

MINUTES

Mid Month Meeting of Council

Held at the
Civic Centre
511 Burwood Highway
Wantirna South
On
Tuesday 9 June 2026



The Agenda for the Mid Month Meeting of Council, Tuesday 9 June 2026, forms part of these Minutes and is attached in full at the end of the Minutes.

These Minutes are considered draft until adopted and confirmed at the next Mid Month Meeting of Council.

The meeting commenced at 7:01pm.

PRESENT:

Cr Paige Kennett (Chairperson)
Cr Chris Duncan (Deputy Mayor)
Cr Peter Lockwood
Cr Robert Williams
Cr Meagan Baker
Cr Parisa Considine
Cr Lisa Cooper
Cr Susan Pearce
Cr Glen Atwell

Chandler Ward
Collier Ward
Baird Ward
Dinsdale Ward
Dobson Ward
Friberg Ward
Scott Ward
Taylor Ward
Tirhatuan Ward

Bruce Dobson
Grant Thorne
Jonathan McNally
Judy Chalkley
Matt Kelleher
Navec Lorkin
Andrew Dowling
Saskia Weerheim

Chief Executive Officer
Director - Infrastructure
Interim Director - City Liveability
Director - Connected Communities
Director - Customer & Performance
Chief Financial Officer
Manager - Governance & Risk
Head of Governance

Order of Business

1 Apologies And Requests For Leaves Of Absence	4
2 Declarations Of Conflict Of Interest.....	4
3 Confirmation Of Minutes	4
4 Items For Tabling.....	5
4.1 Internal Arbitration Decision: IAP 2026-04.....	5
5 Officer Reports.....	6
5.1 Transfer of lease - 92 Station Street Ferntree Gully	6
6 Notices Of Motion.....	7
7 Supplementary Items.....	7
8 Urgent Business	7
9 Confidential Items.....	7

1 Apologies And Requests For Leaves Of Absence

Nil.

2 Declarations Of Conflict Of Interest

Nil.

3 Confirmation Of Minutes

The Chairperson, Councillor Paige Kennett, invited Councillors to raise any opposition to the Minutes of the Mid-Month Meeting of Council held on Monday 11 May 2026. There being none, the Chairperson declared the Minutes be confirmed.

4 Items For Tabling

4.1 Internal Arbitration Decision: IAP 2026-04

SUMMARY

This item tables a copy of the arbiter's decision and statement of reasons arising from the internal arbitration process IAP 2026-04 (Attachment 1), in accordance with section 147(4) of the Local Government Act 2020 (the Act).

Section 147 of the Act requires the arbiter's decision and statement of reasons to be tabled at the meeting and recorded in the minutes. Consequently, no resolution is required.

The Mayor, Councillor Paige Kennett, noted that the Independent Arbiter's determination and statement of reasons in applications IAP 2026-04 had been tabled and that the tabling would be recorded in the minutes as required under Section 147 of the Local Government Act 2020.

Councillor Peter Lockwood made an apology as required in the arbiter's decision.

5 Officer Reports

5.1 Transfer of lease - 92 Station Street Ferntree Gully

SUMMARY

The current tenant of 92 Station Street, Ferntree Gully, Baodun Chen, has applied to transfer their lease to An Li. This report recommends transferring the lease from Baodun Chen ('current tenant') to An Li ('proposed tenant').

Council as Landlord has 28 calendar days to respond to this request. The commercial property manager has undertaken due diligence on the proposed tenant and advises there are no grounds under the *Retail Leases Act (2003)* to reject the transfer.

RECOMMENDATION

That Council resolve to:

1. Agree to the transfer of the lease for 92 Station Street, Ferntree Gully from Baodun Chen (current tenant) to An Li (proposed tenant) in accordance with the terms and conditions of the lease (Confidential Attachment 1).
2. Authorise the Chief Executive Officer (or such person as the Chief Executive Officer selects) to execute all documentation required to transfer the lease.

*The Chairperson noted that in the Discussion section of this Report, it states that the lease included a further term of **four** years, which is an error and officers have confirmed the extension previously approved for this lease was for an additional term of **three** years only.*

RESOLUTION

MOVED: Councillor Baker

SECONDED: Councillor Duncan

That Council resolve to:

1. **Agree to the transfer of the lease for 92 Station Street, Ferntree Gully from Baodun Chen (current tenant) to An Li (proposed tenant) in accordance with the terms and conditions of the lease (Confidential Attachment 1).**
2. **Authorise the Chief Executive Officer (or such person as the Chief Executive Officer selects) to execute all documentation required to transfer the lease.**

CARRIED

6 Notices Of Motion

Nil.

7 Supplementary Items

Nil.

8 Urgent Business

Nil.

9 Confidential Items

Nil.

MEETING CLOSED AT 7:09 pm

Minutes of Meeting confirmed at the
Mid Month Meeting of Council
held on Monday, 13 July 2026

.....

Chairperson

The Agenda for this meeting is attached in full at the end of the Minutes.

REVISED AGENDA

Mid Month Meeting of Council



To be held at the

Civic Centre

511 Burwood Highway

Wantirna South

On

Tuesday 9 June 2026 at 7:00 PM

This meeting will be conducted as a hybrid meeting

Note on revised agenda

- The original agenda for this meeting was published on 2 June 2026. An additional item - Item for Tabling – has been included in the revised agenda.

Order of Business

1 Apologies And Requests For Leaves Of Absence3

2 Declarations Of Conflict Of Interest.....3

3 Confirmation Of Minutes3

4 Items For Tabling4

 4.1 Internal Arbitration Decision: IAP 2026-044

5 Officer Reports.....12

 5.1 Transfer of lease - 92 Station Street Ferntree Gully12

6 Notices Of Motion16

7 Supplementary Items.....16

8 Urgent Business16

9 Confidential Items.....16

Bruce Dobson
Chief Executive Officer

1 Apologies And Requests For Leaves Of Absence

2 Declarations Of Conflict Of Interest

3 Confirmation Of Minutes

Confirmation of Minutes of Mid Month Meeting of Council on Monday 11 May 2026.

4 Items For Tabling

4.1 Internal Arbitration Decision: IAP 2026-04

SUMMARY

This item tables a copy of the arbiter's decision and statement of reasons arising from the internal arbitration process IAP 2026-04 (Attachment 1), in accordance with section 147(4) of the Local Government Act 2020 (the Act).

Section 147 of the Act requires the arbiter's decision and statement of reasons to be tabled at the meeting and recorded in the minutes. Consequently, no resolution is required.

ATTACHMENTS

Attachment 1 - Internal Arbitration Decision IAP 2026-04

OFFICIAL

**ARBITRATION PURSUANT TO DIVISION 5 OF PART 6 OF
THE
LOCAL GOVERNMENT ACT 2020**

**Internal Arbitration Process – Knox City Council
(IAP 2026-04)**

Applicant: Councillor Robert Williams
Councillor Susan Pearce

Respondent: Councillor Peter Lockwood

Date of Hearing: 13 May 2026

Arbiter: Louise Hill

DECISION AND STATEMENT OF REASONS

Application

1. On 9 February 2026, Cr Robert Williams made a joint application with Cr Susan Pearce, for an internal arbitration to make a finding of misconduct against Cr Peter Lockwood in relation to interactions between Cr Lockwood and Cr Williams and Cr Pearce during the election of the Mayor and Deputy Mayor on 20 November 2025. Cr Williams is the appointed representative for the applicants.
2. The Knox City Council mayoral elections were held on 20 November 2025 and comprised 11 voting rounds. To be elected as mayor, a nominated councillor required a majority of 5 votes. Three councillors nominated and after two voting rounds Cr Williams (applicant) was defeated with the least number of votes. The following 9 rounds of voting were held with 2 candidates recording 3 and 4 votes respectively with 2 abstentions (Cr Williams and Cr Pearce) each round.
3. Three adjournments were held in the Knox Room after voting rounds 4, 7 and 10 to allow councillors to discuss their voting. Ultimately in round 11 Cr Williams and Cr Pearce voted for one of the candidates who then achieved the majority.
4. Cr Williams and Cr Pearce allege that Cr Lockwood swore at them in the Council Chamber and in Councillor Lounge, Cr Lockwood labelled Cr Pearce as always trouble, complains and whinges, causes issues and headaches. It is further alleged by the applicants that Cr Lockwood engaged with them in a manner that was intimidating and pressuring, making them feel unsafe.
5. Cr Williams and Cr Pearce allege that Cr Lockwood's actions have breached the four clauses of Model Councillor Code of Conduct set out in Schedule 1 of the Local Government (Governance and Integrity) Regulations 2020) and therefore constitute

OFFICIAL

misconduct under the *Local Government Act 2020*: clause 2(1), 2(1)(a), clause 2(2), and clause 4(1)(a).

Directions Hearing

6. A Directions Hearing was held on 15 April 2026 via Microsoft Teams. In attendance were Cr Williams, Cr Lockwood and the Council's Councillor Conduct Officer, Mr Andrew Dowling.
7. At the Directions Hearing, Cr Lockwood stated that the allegations made in the application were false, requiring the matter to be heard. I outlined the process for arbitration to both parties and set the timelines for Cr Williams to provide a further submission regarding his joint application and for Cr Lockwood to provide a response. A list of witnesses was also requested for each of the parties, together with a short summary of what evidence the witnesses would provide.
8. Mr Andrew Dowling provided me with the minutes of the Knox City Council meeting – Election of Mayor 20 November 2025. I also accessed and viewed an archive video link to the recording of this Council meeting.

Witness Statements and Materials for Cr Williams

9. A summary statement was provided by Cr Susan Pearce. Her statement outlined the sequence of voting for the mayoral election. Cr Pearce cites three occasions during adjournments where in the Chamber, Cr Lockwood called her and Cr Williams “fuckwits” and “idiots”, in the Knox Room abused her, in the lobby where he raised his voice and swore and in the Councillor Lounge where he told her that she complained and was a waste as a councillor.
10. Cr Williams provided further materials:
 - a screenshot of a text message from Cr Lockwood to Cr Williams and Cr Pearce at 21:59 on 20 November 2025, “Sorry I swore at you”.
 - an email 12 February 2026 from Cr Lockwood to Cr Williams and Cr Pearce expressing his hurt and noting that he had previously apologised, asking them to reconsider their application.
 - Email exchange 6, 7 and 8 December between Cr Lockwood and Cr Williams where Cr Lockwood asked if Cr Williams would have leaked to CW [Council Watch] if he had been mayor.

Response to the Application from Cr Lockwood

11. Cr Lockwood's response outlines his version of the circumstances surrounding the mayoral election in November 2025 and states that with each voting round, the abstentions by Cr Williams and Cr Pearce caused huge concern among councillors and that it burned Knox City Council's reputation.
12. Cr Lockwood states that he never referred to any councillor(s) as ‘fuckwits’ or ‘idiots’ and denies that he told Cr Pearce or Cr Williams that they were ‘always trouble’, ‘always complains and whinges’, ‘causes headaches’ and ‘fuck off’. He states there was no obscene, threatening language or behaviour.
13. He claims that he was calm and made no attempt to pressure or intimidate them.

OFFICIAL

14. Cr Lockwood says that his apology made by text message later that night and sent to the applicants, was referring to his exclamation of 'Jesus Christ' not calling them 'fuckwits.' His first explanation of the apology to Cr Williams and Cr Pearce via text message for swearing was that it was in reference to his exclamation of 'Jesus Christ'. Following the hearing, Cr Lockwood provided a different explanation of his apology saying that it was a 'tactical apology' to get them back to the negotiating table. He disputes the account of Cr Pearce about the adjournment in the Knox Room saying he did not say much, just listened. He also said he barely spoke in the foyer, did not abuse anyone or raise his voice.
15. Cr Lockwood also refutes impacting on councillors' health and safety and that Cr Williams and Cr Pearce were impacting his health and harming the reputation of the council by abstaining for many voting rounds, thereby diminishing the trust in local government.

Witness Statement from Cr Chris Duncan

16. Cr Duncan recounts all adjournments in the Knox Room with discussions becoming increasingly robust with requests to Cr Williams and Cr Pearce cease abstaining and to cast their votes. He states that this was not lecturing, coercing or pressuring any councillor to change their vote to a particular candidate.
17. Cr Williams suggested that the election be postponed which was met with resistance from the remaining councillors. Cr Duncan says Cr Pearce asked, "So what do you want us to do then?" Cr Duncan responded, "We want you to make a decision because you're making us all look like fuckwits."
18. I accept Cr Duncan's statement but do not consider that this was the swearing that Cr Williams and Cr Pearce allege Cr Lockwood made towards them, even though it was the same expletive.

Recording of Mayoral election meeting

19. The video recording of the mayoral election held 20 November 2025, in the Council Chamber, shows each of the voting rounds by show of hands and abstaining votes by Cr Williams and Cr Pearce for voting rounds 3 to round 10. It does not show any interactions between Cr Lockwood and Cr Williams and Cr Pearce during or after voting rounds when adjournments were called before they left the Chamber.
20. The minutes of Council 20 November, including the election of the Mayor and Deputy Mayor record ten voting rounds before the Mayor was elected in voting round 11. Rounds 3 to 10 resulted in the same vote pattern of 3 votes, 4 votes and 2 abstentions from Cr Pearce and Cr Williams. Ultimately Cr Pearce and Cr Williams voted in round 11, resulting in an absolute majority of 5 votes for the successful councillor.
21. Three adjournments were held after voting rounds 4, 7 and 10. These adjournments were held in the Knox Room, with various councillors also gathering in the Councillor Lounge, the foyer and outside the building. The purpose of the adjournments was to provide councillors an opportunity to consider their position and options.

Arbitration Hearing

22. The arbitration hearing was held 13 May 2026, in the Knox Room and attended by Cr Williams (applicant) and Cr Lockwood (respondent), Mr Andrew Dowling (Councillor Conduct Officer) and the recording service.

OFFICIAL

23. Cr Williams submitted that when the second adjournment was called, that he, Cr Lockwood and Cr Pearce pushed their chairs back, had a chat and that was when Cr Lockwood swore, using the word 'fuckwits'. No-one else heard this exchange.
24. He further recounted that Cr Lockwood had a 'bit of a tantrum' whilst exiting the Councillor Lounge, during the second adjournment, when he told Cr Pearce she was 'always trouble, always complains, always whinges, causes headaches and issues.' He told them both to 'fuck off' and left the room.
25. Cr Williams stated that he and Cr Pearce felt pressured and intimidated to make a decision and that this pressure was particularly from Cr Lockwood and one other councillor. He claims that this is a breach of Clause 2(2) because they felt unsafe. Cr Williams claims that the behaviour of Cr Lockwood brought discredit on the Council because there were members of the public in the foyer who had asked what was going on.
26. Cr Pearce provided evidence about her interactions with Cr Lockwood during the adjournments for the mayoral election. Cr Pearce stated that Cr Lockwood called her and Cr Williams 'fuckwits' in the Chamber. Whilst in the Councillor Lounge, Cr Pearce stated that she and Cr Williams had asked other councillors to leave so that they could discuss their vote. Cr Lockwood was the last to leave and stood at the door and attacked Cr Pearce for always complaining, whinging, causing issues and headaches. Cr Pearce recalled that during the first adjournment that Cr Duncan had called them 'fuckwits'. However, I accept Cr Duncan's witness statement referred to in paragraph 17 above "... you're making us all look like fuckwits."
27. Cr Williams and Cr Pearce's account of what was said when and where is not consistent with their accounts during the hearing and Cr Pearce's witness statement summary. Their explanation is that there was a lot going on during the meeting adjournments and that their exact recollection of when exchanges occurred may not be entirely accurate.
28. Their accounts do accord about Cr Lockwood swearing at them in the Chamber and his regaling of Cr Pearce as he was leaving the Councillor Lounge. What is not clear is during which adjournment break this happened. Similarly, what was said in the foyer between Cr Lockwood, Cr Williams and their partners and Cr Pearce is also not clear and who else may have overheard the interactions. Cr Williams and Cr Pearce are consistent about swearing by Cr Lockwood directed at both of them and the comments directed to Cr Pearce.
29. Cr Lockwood has denied the full account in the application and submission of Cr Williams and evidence of Cr Pearce. His account is that he did not swear at them and did not say that Cr Pearce was 'always trouble, always complains and whinges', and that she 'causes issues and headaches'. He also denies that he said, as per Cr Pearce's witness statement, she was 'a waste as a councillor'.
30. Cr Lockwood's account is that the mayoral election meeting was difficult and that 'all we wanted was a resolution so that we could get on with the night.' His explanation was that he had an understanding with Cr Williams and Cr Pearce that they would each make a complaint against the former mayor and that his would go first. He said they offered "excuses for delays ... I no longer felt under any obligation to Robert....". He further has a different account to exchanges between councillors during the adjournments, and described them as calm, stunned silence, but tense.

OFFICIAL

31. In relation to swearing, Cr Lockwood's account is that he swore a bit leaving the Chamber and thinks he said 'Jesus Christ' which was why he apologised later that evening by text to Cr Williams and Cr Pearce. Cr Lockwood also referred to a previous arbitration (IAP 2025-17 and IAP 2025-18) where Arbiter Jo-anne Mazzeo made a finding of misconduct and determined a sanction of one month suspension from 10 March 2026. He said he had learnt from this arbitration – but said that “Calling people grinchies, I didn't think was over the top, but I was wrong.” He further stated that he did not think he showed a pattern of inappropriate behaviour. He claims that Cr Williams and Cr Pearce were the ones damaging the Council's reputation by way of abstaining from the mayoral vote.

Did Cr Lockwood contravene the Model Councillor Code of Conduct?

32. The applicants, Cr Williams and Cr Pearce, have requested a finding of misconduct for breaches of the following clauses of the Model Councillor Code of Conduct.

- 2(1) Councillors must treat others, including other Councillors, members of Council staff and members of the public, with dignity, fairness, objectivity, courtesy and respect, including by
- (a) not engaging in demeaning abusive, obscene or threatening behaviour, including where the behaviour is of a sexual nature
- (2) A Councillor, as an individual at the workplace, must take reasonable care for their own health and safety and take reasonable care that their acts or omissions do not adversely affect the health and safety of other persons.
- 4(1) A Councillor must act with integrity, exercise reasonable care and diligence and take reasonable steps to avoid any action which may diminish the public's trust and confidence in the integrity of local government, including by
- (a) ensuring that their behaviour does not bring discredit upon the Council.

33. Notwithstanding there were no other witnesses to Cr Lockwood's alleged swearing at Cr Williams and Cr Pearce, I consider that it is more than likely that Cr Lockwood did swear at them and that he didn't say Jesus Christ, particularly as he sent a text to both after the election “I am sorry that I swore at you.” It does not seem plausible that Cr Lockwood would have apologised for using the term 'Jesus Christ' as it is more commonly thought of as blasphemy and not directed at anyone. I find that this constitutes a breach of clause 2(1) treating other Councillors with dignity... respect... and 2(1)(a) not engaging in abusive behaviour.
34. Further, Cr Lockwood is alleged to have said to Cr Pearce that she was 'always trouble, always complains, always whinges, causes headaches and issues' as he departed the Councillor Lounge. There were no other witnesses, other than Cr Pearce and Cr Williams and Cr Lockwood has denied saying this. I find Cr Pearce's and Cr Williams' accounts to be believable and that this also constitutes abusive behaviour.
35. Cr Lockwood's behaviour through the mayoral election adjournments is not of the standard expected by the general public for a local government councillor, even though it was not directly overheard by others. The Knox community has a right to expect that its councillors uphold high standards of personal behaviour at all times and to role model civility and respect in their personal interactions at all times, regardless of the circumstances and personal frustrations.

OFFICIAL

36. From the submissions and evidence provided, there were times during the adjournments when all councillors were present. No doubt there was considerable frustration expressed in the body language and questioning of Cr Williams and Cr Pearce in relation to their abstentions from mayoral voting. Cr Lockwood was a key player in these exchanges, but he was not the only one. Cr Williams and Cr Pearce reported these exchanges to be intimidating, pressuring and bullying. There may have been pressure to resolve the voting deadlock however, I do not consider the exchanges during the meeting adjournments were sufficient to negatively impact the health and safety of others (clause 2(2)).
37. Given that there were no other people overhearing Cr Lockwood's exchanges with Cr Williams and Cr Pearce, I do not believe that his actions have breached clause 4(1)(a) diminishing public trust and bringing discredit upon the Council. While members of the public may well have viewed the deadlock in voting, there is no evidence of impacting the Council's reputation or diminishing public trust as an election was in progress and the process was clearly explained by the CEO, as Chair, to the gallery and Councillors.
38. Cr Lockwood has made choices throughout the conduct of this arbitration. Had he not disputed the allegations at the Directions Hearing and offered an authentic apology, the application may have been withdrawn or had it continued, proceeded to arbiter decision post a genuine apology.
39. Throughout the arbitration, Cr Lockwood's responses and submissions have sought to minimise and deflect responsibility to Cr Williams and Cr Pearce. Cr Williams may well have expected support from Cr Lockwood for his mayoral nomination, triggering their abstentions in subsequent voting rounds as Cr Lockwood has claimed. This does not excuse swearing at both councillors when they abstained or making derogatory comments to Cr Pearce.
40. It is concerning that Cr Lockwood seems to be denying responsibility for his behaviour, minimising his account of the circumstances of the previous arbitration, avoiding any contrition and seeking to show himself and others as the aggrieved parties.

Arbitration Decision

41. In relation to Cr Lockwood's obligations to comply with the standards of conduct under the Model Councillor Code of Conduct Local Government (Governance and Integrity) Regulations 2020, I find that Cr Lockwood has engaged in misconduct by failing to comply with clauses 2(1) and 2(1)(a) of the Model Councillor Code of Conduct.
42. Based on the reasoning in paragraphs 36 and 37 above, I find that Cr Lockwood has not failed to comply with clauses 2(2) and 4(1)(a) of the Model Councillor Code of Conduct.

Sanction

43. I have received submissions from Cr Williams and Cr Lockwood if a finding of misconduct is made. Both have suggested that a penalty of directing Cr Lockwood to make an apology to be appropriate. Cr Williams has also called for Cr Lockwood to change his behaviour.

OFFICIAL

OFFICIAL

44. Cr Lockwood seems to minimise the findings of the previous arbitration and does not accept that there is a pattern to his behaviour. He denies any wrongdoing and does not take any responsibility for Cr Williams and Cr Pearce's application against him.
45. I agree a suspension removes a Councillor from the deliberations and processes within the Council and that it is difficult to re-enter the council cycle of business following suspension. However, it is also important that Cr Lockwood thinks about his behaviour and does not engage rudely or use derogatory comments verbally or in writing. The Knox City Council has recently conducted "Working Together" sessions for councillors and it is important for Cr Lockwood reflects on his learnings from these sessions to improve understanding and his interactions with others, and how those interactions can strengthen or diminish collaborative decision making and relationships. It is for these reasons that I consider that both an apology and a suspension is the appropriate sanction.
46. I direct that Cr Lockwood makes verbal and written apologies to Cr Williams and Cr Pearce at the next Knox City Council meeting following this decision. The apology shall contain a clear acknowledgement of the conduct and its impact, acceptance of responsibility and a commitment to not repeat or minimise his inappropriate behaviour.
47. The text should be delivered authentically and sincerely by Cr Lockwood both verbally and in writing to Cr Williams and Cr Pearce. The apology must be limited to the following statement.
- "During an adjournment of the Council's meeting for the election of the Mayor on 20 November 2025, I swore at Cr Williams and Cr Pearce, and I described Cr Pearce as always trouble, always complaining and whinging and causing issues and headaches.
- I acknowledge that this conduct was disrespectful and demeaning. My behaviour was inappropriate and below the standard expected of an elected local government councillor.
- I sincerely apologise to Cr Williams and Cr Pearce for attacking them in this way and I commit to not repeating this behaviour or to minimising it. I will work hard to build trust and restore respectful relationships with all Councillors."
48. Further, I suspend Cr Lockwood from the office of Councillor for a period of one month commencing the day after this decision is tabled at the next Council meeting as required under s147(4) of the *Local Government Act 2020*.



Louise Hill
Arbiter
1 June 2026

OFFICIAL

7

5 Officer Reports

5.1 Transfer of lease - 92 Station Street Ferntree Gully

Final Report Destination:	Council
Paper Type:	For Decision
Author:	Coordinator Property Management, Flora Westcott
Manager:	Manager Strategic Procurement & Property, Tim Lawson
Executive:	Chief Financial Officer, Navec Lorkin

SUMMARY

The current tenant of 92 Station Street, Ferntree Gully, Baodun Chen, has applied to transfer their lease to An Li. This report recommends transferring the lease from Baodun Chen ('current tenant') to An Li ('proposed tenant').

Council as Landlord has 28 calendar days to respond to this request. The commercial property manager has undertaken due diligence on the proposed tenant and advises there are no grounds under the *Retail Leases Act (2003)* to reject the transfer.

RECOMMENDATION

That Council resolve to:

1. Agree to the transfer of the lease for 92 Station Street, Ferntree Gully from Baodun Chen (current tenant) to An Li (proposed tenant) in accordance with the terms and conditions of the lease (Confidential Attachment 1).
2. Authorise the Chief Executive Officer (or such person as the Chief Executive Officer selects) to execute all documentation required to transfer the lease.

1. DISCUSSION

Council is the owner and landlord of the premises at 92 Station Street, Ferntree Gully. The shop is leased to Baodun Chen (current tenant, a sole trader) and operates as a Fish and Chip shop. The lease commenced on 1 January 2021, for a term of 5 years with one further option to extend it by 4 years, which occurred on 1 January 2026 (Confidential Attachment 1).

The current tenant has sold their Fish and Chip business to An Li (proposed tenant, also a sole trader) who intends to continue operating as a Fish and Chip business. An Li is a current employee at the shop.

Council received a request for a lease transfer via the managing agent Lanigan Real Estate, on 14 May 2026. Under the *Retail Leases Act 2003*, a landlord has 28 days to respond to any request for a transfer of lease. This timeline expires on 11 June 2026, with no response to the proposed tenant constituting acceptance of the transfer of the lease. A lease transfer retains all existing terms and conditions of the agreement.

Councils' Leasing and Licensing Policy require Council to approve all leases and licenses of 4 years and over.

The *Retail Lease Act 2003* stipulates that a landlord can only withhold consent to the transfer of lease under the following conditions:

- The proposed tenant wants to use the premises in a way that is not permitted under the lease;
- The proposed tenant does not have sufficient financial resources or business experience to meet the obligations under the lease;
- The proposed tenant has not complied with reasonable assignment provisions under the lease; and
- The business has been sold, and the current tenant has not provided the proposed tenant with business records for the previous 3 years.

All due diligence has been undertaken by Lanigan Real Estate including a review of financial capacity and consideration of relevant business experience. Based on this review, officers consider that the proposed tenant has demonstrated the ability to fulfil their obligations under the lease as outlined under the Act.

Condition	Response
Use of the premises	The premises will continue to be used as a Fish and Chip shop.
Financial resources and business experience	Lanigan Real Estate advised that the proposed tenant has been working at the shop for some time and has appropriate financial resources and business experience.
Reasonable assignment provisions	Lanigan Real Estate advised that the reasonable assignment provisions have been adhered to.
Provision of business records for the previous 3 years	Lanigan Real Estate advised that the existing tenant has provided appropriate business records to the proposed tenant.

The lease is proposed to be transferred with all the existing terms and conditions of the current tenant to the proposed tenant, including the permitted use.

2. ENGAGEMENT

Council officers have been working with the agent acting on the Council's behalf and with the current and proposed future tenant.

As the lease is less than 10 years and the annual rent is less than \$100,000, there is no requirement under the Local Government Act 2020 to undertake community consultation.

3. SOCIAL IMPLICATIONS

The transfer of the lease ensures the fish and chip shop remains open, preserving access to a familiar and valued local business. Residents continue to have a convenient place to buy meals, supporting both everyday convenience and social connection. A smooth transition between owners also signals confidence in the area's potential, demonstrating ongoing investment in the precinct rather than decline.

4. CLIMATE CHANGE CONSIDERATIONS

Implementation of the recommendation is considered to have no direct implications or has no direct impacts upon Council's Net Zero 2030 target, the Community Net Zero 2040, exposure to climate risks or climate change adaptation.

5. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications for this report.

6. FINANCIAL AND RESOURCE IMPLICATIONS

The current rental return of \$19,141 per annum, increasing by 3% annually will continue.

7. RISKS

Management of commercial real estate sites is not a core function of council and carries a range of statutory obligations that must be met in its capacity as landlord. To ensure these obligations are fulfilled and risks are appropriately managed, council engages a commercial property manager to oversee the day-to-day administration of these properties.

The property manager is contracted to undertake due diligence on prospective tenants, including assessment of financial capacity, proposed use, and compliance with lease conditions and planning controls. This process helps ensure incoming tenants are suitable for the premises and that their operations align with Council's strategic and community objectives.

8. COUNCIL AND HEALTH AND WELLBEING PLAN 2025-2029

Leading, listening and governing responsibly

Strategy 4.1 - Council demonstrates its accountability through transparent and responsible decision-making and working together productively.

Strategy 4.5 - Council is financially sustainable through long-term strategic, financial and asset planning, and the responsible prioritisation, allocation and use of resources.

9. CONFLICT OF INTEREST

The officers contributing to and responsible for this report have no conflicts of interest requiring disclosure under Chapter 5 of the Governance Rules of Knox City Council.

10. STATEMENT OF COMPATIBILITY

There are no legislative obligations under the Human Rights Charter, Child Safe Standards or the Gender Equity Act that are incompatible with the recommendation in this report.

11. CONFIDENTIALITY

Confidential Attachment 1 contains confidential information pursuant to Council's Governance Rules and Section 66 of the Local Government Act 2020, as it relates to:

- Council business information, that will prejudice Council's position when negotiating commercial leases.

ATTACHMENTS

Nil

6 Notices Of Motion

7 Supplementary Items

8 Urgent Business

9 Confidential Items