environment (CASBE)

(Referred to as 'CASBE')

AND

Moreland City Council, 90 Bell Street, Coburg VIC 3058

AND

Yarra City Council, 333 Bridge Road, Richmond VIC 3121

(Referred to, collectively, as the 'Initiating Councils')

AND

(Referred to, collectively, as the ‘Participating Councils’)

(Both, ‘Initiating Councils’ and ‘Participating Councils’ may collectively be referred to as ‘Councils’ where relevant)

(All, collectively, referred to as the ‘Parties’ or a ‘Party’ to this Memorandum of Understanding (MoU) where relevant)

1. INTRODUCTION

- 1.1. The Municipal Association of Victoria (MAV) is the statutory peak body for local government in Victoria. It is incorporated by the *Municipal Association Act 1907* (Vic), which defines the MAV's purpose and how the organisation operates. The MAV is governed by a State Council comprised of representatives of member councils.
- 1.2. The Council Alliance for a Sustainable Built Environment (CASBE) is a collective of Victorian municipal governments committed to the creation of a more sustainable built environment both within and beyond their municipalities. CASBE is auspiced by the MAV as an unincorporated governance system. A key strategic goal for CASBE is to elevate environmental targets for new development.
- 1.3. Moreland City Council is a local government authority in Victoria. Moreland City Council has committed to Achieve Zero Carbon in the Planning Scheme. This is reflected in Moreland City Council's Zero Carbon Moreland – Climate Emergency Strategy and Action Plan, Councillor Motions and Executive decision making, as well as, the submission of a statutory climate change pledge pursuant to the *Climate Change Act 2017* (Vic).
- 1.4. Yarra City Council is a local government authority in Victoria. Through the adoption of its first Climate Emergency Plan, Yarra City Council committed to working with local and state government partners to amend the Planning Scheme to introduce zero carbon standards for new commercial and residential developments. Yarra City Council is a key CASBE member working with partner councils to develop a zero-carbon development framework and build a strong evidence-base and strategic justification for zero carbon building standards.
- 1.5. The Participating Councils are local government authorities in Victoria.
- 1.6. An invitation to participate in Stage 1 of this Project was extended to all Victorian councils in April 2021.
- 1.7. Participation in Stage 2 of the Project is subject to a council being a member of CASBE and having participated in Stage 1 of the Project. Membership to CASBE and participation in Stage 1 of the Project are/were formalised by separate Memorandum of Understandings (MoUs), respectively.
- 1.8. The Project draws upon the previous success of Stage 1 of the Project, as well as, local government collaboration to bring about a local Environmentally Sustainable Development (ESD) Policy in a number of municipal Planning Schemes in Victoria. A brief account of the historical milestones and rationale for pursuing such a Planning Scheme Amendment has been provided in **Annex A – Original Background**.
- 1.9. The entirety of the Project is proposed in 2 stages:

Stage 1 – Finalise the evidence base for proposed policy objectives and standards

Entailed the preparation of a draft amendment and background evidence documentation. Stage 1 was completed in early 2022. This included the appointment of a consortium to undertake several technical studies and the preparation of a draft planning tool for the Councils to utilise and seek a Planning Scheme Amendment to include in their Planning Scheme.

Stage 1 was subject to an earlier understanding between the relevant parties at the time, with such MoU remaining separate from this MoU.

Stage 2 – Planning Scheme Amendment process

Entails the Planning Scheme Amendment process itself and associated works. Stage 2 will be conducted as a group/joint Planning Scheme Amendment process. The process for Stage 2 is intended to be similar to that of the joint amendment process that was undertaken in 2014 for the original local ESD Policy.

This MoU pertains to the Stage 2 component of the Project.

2. PURPOSE OF THE MEMORANDUM OF UNDERSTANDING

- 2.1. The purpose of this MoU is to provide a general framework for a collaborative and cooperative partnership between the Parties in the development and delivery of Stage 2 of the Project that introduces objectives and standards for zero carbon development and elevates ESD targets that seek to deliver sustainable, resilient and healthy buildings.
- 2.2. The purpose is also to define the governance of the Project, including operational activities, financial contributions and the decision-making framework.
- 2.3. Specifically, this MoU has been prepared to establish:
 - 2.3.1. A Party's commitment to the Project; and
 - 2.3.2. The roles and responsibilities of each Party.

3. SUPPORT OF PARTIES FOR THE MEMORANDUM OF UNDERSTANDING

- 3.1. The Parties acknowledge and support this MoU and further acknowledge and agree that they will work in a co-operative manner with the common intention of achieving the Project's objectives in accordance with the principles described in this MoU.

4. KEY PRINCIPLES OF THE MEMORANDUM OF UNDERSTANDING

- 4.1. The key principles of the MoU are as follows:
 - 4.1.1. The Parties will work collaboratively to achieve the desired outcomes and objectives;
 - 4.1.2. The Parties will monitor the success or otherwise of the initiatives entered into as a result of the MoU;
 - 4.1.3. The Parties will work collaboratively to solve problems as they arise; and
 - 4.1.4. The Parties will make every effort to respond and action items as required to ensure the expedient delivery of the Project.

5. PROJECT OBJECTIVES

- 5.1. The key objectives of the Project are as follows:
 - 5.1.1. The **Primary Objective** of the Project – to pursue a collective, group/joint Council, Planning Scheme Amendment that introduces objectives and standards for zero carbon development and elevates ESD targets through a suitable planning tool that is implemented within a Councils' Planning Scheme;
 - 5.1.2. To enable a collective contribution towards achieving CASBE's Strategic Plan – Goal 1 '*Elevate environmental standards for new development*';

- 5.1.3. To support each Council's emission reduction targets and associated ESD policies, action plans, pledges, strategies or agendas, as well as, climate change emergency declarations, where relevant; and
- 5.1.4. To facilitate consistency and harmony between Councils' Planning Schemes throughout the State.

6. PROJECT COMPONENTS

- 6.1. This MoU relates to Stage 2 of the Project being the *Planning Scheme Amendment Process*.
- 6.2. The Project components of Stage 2 will generally include:
 - 6.2.1. Seeking authorisation from the Minister for Planning to prepare a group/joint Planning Scheme Amendment to Councils' Planning Scheme and/or requesting that the Minister for Planning establish a Ministerial Advisory Committee to advise on the Project;
 - 6.2.2. Undertaking further supporting researching. For example, a Financial analysis or similar.
 - 6.2.3. Undertaking further advocacy, industry and community awareness raising, as well as, the preparation of further material to support the Planning Scheme Amendment and/or Ministerial Advisory Committee process, as required;
 - 6.2.4. Undertaking the Planning Scheme Amendment process which may include the need for a Planning Panel and/or a Ministerial Advisory Committee, as well as, the appointment of legal representation and expert witnesses;
 - 6.2.5. Refining and preparing relevant materials as an outcome or recommendation from the Planning Scheme Amendment and/or Ministerial Advisory Committee process; and
 - 6.2.6. The Minister for Planning deciding whether to approve the changes, as proposed by the intention and Primary Objective of the Project, within a Councils' Planning Scheme.
- 6.3. A list of key Project Milestones may include:

Milestone 1 –

All Councils submit to the Minister for Planning to prepare a group/joint Planning Scheme Amendment to Councils' Planning Scheme and/or request that the Minister for Planning establish a Ministerial Advisory Committee to advise on the Project's Primary Objective.

Milestone 2 –

Parties complete additional research including for example a financial analysis of similar.

Milestone 3 –

Parties advocate the Project in the lead up to the State government election, including awareness raising of the project with community and industry .

Milestone 4 –

Authorisation granted by the Minister for Planning to proceed with a Planning Scheme Amendment or the appointment of a Ministerial Advisory Committee.

Milestone 5 –

Completion of the Planning Scheme Amendment and/or Ministerial Advisory Committee process, which includes addressing relevant recommendations made by either the Planning Panel or Ministerial Advisory Committee.

Milestone 6 –

The Minister for Planning deciding to approve the Planning Scheme Amendment and/or relevant recommendations that align with the Primary Objective and intentions of this Project.

- 6.4. The Parties intend to complete and/or achieve the Project's milestones between the 2022-2023 calendar year.
- 6.5. The Parties acknowledge the political sensitivities, timelines and formalities that take place during a State government election year and thereafter with a new government which may delay achieving the key Project Milestones.

7. OPERATIONAL ARRANGEMENTS

7.1. Representatives of the Parties

- 7.1.1. The Parties agree to nominate a representative(s) for the Project, which may change from time to time.
- 7.1.2. A representative(s) of each of the Parties will form part of a committee known as the Project Group. Refer to Annex B in relation to the Terms of Reference for the Project Group.

7.2. Decision making

- 7.2.1. The decision-making forum for the Project will be undertaken by the Project Group involving a single representative for each of the Parties.
- 7.2.2. Day to day management of the Project will be delegated to a subset of the Project Group being the Working Group. Refer to Annex C in relation to the Terms of Reference for the Working Group.
- 7.2.3. The Working Group will comprise of representatives from the MAV, the Initiating Councils, and at least four additional representatives from the Participating Councils.
- 7.2.4. Nominations for the four additional representatives of the Working Group will be sought from the Project Group. Representatives will be selected by the Project Group.

7.3. Funding arrangements

- 7.3.1. Stage 2 of the Project will be jointly funded by contributions made by the Parties.
- 7.3.2. The MAV, through the CASBE Executive Officer, and in consultation with the Project Group, will collect, manage and dispense with the Project funds, as appropriate, on behalf of the Parties and in accordance with the Terms of Reference outlined within **Annex B**.
- 7.3.3. Financial contribution will be sought for tasks, projects and associated items in relation to Stage 2 of the Project that have commenced on or after **1 June 2022**.
- 7.3.4. The financial contribution will be retrospectively applied, regardless of a Party's effective signing date, with adjustments made between the Parties or as otherwise agreed. This includes adjusting a Party's contribution to account for a Party's potential entitlement to remaining funds from Stage 1 of the Project or where funds were otherwise provided, at an earlier date, for the benefit of Stage 2 of the Project.
- 7.3.5. The Project Group will determine the division of the financial contributions made by each Party.

7.3.6. An early budgetary amount, including estimates and assumptions, as well as, indicative contribution from each Party; contingent upon the number of Parties signing this MoU, is provided within Annex D.

7.3.7. The MAV will not contribute funds towards Stage 2 of the Project, other than funding from the CASBE budget as agreed by the CASBE Steering Committee.

7.4. In-kind support

7.4.1. The Parties will make every effort to provide in-kind support for the Project. This support may include the provision of technical expertise and assistance with tasks associated with achieving the Project outcomes and objectives.

7.5. Reporting requirements

7.5.1. The Working Group will report back to the Project Group monthly for the duration of this MoU, or on an alternative timeframe as determined and agreed to by the Project Group.

7.5.2. The MAV, through the CASBE Executive Officer, will provide quarterly Project financial reports to the Project Group.

7.6. Commencement and duration

7.6.1. The MoU will commence from the date specified on the cover of this MoU.

7.6.2. The MoU may be extended, as agreed, by mutual consensus between the Parties.

7.6.3. The MoU will be deemed completed ('Completion Event') when:

7.6.3.1. The Primary Objective of the Project is achieved; or

7.6.3.2. The Parties determine, by mutual consensus, that the Project is otherwise completed.

7.6.4. The MoU will be deemed terminated ('Termination Event') when:

7.6.4.1. The Parties determine, by mutual consensus, that the Project should be terminated; or

7.6.4.2. The Project is frustrated, as determined by mutual consensus, between the Parties.

For example, a non-exhaustive list may include:

- Councils' position to seek authorisation from the Minister for Planning to prepare an amendment to their Planning Schemes or for the establishment of a Ministerial Advisory Committee to advise on the Project's Primary Objective is not supported and unable to lawfully proceed; or
- The outcomes from a Planning Panel and/or Ministerial Advisory Committee process are highly unfavourable that compromises and undermines the Primary Objective of the Project; or
- The Minister for Planning does not support the recommendations made by the Planning Panel and/or Ministerial Advisory Committee and would otherwise compromise and undermine the Primary Objective of the Project.

7.7. Distribution of remaining funds

- 7.7.1. When a Completion Event or Termination Event occurs and Project funds remain, the balance of the Project funds will be:
 - 7.7.1.1. Firstly, paid to satisfy any accounts payable and other Project creditors (e.g. Planning Panel and Ministerial Advisory Committee costs, advocacy and consultancy fees, and any other invoices or costs, as deemed appropriate and associated, with the Project); and
 - 7.7.1.2. Secondly, the remaining balance is returned to the Parties based upon their commensurate contribution amount when requested to provide funds towards Stage 2 of the Project.

8. RIGHTS AND OBLIGATIONS OF THE PARTIES

8.1. Councils' rights

- 8.1.1. The Councils have the right to receive timely communication from the MAV and be allowed adequate time for considerations around decision making.
- 8.1.2. The Councils have the right to publish Project Group approved public information regarding the Project.

8.2. Councils' obligations

- 8.2.1. The Councils agree to cooperate in carrying out the Project and to use their best endeavours to ensure that work is performed.
- 8.2.2. The Councils agree to maintain an up to date contact for their Project Group representative to whom all notices and communications are sent.
- 8.2.3. The Councils agree to pay their financial contribution to the Project as determined by the Project Group.

8.3. MAV and Initiating Councils' rights

- 8.3.1. The Working Group will consist of three permanent members that includes the MAV and the Initiating Councils.

8.4. MAV and Initiating Councils' obligations

- 8.4.1. The MAV, through the CASBE Executive Officer, and the Initiating Councils agree to cooperate with the Parties in carrying out the Project and to use their best endeavours to ensure that work is performed.
- 8.4.2. The MAV agrees to issue invoices to councils and receive a Party's financial contribution(s).
- 8.4.3. The MAV agrees to manage the Project funds in accordance with MAV procedures. Any interest on the Project funds in holding will be retained by the MAV.

9. SUPPORT AND OPENNESS BETWEEN THE PARTIES

- 9.1. The Parties acknowledge and support the objectives to ultimately achieve and deliver the Project.
- 9.2. The Parties will:

- 9.2.1. Exercise their rights and perform their obligations with the common intention to support the objectives under this MoU in a co-operative, consultative and transparent manner;
 - 9.2.2. Work together to operate with regard to the undertakings specified in this MoU;
 - 9.2.3. At all times act in good faith in their dealings with each other; and
 - 9.2.4. Work openly and constructively to resolve any differences which emerge, recognising that the views and objectives of the Parties may not always coincide.
- 9.3. The Parties will aim, where reasonably possible, to share information relevant to achieving the Project. In the normal course of events, the Parties will work on the assumption that information should be freely exchanged.

10. INTELLECTUAL PROPERTY

- 10.1. During the course of the Project, materials will be created. The Intellectual Property (IP) of materials will be as follows:
- 10.1.1. The IP created by external consultants will rest with the Party that engages the consultant.
 - 10.1.2. The IP of materials created by a Party will rest with that Party.
- 10.2. All Parties that own materials created for the Project from **1 June 2022** grant the other Parties a non-exclusive, royalty-free licence (including the right to sub-licence) for the duration of this MoU to use, copy or adapt materials solely for the purpose of supporting the Project.
- 10.3. Each Party represents and warrants that the use by the other Party of any IP generated prior to this MoU will not breach the Intellectual Property Rights of any third party; and all information and material provided to the other party under this MoU will be correct, complete and not misleading.

11. PUBLIC AND MEDIA RELATIONS

- 11.1. The Initiating Councils and the CASBE Executive Officer will all be the primary contacts for any public or media enquiries relating to the Project work.
- 11.2. The Initiating Councils and the CASBE Executive Officer must inform and seek input from the Participating Councils of any public or media enquires relating to the Project work prior to engaging with respective public or media authorities to ensure consistent messaging and communications.
- 11.3. Participating Councils can communicate publicly about their role in the Project.
- 11.4. Any planned media events, media releases or correspondence will be prepared in consultation with the Parties.

12. CONFIDENTIALITY

- 12.1. The Parties must not:
- 12.1.1. Use, or permit any person to use, confidential information for any purpose other than for purposes agreed to by the Parties which is in accordance with this MoU.

- 12.1.2. Disclose or in any way communicate to any other person any confidential information except as authorised by a Party who has disclosed the confidential information.
- 12.1.3. Make, or assist any person to make, any unauthorised use of confidential information.
- 12.1.4. Confidential information means any information provided by one Party to another Party pursuant to the MoU, which that Party specifies as being confidential, or if disclosed, would be contrary to the public interest or would damage the commercial interests of the Party which provided the information.

13. DISPUTE RESOLUTION

- 13.1. The Parties agree to resolve disputes efficiently to minimise delay to the work of the Project.
- 13.2. If any dispute arises between the Parties and/or their representative(s) (collectively, 'the disputing Parties'):
 - 13.2.1. The disputing Parties must meet within 5 business days of being notified in writing of a dispute to endeavour to resolve the matter promptly;
 - 13.2.2. If the matter cannot be resolved between the disputing Parties and remains unresolved within two weeks of notification of a dispute, the matter may be referred to an independent mediator at the request of either disputing Party;
 - 13.2.3. An independent mediator will be selected by agreement of the disputing Parties but if such agreement is not obtained, then the MAV will, after consultation with the disputing Parties, select the mediator;
 - 13.2.4. If the matter cannot be resolved by mediation and remains unresolved within two weeks of mediation, the matter may be referred to an independent arbiter;
 - 13.2.5. An independent arbiter will be selected by agreement of the disputing Parties but if such agreement is not obtained, then the MAV will, after consultation with the disputing Parties, select the arbiter; and
 - 13.2.6. The decision of the arbiter will be binding on the disputing Parties.

14. WITHDRAWAL

- 14.1. If a Party wishes to cease being a Party to this MoU, they will notify the Parties in writing of their intention to exit from the MoU, providing 28 days' notice.
- 14.2. In the event that a Party withdraws from the MoU, any due but unpaid funding contributions will be payable but no future funding contributions will be payable.
- 14.3. In the event that a Party withdraws from the MoU, the withdrawing Party will fulfil any obligations committed to up until the time of exit and provide the remainder of the Parties with the information required to fulfil any obligations beyond the time of exit.

15. INDEMNITY

- 15.1. If third parties, such as ESD, planning, technical, financial or legal consultancies or firms, are sought to provide services with the delivery of the objectives, such third parties will be obligated to indemnify the Parties and their staff against all liability, particularly with respect to any breach of contract or in negligence under statute or common law, by a third party or in any way connected with the performance or purported performance of the services required.

16. AMENDMENT

- 16.1. This MoU may only be amended, varied or replaced by a document as agreed to by the Parties.

17. LEGAL EFFECT

- 17.1. The Parties acknowledge and agree that this MoU is not legally binding on any Party.

18. SIGNATORIES

ANNEX A – ORIGINAL BACKGROUND

The Current ESD Policy

- A.1. In 2009, several Victorian councils commenced coordinating their efforts to develop and introduce a consistent Environmentally Sustainable Development (ESD) local planning policy ('ESD Policy') into their respective Planning Scheme.
- A.2. In November 2015, six councils consisting of Banyule, Moreland, Port Phillip, Stonnington, Whitehorse and Yarra (the 'Joint Councils') were successful in having their ESD Policy gazetted as a part of their Planning Scheme. A joint Planning Panel and Advisory Committee was established for a combined set of amendments to streamline and effectuate the process.
- A.3. Since 2015, emanating from the success of the Joint Councils, 13 other councils gazetted an ESD Policy within their respective Planning Scheme which has since resulted in a total of 19 councils having an ESD Policy within their Planning Scheme as of February 2021.

ESD Policy Review

- A.4. In 2019, the Council Alliance for a Sustainable Built Environment ('CASBE') with Moreland City Council coordinated work for planning experts to undertake a review of Councils' common ESD Policy. The planning experts found that the consistent approach to a Council's ESD policy was having a positive cultural shift on ESD issues at the Victorian Civil and Administrative Tribunal (VCAT) and within the development industry. This was notwithstanding the shortfalls identified that would improve development outcomes. Constraints were subject but not limited to quantitative, well-articulated and expressed objectives associated with each of the thematic ESD categories within a Council's ESD Policy and the need to align with industry changes evidenced through global, State and Local Government objectives, transitioning towards a zero carbon economy.
- A.5. The ESD Policy shortfalls that were identified, as well as, the impetus for State and Local Government Authorities, including industry, to address relevant climate change objectives, motivated several Councils to pursue a Planning Scheme Amendment that elevates the ESD requirements and targets. The amendment is sought to update several Councils' current ESD Policy within their respective Planning Scheme, as well as, enable zero carbon development and foster a zero carbon economy.

Elevating ESD Targets and Achieving Zero Carbon within the Planning Scheme

- A.6. In 2019, CASBE established an Elevating Environmental Targets Working Group ('Working Group') for Councils to work collaboratively to review their current ESD Policy and to establish the necessary Planning Scheme ESD objectives and standards that will enable both elevated ESD targets and zero carbon development. The outcomes achieved by the Working Group also align with Goal 1, 'Elevate environmental standards for new development', of the CASBE Strategic Plan that was agreed upon by CASBE member Councils.
- A.7. In 2020, several Councils, a part of the Working Group, participated in discussions, workshops and consultations with members of the CASBE Network Group and Steering Committee to expedite outcomes. The outcomes assist with a future Planning Scheme amendment to ensure the delivery of zero carbon development, as well as, incorporate aspects of Climate Resilience, Social Sustainability and Innovation as a regenerative set of principles that aim to redefine and affirm the meaning of 'Best Practice' articulated within the existing ESD Policy framework – hence, collectively termed, Elevating ESD Targets.

ANNEX B – PROJECT GROUP TERMS OF REFERENCE

Elevating ESD Targets Planning Policy Amendment PROJECT GROUP

Terms of Reference

Date: **May 2022**

Revision: *

Purpose

To govern **Stage 2** of the **Elevating ESD Targets Planning Scheme Amendment** Project (the **Project**).

Role of the Project Group

To provide a decision-making forum for the Project, including but not limited to:

- Defining, reviewing and guiding the implementation of the Project;
- Reviewing the Project finance strategy budget;
- Working collaboratively to achieve the desired outcomes and solve problems as they arise.
- Monitoring the success or otherwise of initiatives entered into.
- All material provided for discussion and consideration is confidential unless otherwise agreed by the Project Group.

Membership and Decision making

- Each Party to the *Elevating ESD Targets Planning Policy Amendment – Stage 2 - Memorandum of Understanding* (the 'MoU') must nominate one representative.
- Each Party has one vote of equal weighting. A Party may designate in writing, another party to cast their vote by proxy.
- To achieve quorum, at least 33% of the Parties are to be present in the room or in attendance via video conferencing. Quorum may include votes made by proxy.
- Decision making at meetings will be made by majority vote of the Parties present and proxies received prior to meeting.
- For an Out of Session decision to be passed, at least 33% of Parties must respond in writing, and of those who have responded, a majority vote reached. Out of Session decisions can be made on financial variations up to \$10,000 ex GST. Expenditure on financial variations made by Out-of-Session decisions must be reported to the next Project Group meeting.
- Members are encouraged to engage in decision making processes expediently.
- Members of the Project Group must comply with MAV's policies, including Conflict of Interest Policy.

Meeting Frequency and Location

- The Project Group will meet monthly for the duration of the MoU, or as otherwise agreed to by the Project Group.
- Notice of meetings to be at least 10 business days.
- Agenda documentation must be circulated at least 7 business days prior to the meeting.
- Special meetings for particular purposes may be convened from time to time.
- Meetings will be conducted online or face to face at the MAV or other locations as agreed by parties.
- Participants other than parties may be invited to attend the meetings from time to time as the need arises.

Review

- The Project Group will review its progress annually.
- The Project Group will conclude following a Completion Event or Termination Event that includes the distribution and receipt of remaining Project funds, if required, as outlined within the MoU.
- This Terms of Reference is to be reviewed on an as needs basis.

Secretariat and Chair

- The Project Group will be convened by a member of the Working Group.
- Agendas and meeting notes will be provided through the Working Group.
- Meetings will be chaired by a member of the Working Group.

Reporting

- The Project Group will report to the CASBE Steering Committee at each CASBE Steering Committee meeting for the duration of the MoU.

ANNEX C – Elevating Targets WORKING GROUP TERMS OF REFERENCE

Elevating ESD Targets Planning Policy Amendment WORKING GROUP

Terms of Reference

Revision: *

Date: May 2022

Purpose

To collectively manage the implementation of **Stage 2** of the **Elevating ESD Targets Planning Scheme Amendment Project** (the **Project**).

Role of the Working Group

- To provide recommendations to the Project Group and implement all aspects of the Project, including but not limited to:
 - Engaging and liaising with consultants.
 - Engaging and liaising with stakeholders.
- The Working Group will communicate on an agreed social media platform.
- The Working Group will provide recommendations to the Project Group on the Project's strategic direction, finance strategy and budget.
- Members of the Working Group must comply with MAV's policies, including Conflict of Interest Policy.

Membership

- The Working Group is to be a subset of the Project Group.
- Membership of the Working Group will comprise of a representative of the MAV, the Initiating Councils, and at least four additional representatives from the Participating Councils. Each member will have one vote of equal weighting.
- A member may designate another member to cast their vote by proxy.

Meeting Frequency and Location

- The Working Group will meet on an agreed scheduled basis.
- To achieve quorum, at least 50% of members are to be present.
- Special meetings for particular purposes may be convened from time to time.
- Meetings will be conducted online or face to face at the MAV or other locations as agreed by Parties.
- Participants other than Parties may be invited to attend the meetings from time to time, as the need arises.

Review

- The Working Group will review its progress annually.
- The Working Group will conclude following a Completion Event or Termination Event that includes the distribution and receipt of remaining Project funds, if required, as outlined within the MoU.
- This Terms of Reference is to be reviewed on an as needs basis.

Secretariat and Chair

- The Working Group will be convened by a member of the *Elevating Targets Working Group*.
- Agendas and meeting notes will be provided through the *Elevating Targets Working Group*.
- Meetings will be chaired by a member of the *Elevating Targets Working Group*.

Reporting

- The Working Group will report back to the Project Group monthly.

ANNEX D – INDICATIVE EARLY BUDGET AND FINANCIAL CONTRIBUTION TOWARDS STAGE 2

- D.1. The following content is to be treated as indicative and for guidance purposes only to support with identifying the potential costs and contribution from Councils involved with Stage 2 of the Project.
- D.2. Similar to Stage 1 of the Project, the financial contributions for Councils participating in Stage 2 will be in flux until the number of Councils are determined.
- D.3. The Working Group will provide estimated costs of involvement per Council which will depend on the number of Councils involved.
- D.4. Estimated Stage 2 costs were included in the original information sheet distributed in March 2021 in relation to the Project. The information is reproduced below however has been updated to include additional financial analysis and contingency estimates.
- D.5. ***Please note, the estimates provided do not include the amendment fees for each individual Council, internal resourcing, nor any costs associated with local community engagement and sundry items (e.g. mail outs, printing and exhibition collateral).***

ITEM	DETAIL/ COMMENT	STAGE 2 ESTIMATED COSTS
Statutory Costs	Advisory Committee/ Planning Panel	\$ 120,000 *
Representation at Panel	Legal Representation	\$ 100,000 **
Expert Witnesses	Planning and ESD Representation	\$ 80,000 **
Supporting Studies	Financial Analysis (including Climate Risk Analysis)	\$ 60,000 **
Contingency	Approx. 10% contingency (over-run for any of the above estimates or unforeseen project needs)	\$ 40,000
TOTAL		\$ 400,000

* Whilst yet to be discussed, DELWP may also provide financial support towards the Statutory (Advisory Committee/ Panel Costs) as experienced previously with the original ESD Policy. Speculative contribution has not been included as a part of such estimated costs.

** CASBE is not a part of the Planning Scheme Amendment process. However, in support of Councils, CASBE may provide key personnel or financial resources for assistance. This will be subject to CASBE Steering Committee approval.

- D.6. In order to provide assistance to Councils with the budgeting process and internal requirements, the below estimate is based upon the number of Councils that could be involved in Stage 2 of the Project.
- D.7. ***Please note that such figures are indicative only.***

COUNCIL INVOLVEMENT (depending on the amount of Councils involved)	STAGE 2 ESTIMATED COSTS
2 Councils involved (Moreland and Yarra only)	\$ 200,000 each
3 Councils involved	\$ 133,000 each
4 Councils involved	\$ 100,000 each
6 Councils involved	\$ 66,000+ each
8 Councils involved	\$ 50,000+ each
10 Councils involved	\$ 40,000+ each
15 Councils involved	\$ 26,000+ each
18 Councils involved	\$ 22,000+ each
20 Councils involved	\$ 20,000+ each

TOTAL	\$ 400,000
--------------	-------------------

- D.8. The intention is to apply the CASBE pricing principles based on CASBE membership level. As such, contributions will be tiered based on CASBE membership level (i.e. Level 1-3 Councils). This is indicative of the same process that was undertaken as a part of Stage 1 of the Project.
- D.9. If Councils have allocated funding this financial year (Financial Year 2021/22), upon request, the MAV may invoice Councils this financial year for their contribution towards Stage 2 of the Project.
- D.10. ***Confirmation on the amount that a Council is required to contribute towards Stage 2 of the Project will be confirmed via separate, email, correspondence and will take into consideration relevant adjustments as outlined within the MoU.***