



Council Agenda



Date:	19 September 2023
Time:	6:00 pm
Venue:	Echuca Civic Centre

Photo Left to Right: Cr Tony Marwood, Cr Colleen Gates (Deputy Mayor), Cr Paul Jarman, Cr Daniel Mackrell, Cr Rob Amos (Mayor), Cr Leanne Pentreath, Cr Chrissy Weller, Cr Adrian Weston and Cr John Zobec.

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For a meeting of the Campaspe Shire Council held on Tuesday 19 September 2023, commencing at 6:00 pm at the Council Chambers, Echuca Civic Centre.

Acknowledgement of Country

The Shire of Campaspe is the traditional lands of the Dja Dja Wurrung, Taungurung and Yorta Yorta Peoples.

We respect and acknowledge their unique Aboriginal cultural heritage and pay our respect to their ancestors, descendants and emerging leaders as the Traditional Owners of this Country.

We acknowledge their living culture and their unique role in the life of this region.

Opening Prayer

We pray to almighty God that our decisions as a Council be in the best interest of the people, culture and the environment of the Shire of Campaspe.

Amen

Meeting Procedures

Please ensure that all electronic devices are turned off or switched to silent.

Council meetings are broadcast live via the internet. During the meeting, members of the public may be recorded, particularly those speaking to an item. By attending this meeting, you are consenting to the possibility that your image may also be broadcast to the public. Any personal and health information voluntarily disclosed by any person at Council meetings may be broadcast live, held by Council and made available to the public for later viewing.

Those people who have requested to speak to an item will be allowed five minutes to address Council. Speakers will be notified with a bell when there is 60 seconds remaining. Speakers must only speak in relation to the subject stated on their application and shall not debate the issue with Councillors and officers. Councillors are able to ask questions of the speaker on points of clarification.

Speakers are advised that they do not enjoy any special protection from defamation arising from comments made during their presentation to Council and should refrain from voicing defamatory remarks or personal defamatory statements against any individual. Speakers will be treated with respect when addressing Council. I ask that the same respect is extended to Councillors and officers.

1 Apologies and Requests for Leave of Absence

1.1 Apologies

1.2 Leave of Absence

2 Confirmation of Minutes and Attachments

RECOMMENDATION

That the Minutes of the Campaspe Shire Council Meeting held on 15 August 2023 be confirmed.

3 Disclosure of Conflicts of Interest

In accordance with Section 130(1)(a) of the *Local Government Act 2020* Councillors are required to disclose any conflict of interest in respect of a matter to be considered at a Council meeting.

4 Changes to the Order of Business

Once an Agenda has been published on the Council website, the Order of Business for that Council Meeting may only be altered as follows: -

- by the CEO prior to the commencement of the Council Meeting following consultation with the Mayor. Where the alteration occurs after the Agenda has been distributed to the public the alteration must be communicated to the Chair to explain the alteration at the Council Meeting under “changes to Order of Business”; or
- by the Chair during the Council Meeting; or
- by Resolution of the Council during the Council Meeting.

A change to the Order of Business after distribution of the Agenda to the public will be recorded in the Minutes of that Council Meeting.

5 Public Question Time

Question time will be available at a Council Meeting, except for an Unscheduled Meeting, to enable members of the public to address questions to Council.

All questions must: -

- be received in writing on either of the prescribed forms as outlined on Council’s website; and
- be received no later than 12:00pm (noon) on the day before the Council Meeting.

Please refer to Council’s Governance Rules for further information regarding Public Question Time procedures.

6 Petitions / Joint Letters

7 Acknowledgements / Councillor Reports

At each Ordinary Meeting, Councillors will have the opportunity to: -

- acknowledge significant community members and events. These may relate to notable achievements by community members and groups, and the offering of condolences to a person who has distinguished service in the local area.
- report on any meetings, conferences or events that they have recently attended; or
- report on any matters or progress in relation to a Delegated Committee they are part of.

The duration of any acknowledgement or report from a Councillor will be limited to two (2) minutes.

The CEO must be notified of any acknowledgment or report to be raised by a Councillor at a Council Meeting at least three (3) hours before the commencement of the Council Meeting.

8 Council Decisions

8.1 Responsible Authority Decisions

A Responsible Authority is defined under Section 13 of the *Planning & Environment Act 1987* and is responsible for administering and enforcing the planning scheme and its provisions in relation to use and development.

8.1.1 Planning Decision Monthly Update

Directorate:	Sustainability
Responsible Officer:	Planning & Building Assistant
Manager:	Acting Planning & Building Manager
Attachments:	Monthly Councillor Reporting – August 2023

1. PURPOSE

The purpose of this report is to provide information on the determined planning applications including other planning decisions as of 31 August 2023.

2. RECOMMENDATION

That Council acknowledge the determined planning permit applications and other planning decisions, to 31 August 2023.

3. DISCUSSION

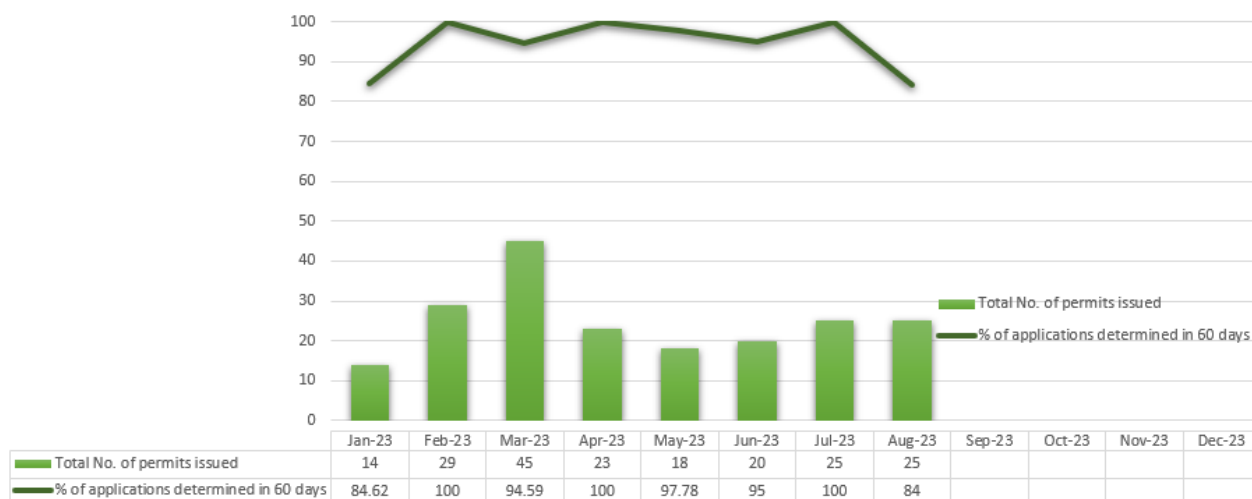
The snapshot provided below outlines the number of applications determined and processing times of determined planning permit applications for the month of August 2023. The figures provided indicated that at the end of the reporting period.

- 48 Planning permit applications received.
- 49 Applications (including amendments, secondary consents, etc) were determined under delegations.
- 30 Planning permit applications were determined under delegation.
- The median processing of an application to determination is 37 days.

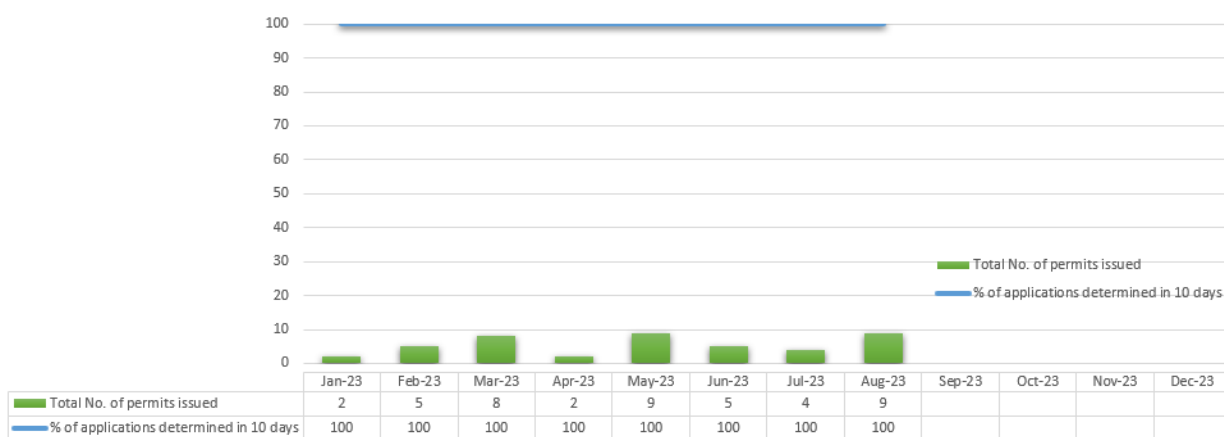
While staff shortages have been an ongoing issue for the planning team, the month of August was particularly challenging with staff absences and periods of leave. This has resulted in the percentage of applications in 60 days dropping to 84 percent.

To combat these issues, additional resources have been sourced to not only assist with planning applications but to respond to general enquiries from the public. We have been able to recruit an additional planner and administration support to ensure the team provide a level of customer service that is satisfactory and be able to meet statutory requirements.

APPLICATION NOS & % of APPLICATIONS IN 60 DAYS



VICSMART APPLICATION NOS & % of APPLICATIONS IN 10 DAYS



It is noted that the statutory timeframe to determine and application within 60 days under the *Planning and Environment Act 1987* includes mandated referral authority time and advertising. When reviewing the timeframes, consideration must be applied where the application has requested additional time to resolve matters for an improved outcome, resolving matters with referral authorities or where the additional information sought requires specialised skills.

Planning Applications are prioritised based on their complexity, being:

P1 Applications – 10 Days (Vicsmart, no referrals, exempt from notice)

P2 Applications – 11 – 45 Days (Referred, advertised, no objections)

P3 Applications – 46 – 60 Days (Referred, advertised, received objections, consultation)

Planning register

All planning permit applications are available on the planning register to view the progress of the application, check if further information is required, check for public notification and view decisions on applications: online www.campaspe.vic.gov.au/Plan-build/Planning/Planning-register

Delegate Decisions 01-Aug-2023 to 31-Aug-2023

Monthly Determined

Application ID	Full Details	Property Address	Stage/Decision
PLN009/2023	Native vegetation removal for road widening of Axedale-Toolleen Road pursuant to Clause 52.17	4 Cornella-Toolleen Road TOOLLEEN VIC 3551	Completed
PLN012/2023.A	AMENDMENT - Buildings and works (dwelling, outbuilding and swimming pool) in the Rural Living Zone – Schedule 2	23 Shoveler Street ECHUCA VIC 3564	Withdrawn
PLN074/2023	Partial demolition (deck and window) and buildings and works (deck) in the Commercial 1 Zone and Heritage Overlay Schedule 1	37-45 Heygarth Street ECHUCA VIC 3564	Completed
PLN076/2023	Buildings & works (Demolition of former shop) in the Heritage Overlay Schedule HO402	17 Singer Road LOCKINGTON VIC 3563	PrmIssued
PLN083/2023	Buildings and works (Enclosed Anaerobic Ponds) in association with an existing industry in the Industrial 1 Zone	506 Curr Road GIRGARRE VIC 3624	Completed
PLN095/2023	Buildings and works (Dependent Person's Unit) in the Farming Zone Schedule 1	2205 Mckenzie Road TONGALA VIC 3621	PrmIssued
PLN105/2023	Vegetation removal (2 Date Palms) in the Heritage Overlay Schedule HO119	57-65 Church Street KYABRAM VIC 3620	PrmIssued
PLN108/2023	Native vegetation removal (Waranga Rail Trail) Pursuant to Clause 52.17	Esmonde Street RUSHWORTH VIC 3612	PrmIssued
PLN110/2023	Buildings and Works (warehouse) in the Industrial 1 Zone, and the Land Subject to Inundation Overlay	23 Reliance Court ECHUCA VIC 3564	PrmIssued
PLN120/2023	Lopping of a tree in the Heritage Overlay Schedules HO1 & HO19	34-36 Heygarth Street ECHUCA VIC 3564	PrmIssued
PLN123/2023	Use and development of the land for a retail premises in the Industrial 1 and 3 Zones with a reduction of the car parking and alteration to access to a Transport Zone 2	11-17 Ogilvie Avenue ECHUCA VIC 3564	Lapsed
PLN126/2023	Use of the land for a liquor licence (packaged liquor licence) pursuant to Clause 52.27	73-85 Murray Valley Highway ECHUCA VIC 3564	PmtNOD
PLN129/2022.A	AMENDMENT - Subdivision of the land into four (4) lots in the Farming Zone Schedule 1 and Township Zone	22 King Street LOCKINGTON VIC 3563	PmtAmend
PLN131/2023	Use and development of the land for rural workers accommodation in the Farming Zone Schedule 1	2512 Henderson Road GIRGARRE VIC 3624	PrmIssued
PLN139/2023	Buildings and works (Industrial building) in the Industrial 1 Zone, business identification signage and internally illuminated signage pursuant to Clause 52.05, and reduction in car parking pursuant to Clause 52.06	20 King George Crescent ECHUCA VIC 3564	PrmIssued
PLN140/2023	Buildings and works (Agricultural Shed) in the Rural Activity Zone and Floodway Overlay.	130 Casey Road WHARPARILLA VIC 3564	PrmIssued
PLN144/2023	Buildings & Works (partial demolition and new floor) in the Heritage Overlay Schedule HO212	11 Campaspe Street ROCHESTER VIC 3561	Completed
PLN149/2023	Buildings and works (outbuilding) in the Farming Zone Schedule 1	81 Echuca West School Road ECHUCA VIC 3564	PrmIssued
PLN150/2023	Buildings and works (Replacement outbuilding) in the Urban Flood Zone	25-27 Bridge Road ROCHESTER VIC 3561	PrmIssued
PLN158/2023	Buildings and Works associated with an existing Section 2 use (utility- high pressure gas pipeline) in a Transport Zone 2 and removal of native vegetation pursuant to Clause 52.17	Mckenzie Road ECHUCA VIC 3564	PrmIssued

PLN165/2023	Development of the Land For a Mobile Telecommunications Facility (equipment shelter, antennas and 25m monopole) in the Farming Zone Schedule 1 and pursuant to Clause 52.19	2563 Heathcote-Rochester Road COLBINABBIN VIC 3559	PrmIssued
PLN180/2023	Boundary realignment in the Farming Zone Schedule 1, Floodway Overlay and Land Subject to Inundation Overlay	171 Echuca-Mitiamo Road ECHUCA WEST VIC 3564	Withdrawn
PLN298/2022	Subdivision of the Land into Two (2) Lots in the Township Zone and Heritage Overlay Schedule 301, and the creation and removal of an easement pursuant to Clause 52.02	1 Wigg Street RUSHWORTH VIC 3612	Completed
PLN328/2022	Buildings and works in association with the Installation of a telecommunications facility in the Public Conservation and Resource Zone and pursuant to Clause 52.19	837C Torrumbarry Weir Road PATHO VIC 3564	PrmIssued
PLN396/2022	Use and development of the land for Domestic Animal Husbandry (10 Female & 5 Male Dogs) in the Farming Zone Schedule 1	1325 Graham Road KYVALLEY VIC 3621	PmtNOD

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Median

Monthly Determined - VicSmart

Application ID	Full Details	Property Address	Stage/Decision
PLN166/2023	VICSMART - Buildings and works (outbuilding) in the Rural Living Zone and Land Subject to Inundation Overlay	364 Mary Ann Road ECHUCA VIC 3564	Withdrawn
PLN173/2023	VICSMART - Buildings and works (Outbuilding) in the Farming Zone Schedule 1	614 Curr Road GIRGARRE VIC 3624	PrmIssued
PLN191/2023	VICSMART - Buildings and works (roller door & window) and Business Identification Signage in the Commercial 1 Zone and Heritage Overlay Schedule 01	519 High Street ECHUCA VIC 3564	PrmIssued
PLN194/2023	VICSMART - Buildings and Works (spa and safety barrier) in the Farming Zone Schedule 1	3430 Midland Highway STANHOPE VIC 3623	PrmIssued
PLN205/2023	VICSMART - Buildings and works (Agricultural shed) in the Farming Zone Schedule 1 and Land Subject to Inundation Overlay	Day Road TONGALA VIC 3621	PrmIssued

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Secondary Consent Determined

Application ID	Full Details	Property Address	Stage/Decision
PLN048/2021	Building and Works (replacement dwelling) in the Farming Zone Schedule 1, Environmental Significance Overlay Schedule 1, Bushfire Management Overlay and Floodway Overlay	387 Brereton Road GUNBOWER VIC 3566	PmtAmend
PLN156/2023	(SC) VICSMART - Buildings and works (Agricultural Sheds) in the Farming Zone Schedule 1	198 Geodetic Road North STANHOPE VIC 3623	PmtAmend
PLN163/2021	Use and development of the land for a dwelling and outbuilding in the Rural Activity Zone	60 Murray Drive WHARPARILLA VIC 3564	PmtAmend
TPA338/2015	Use and Development of the Land for Renewable Energy Facility (Bio digester) in the Farming Zone Schedule 1 pursuant to Clause 52.42 and the provision of Car Parking pursuant to Clause 52.06	223 Hill Road STANHOPE VIC 3623	PmtAmend

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Extension of Time Determined

Application ID	Full Details	Property Address	Stage/Decision
PLN056/2021	Subdivision of the land into 4 lots in the General Residential Zone and alteration of access and subdivision of land adjacent to a Road Zone, Category 1 pursuant to Clause 52.29	1319 Mcewen Road KYABRAM VIC 3620	EOTCompleat
PLN158/2021	Buildings and works (dwelling) in the Farming Zone Schedule 1 and Land Subject to Inundation Overlay	725 Willow Grove Road ROSLYNMEAD VIC 3564	EOTCompleat
PLN178/2021	Subdivision of the land into two lots in the Township Zone	715 Henderson Road TONGALA VIC 3621	EOTCompleat
PLN207/2019	Use and development of the land for a renewable energy facility in the Farming Zone Schedule 1 and removal of native vegetation pursuant to Clause 52.17	Barnadown-Knowsley Road MUSKERRY VIC 3557	EOTCompleat

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Condition Plans Determined

Application ID	Full Details	Property Address	Stage/Decision
PLN005/2023	Buildings and works (Storage Shed) in the Industrial 1 Zone	22 Kuhle Road KYABRAM VIC 3620	Completed
PLN024/2023	(S71) Boundary realignment (dwelling excision) in the Farming Zone Schedule 1 and Land Subject to Inundation Overlay	3 Wilson Road WYUNA EAST VIC 3620	Assessment
PLN109/2023	Re-subdivision of the land into five lots in the General Residential Zone and creation of an easement in accordance with Clause 52.02	Unit 2/119 Crossen Street ECHUCA VIC 3564	Completed
PLN113/2020	Staged Subdivision of the Land into 210 Lots in the General Residential Zone and Development Plan Overlay Schedules 2 and 4 and Removal of Native Vegetation pursuant to Clause 52.17 and Alteration of Access to a Road Zone Category 1 pursuant to Clause 52.29	441 Allan Street KYABRAM VIC 3620	Completed
PLN120/2022	Buildings and Works (Extension of existing factory) and Business Identification Signage in the Industrial 1 Zone and Land Subject to Inundation Overlay and reduction in Car Parking pursuant to Clause 52.06	7 Slattery Road KYABRAM VIC 3620	Completed
PLN152/2022	Subdivision of land into two (2) lots in the General Residential Zone and Land Subject to Inundation Overlay	21 Baynes Street ROCHESTER VIC 3561	Completed
PLN170/2019	Staged Subdivision of the Land into 173 Lots and in the Low Density Residential Zone and General Residential Zone, Bushfire Management Overlay, Land Subject to Inundation Overlay and alteration of a Road Zone Category 1 pursuant to Clause 52.29 and Removal of Native Vegetation pursuant to Clause 52.17	Wharparilla Drive ECHUCA VIC 3564	Completed
PLN209/2022	Development of the land for a second dwelling and dwelling extension in the General Residential Zone, Heritage Overlay Schedule 87 and Land Subject to Inundation Overlay	20 Connelly Street ECHUCA VIC 3564	Completed
PLN228/2022	(S/C) AMENDMENT - Buildings and works (building extension) in the Commercial 2 Zone and Heritage Overlay Schedule 86 and a reduction of car parking spaces pursuant to Clause 52.06.	173 Pakenham Street ECHUCA VIC 3564	Assessment
PLN348/2022	VICSMART - Building and Works (Veranda & Storage Building) in association with a section 2 use in the Township Zone	37 Mitchell Street COLBINABBIN VIC 3559	Completed

PLN352/2022	Use and development of the land for a place of assembly and a food and drink premises (cafe) in the Township Zone and Heritage Overlay Schedule 602 including amenities block and mobile food van, reduction in car parking pursuant to Clause 52.06 and use of the land for a liquor licence (restaurant and cafe) pursuant to Clause 52.27	34-36 Main Street GUNBOWER VIC 3566	PlnRecvd
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8.1.2 251-257 Hare Street, Echuca Vic 3564, TPA012/2011.D

Directorate: Sustainability

Responsible Officer: Planner

Manager: Acting Manager Planning and Building

Attachments:

1. Attachment 1 Conditions [8.1.2.1 - 4 pages]
2. Attachment 2 Municipal Planning Strategy and Planning Policy Framework [8.1.2.2 - 5 pages]

1. PURPOSE

An application has been received to amend existing Planning Permit TPA012/2011.D: Buildings and works in the Commercial 1 Zone, Heritage Overlay Schedule 1 and Land Subject to Inundation Overlay and alteration to the liquor license (extend the red line area and increase patron numbers to 1000). The request was advertised, and 13 objections have been received. The application has been assessed against the provisions of the Campaspe Planning Scheme and is recommended for approval subject to conditions. This report outlines the proposal, assessment and officers recommendation for Council's consideration.

2. RECOMMENDATION

That Council

1. **Having considered the application on its merits and objections received, resolves to issue Notice a Decision to grant an amendment to the Planning Permit for TPA012/2011.D subject to conditions outlined in Attachment 1.**

3. DISCUSSION

3.1 Proposal

Pursuant to Section 72 of the *Planning and Environment Act 1987* this application seeks to amend Permit TPA012/2011.B to allow for the expanded operation of the American Hotel. This application seeks to increase the area where the liquor licence applies, increase the number of patrons allowed under the liquor licence, and carry out associated acoustic treatment works and other required buildings and works.

The changes proposed under this permit amendment application continue to require approval under the existing permit triggers, as outlined below:

- Buildings and works pursuant to the Commercial 1 Zone (Clause 34.01) and the Heritage Overlay (Clause 43.01);
- Alteration to a liquor license pursuant to Clause 52.27 'Licensed Premises'.

The proposal seeks to:

- Extend the red line area by 573sqm from 1,047sqm to 1,620sqm to include the raised deck, container, raised stage, shelter and shade structure located in the northern portion of the site, noting these buildings and works were previously approved under Permit PLN379/2021;

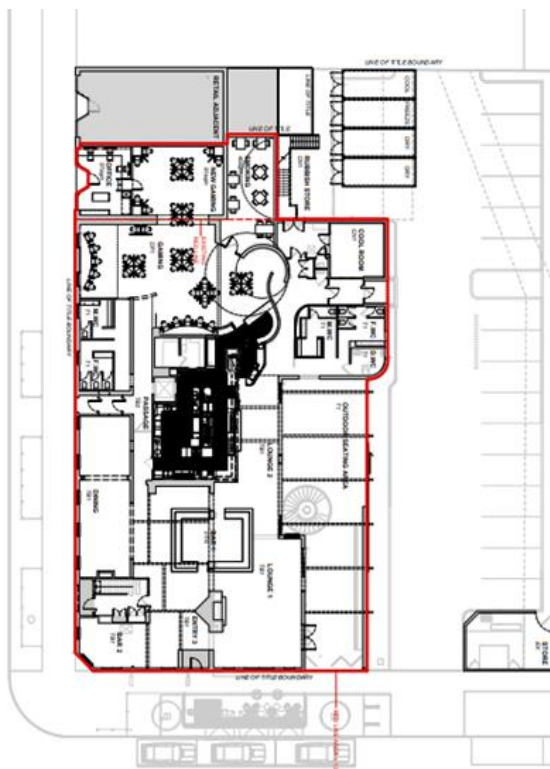


Figure 1. Existing red line

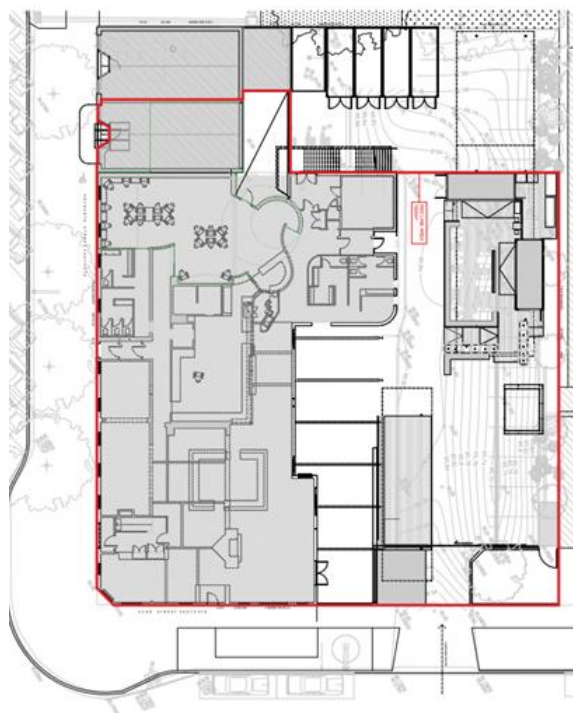


Figure 2. Proposed red line

- Increase patron numbers by 400 from 600 to 1,000 and allow 1,000 patrons to access all areas of the hotel until 10pm. After 10pm patron capacity in the ground floor external area will be limited to 220 patrons (excluding special events);
- Provide approval for the following 'special events' to allow for 500 patrons in the ground floor external area after 10:00pm:
 - Christmas Eve, Boxing Day and the first three weekends post-Christmas (Friday and Saturday);
 - New Year's Eve;
 - Australia Day weekend (Friday, Saturday and Sunday);
 - Southern 80 Ski weekend (Friday, Saturday and Sunday);
 - Riverboats Festival weekend (Friday, Saturday and Sunday);
 - Labour Day weekend (Friday, Saturday and Sunday);
 - Easter (Friday, Saturday and Sunday);
 - King's Birthday weekend (Saturday and Sunday);
 - Winter Blues Festival weekend (Friday, Saturday and Sunday);
 - AFL Grand Final weekend (Friday, Saturday and Sunday);
 - Melbourne Cup weekend (Friday, Saturday, Sunday and Monday);
 - Pop and Pour Festival (Friday, Saturday and Sunday).

(Totals 15 events, 13 weekends, 39 days)

- Buildings and works (acoustic measures/upgrades) to the American Hotel including:
 - A new external staircase at the western end of the hotel, between ground floor and first floor;

- Relocate / reposition the existing storage cages to facilitate the staircase works;
- Enclose the upper-level deck along the Hare Street interface. The works can be operable e.g. louvres, retractable systems, however the area would need to remain enclosed from 10pm;
- Provide solid acoustic cladding to the existing entry gates and to the new entry gates to the extended liquor licence area.
- Buildings and works (acoustic measures/upgrades) to the adjoining Nirebo Motel including:
 - Replacement of existing windows and doors to various motel rooms with acoustically performing windows and doors.
- The proposal also triggers the following changes to the existing permit:
 - Amendment to the address of the permit and endorsed plans to include part of the land at 251-257 Hare Street (Echuca Nirebo Motel);
- Amend permit conditions:
 - Condition 1 (amended plans) – to reflect changes required to accommodate the proposed increase in patron numbers;
 - Condition 3 (maximum patron numbers)
 - to increase the number of permitted patrons from 600 to 1,000 and to allow maximum of 220 of those patrons in the external group floor area after 10pm;
 - to allow 500 patrons in the external ground floor area during nominated special events (note the patron numbers will not decrease to 220 after 10pm during nominated special events);
 - Condition 24 (patron and music noise assessment) - delete or update condition to reflect new acoustic assessment;

3.2 Site and surrounds

An inspection of the site and the surrounding area has been undertaken.

The site comprises two lots being land in PC 374745 and land in PC104754 and is known as 239-249 Hare Street and 251-257 Hare Street respectively. The site is located in the north-west corner of the intersection of Hare Street and the Northern Highway / Heygarth Street.

The primary site of the American Hotel is generally rectangular in shape and has an area of approximately 1,945sqm. The site has a frontage to Hare Street of approximately 40 metres and a frontage to Heygarth Street of approximately 45 metres.

No. 239-249 Hare Street comprises the existing American Hotel which is a two-storey red brick building built to the boundary along both Hare Street and Heygarth Street. An outdoor deck, stage shelter and shade structure are located in the northern portion of the site. Portable containers are located in the western part of the site.

The site forms part of the southern (end) portion of the Old Echuca Township Heritage Precinct (HO1) and the site is identified as being contributory to the significance of the precinct. The surrounding area is predominantly commercial being located within the Echuca Central Business District.

Under the Heritage Review – Part B Heritage Precincts (2014), the site is described as:

“A prominent two storeyed tuckpointed bi-chrome brick and stuccoed hotel, probably created in three stages, the first being distinguished by the use of bi-chrome brickwork at the corner (ground floor only) and segmented head openings. The second and principle stage consisted of the provision of a second storey (possibly in 1920’2) with a rough cast and fair faced stuccoed parapet and cornice with curvilinear profile in the style of the day.

Interior features of note include the surviving staircase and varnished timber ceilings with patterned borders. Windows to the upper level lobby are lead lit. At a later date, a two storeyed addition was provided along Heygarth Street in a sympathetic style. There has also been a major redevelopment of the site in recent times with mainly interior alterations and the addition of a large courtyard to the northern elevation.”

The American hotel comprises 4 businesses being:

- American Gaming – Coppertops
- American Hotel – dining room and bar
- American Rooftop – Felix’s Filipino street food
- American Garden – Harry O’s BBQ

No car parking is provided onsite.

No. 251-257 Hare Street comprises the existing Nirebo Motel which is a two-storey red brick building. The eastern half of the southern wall of the motel forms part of the subject site.

Vehicle access to the site is located off Hare Street. Pedestrian access is located off both Hare Street and Heygarth Street.

Minimal vegetation is located onsite.

The following easements are located on No. 239-249 Hare Street:

- Pipelines and ancillary purposes along the northern boundary and off the western boundary.
- Party wall along the south-western corner boundary.
- Powerline in the north-east corner of the site.

No easements are located on No. 251-257 Hare Street.

The site has the following immediate interfaces:

- The remainder of the Nirebo Motel abuts the site to the north. Car parking associated with the motel is located central to the site. North of the motel is a gravel car park.
- Hare Street abuts the site to the east. Opposite the site east of Hare Street is land comprising the Echuca District War Memorial, Echuca library, Council offices and the Echuca Magistrates Court. The built form is setback from Hare Street, with the Council offices a double-storey brick building and the remaining built form single-storey.
- Heygarth Street bounds the site to the south. Opposite the site south of Heygarth Street is the Palace Hotel which is used for bar and accommodation and comprises a double-storey brick building. A bottle shop is also located south of Heygarth Street opposite the site and comprises a single-storey building with the bottle shop drive-thru fronting Heygarth Street.
- No. 32 Heygarth Street abuts the site to the west and is used for hairdressing purposes. The site comprises a single storey render building. Further west is the former Echuca Town Hall.
- Zones: Commercial 1 Zone. Overlays: Bushfire Management Schedule 1, Heritage Overlay Schedule 1, Land Subject to Inundation, Parking Overlay Schedule 1.



Figure 3: Site context and zoning map

The main site / locality characteristics are:

- The site is located within the Echuca CBD/Echuca Port interface, with land surrounding the site comprising a range of uses including commercial, retail, accommodation, Council offices, the Echuca District War Memorial, Echuca library, a toy library, the Old Town Hall and the Magistrate's Court.
- The site and land north and west of the site are located within the Echuca Historic Port Precinct. Land south of the site is located within the Echuca Commercial Precinct.
- Land surrounding the site is located within the Commercial 1 Zone, Public Use Zone, Public Parks and Recreation Zone and the General Residential Zone.
- Built form in the area comprises single storey and double storey buildings. Building materials in the area include brick and render.
- The area has a commercial character with buildings built to the boundary with more intense development.
- On-street parking with time restrictions is provided in the area.
- The nearest residential zoned land is located approximately 117 metres south-east of the site.

3.3 Permit history

Permit history relevant to the decision includes:

Planning Permit TPA012/2011

Planning Permit TPA012/2011 was issued on 20 May 2011 and currently allows *"Buildings and works in the Commercial 1 Zone and Heritage Overlay Schedule 1 and alteration to the liquor license (extend internal areas to 3am and extend live music to 1am) and reduction in required car parking, loading bay & bicycle facilities"*

Planning Permit PLN370/2021

Planning Permit PLN370/2021 was issued on 28 January 2022 and allows *“Buildings and works (container, deck, stage, shelter and shade structure) in the Commercial 1 Zone, Heritage Overlay Schedule 1, Bushfire Management Overlay and reduction in car parking pursuant to Clause 52.06 and the Parking Overlay Precinct 1”*.

Officers note that this is the planning permit that was approved for building and works associated with the area currently subject to the proposed extension of the red line.

3.4 Planning controls

The zoning of the land and any relevant overlay provision.

Zone

Clause 34.01 Commercial 1 Zone

Purpose

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To create vibrant mixed use commercial centres for retail, office, business, entertainment and community uses.*
- *To provide for residential uses at densities complementary to the role and scale of the commercial centre.*

Pursuant to Clause 34.01-4 a permit is required to construct a building or construct or carry out works.

Clause 34.01 is silent on the use of land to sell or consume alcohol.

Overlays

Clause 43.01 Heritage Overlay

Purpose

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To conserve and enhance heritage places of natural or cultural significance.*
- *To conserve and enhance those elements which contribute to the significance of heritage places.*
- *To ensure that development does not adversely affect the significance of heritage places.*
- *To conserve specified heritage places by allowing a use that would otherwise be prohibited if this will demonstrably assist with the conservation of the significance of the heritage place.*

Pursuant to Clause 43.01-1 a permit is required to construct a building or construct or carry out works and to externally alter a building.

Clause 44.04 Land Subject to Inundation

Purpose

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To identify flood prone land in a riverine or coastal area affected by the 1 in 100 (1 per cent Annual Exceedance Probability) year flood or any other area determined by the floodplain management authority.*
- *To ensure that development maintains the free passage and temporary storage of floodwaters, minimises flood damage, responds to the flood hazard and local drainage conditions and will not cause any significant rise in flood level or flow velocity.*
- *To minimise the potential flood risk to life, health and safety associated with development.*
- *To reflect a declaration under Division 4 of Part 10 of the Water Act, 1989.*
- *To protect water quality and waterways as natural resources by managing urban stormwater, protecting water supply catchment areas, and managing saline discharges to minimise the risks to the environmental quality of water and groundwater.*
- *To ensure that development maintains or improves river, marine, coastal and wetland health, waterway protection and floodplain health.*

Pursuant to Clause 44.04-2 a permit is not required as the shipping containers and staircase are being repositioned.

Clause 44.06 Bushfire Management Overlay

Purpose

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To ensure that the development of land prioritises the protection of human life and strengthens community resilience to bushfire.*
- *To identify areas where the bushfire hazard warrants bushfire protection measures to be implemented.*
- *To ensure development is only permitted where the risk to life and property from bushfire can be reduced to an acceptable level.*

Pursuant to Clause 44.06-2 the requirement for a permit to construct a building or construct or carry out works does not apply to “An alteration or extension to an existing building (excluding a dwelling and a dependent person’s unit) that is less than 10 per cent of the gross floor area of the existing building.”

Clause 45.09 Parking Overlay

Purpose

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To facilitate an appropriate provision of car parking spaces in an area.*
- *To identify areas and uses where local car parking rates apply.*
- *To identify areas where financial contributions are to be made for the provision of shared car parking.*

Clause 45.09 operates in conjunction with Clause 52.06.

Clause 3 of Schedule 1 to the Parking Overlay does not specify the number of car parking spaces for any uses therefore but does specify that for all other uses listed in Table 1 of Clause 52.06-5, the rate in Column B of Table 1 in Clause 52.06-5 applies.

The Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF)

Attachment outlines the MPS and PPF considerations.

Particular Provisions

The following Particular Provisions are relevant to this application.

Clause 52.06 Car Parking

Purpose

- *To ensure that car parking is provided in accordance with the Municipal Planning Strategy and the Planning Policy Framework.*
- *To ensure the provision of an appropriate number of car parking spaces having regard to the demand likely to be generated, the activities on the land and the nature of the locality.*
- *To support sustainable transport alternatives to the motor car.*
- *To promote the efficient use of car parking spaces through the consolidation of car parking facilities.*
- *To ensure that car parking does not adversely affect the amenity of the locality.*
- *To ensure that the design and location of car parking is of a high standard, creates a safe environment for users and enables easy and efficient use.*
- Pursuant to Clause 52.06-3 a permit may be granted to reduce (including to zero) the statutory car parking requirements.

Parking Overlay Schedule 1 applies to the site. The Parking Overlay Schedule 1 operates in conjunction with Clause 52.06. Clause 3 of Schedule 1 to the Parking Overlay does not specify the number of car parking spaces for any uses therefore but does specify that for all other uses listed in Table 1 of Clause 52.06-5, the rate in Column B of Table 1 in Clause 52.06-5 applies.

This application does not seek to change the use of the land or increase the floor or site area of the existing land use. There are no car parking requirements under Clause 52.06 or the Parking Overlay Precinct 1 relating to the use of the land to sell or consume liquor. Therefore Clause 52.06 is not considered applicable to this application.

Clause 52.27 Licensed Premises

Purpose

- *To ensure that licensed premises are situated in appropriate locations.*
- *To ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.*
- Pursuant to Clause 52.27 a permit is required to use land to sell or consume liquor if any of the following apply (note only relevant triggers have been included):
- A licence is required under the *Liquor Control Reform Act 1988*;

- The number of patrons allowed under a licence is to be increased;
- The area that liquor is allowed to be consumed or supplied under a licence is to be increased.

Clause 53.06 Live Music Entertainment Venues

This clause applies to an application required under any zone of the scheme to use land for, or to construct a building or construct or carry out works associated with a live music entertainment venue.

Purpose

- *To recognise that live music is an important part of the State's culture and economy.*
- *To encourage the retention of existing and the development of new live music entertainment venues.*
- *To protect live music entertainment venues from the encroachment of noise sensitive residential uses.*
- *To ensure that noise sensitive residential uses are satisfactorily protected from unreasonable levels of live music and entertainment noise.*
- *To ensure that the primary responsibility for noise attenuation rests with the agent of change.*

Clause 53.18 Stormwater Management in Urban Development

Purpose

- *To ensure that stormwater in urban development, including retention and reuse, is managed to mitigate the impacts of stormwater on the environment, property and public safety, and to provide cooling, local habitat and amenity benefits.*
- This clause applies to an application under provision of a zone to subdivide land, construct a building, or construct or carry out works, other than the following applications (only relevant exemptions listed):
- An application to alter, extend or make structural changes to an existing building provided the gross floor area of the building is not increased by more than 50 square metres.

The application does not increase the floor area; therefore Clause 53.18 is not applicable to the proposal.

The Decision Guidelines of Clause 65

Clause 65.01 Approval of an Application or Plan

- *Before deciding on an application or approval of a plan, the responsible authority must consider, as appropriate:*
- *The matters set out in section 60 of the Act.*
- *Any significant effects the environment, including contamination of land, may have on the use or development.*
- *The Municipal Planning Strategy and the Planning Policy Framework.*
- *The purpose of the zone, overlay or other provision.*
- *Any matter required to be considered in the zone, overlay or other provision.*
- *The orderly planning of the area.*
- *The effect on the environment, human health and amenity of the area.*

- *The proximity of the land to any public land.*
- *Factors likely to cause or contribute to land degradation, salinity or reduce water quality.*
- *Whether the proposed development is designed to maintain or improve the quality of stormwater within and exiting the site.*
- *The extent and character of native vegetation and the likelihood of its destruction.*
- *Whether native vegetation is to be or can be protected, planted or allowed to regenerate.*
- *The degree of flood, erosion or fire hazard associated with the location of the land and the use, development or management of the land so as to minimise any such hazard.*
- *The adequacy of loading and unloading facilities and any associated amenity, traffic flow and road safety impacts.*
- *The impact the use or development will have on the current and future development and operation of the transport system.*

Relevant incorporated or reference documents

- *Echuca Commercial Strategy (2017)*
- *Event Strategy 2019-2024*

3.5 Referrals/Notice

The proposed development was referred to the Victorian Commission for Gambling and Liquor Regulations and the Victoria Police. The application was not referred to any internal Council Departments. The following table makes note of the type of information requested and whether conditions were requested to be attached to the permit.

	Information type	Requests Permit Conditions	Any Other Advice (Notes etc.)
External Authority	Section 55 or Section 52		
Victorian Commission for Gambling and Liquor Regulations	Section 55 (referral)	Response of no comment	No
Chief Commissioner of Victoria Police	Section 52 (notice)	No response received	No

3.6 Assessment

The site is located on the edge of the Echuca CBD and forms part of the Echuca Historic Port Precinct area. The site is located within the Commercial 1 Zone, with land surrounding the site located within the Commercial 1 Zone, Public Use Zone, General Residential Zone, and the Public Parks and Recreation Zone. Land surrounding the site is primarily commercial / retail in nature and comprises land used for accommodation, retail, commercial, bar and community buildings including Council offices and the Echuca Library.

This application seeks approval to extend the liquor licence red line area to include the outdoor area located in the northern part of the site, to increase patron numbers permitted under the liquor licence, undertake works associated with acoustic mitigation treatment, replace the existing staircase on the western side of the building, relocate existing onsite containers and provide a retractable roof to the level 1 balcony. Planning approval is required under Construct a building or construct or carry out works – Clause 34.01 and Clause 43.01 to construct a building or construct or carry out works and under Clause 52.27 to alter a liquor licence.

Municipal Planning Strategy and Planning Policy Framework

The site is located on the interface of the Echuca Port and the Echuca CBD. The proposal will contribute to the ongoing viability and operations of the site, creating employment opportunities and helping strengthen the Echuca CBD. The proposal continues to provide entertainment and contribute to helping grow tourism in the region. The proposal satisfies Clauses 02.03-7 'Economic Development', 11.01-1S 'Settlement', 11.01-1R 'Settlement – Loddon Mallee North', 11.03-1S 'Activity Centres', 11.03-1L-01 'Echuca CBD Activity Centre', 13.07-1S 'Land Use Compatibility', 17.01-1S 'Diversified Economy', 17.02-1S 'Business', 17.04-1S 'Facilitating Tourism', and 17.04-1L 'Facilitating Tourism in Campaspe'.

The Clause 52.27 assessment below addresses noise and live music and satisfies Clauses 13.05-1S 'Noise Management' and 13.07-3S 'Live Music'.

The proposed buildings and works are appropriate with the extent of works proposed limited. The works are consistent with the commercial character of the area and are of an appropriate scale and appearance for the site and the existing built form onsite. The works do not dominate or overwhelm the area and provide a considered design response. The works do not detract from the heritage of the precinct and provide an appropriate response through the materials, location and limited scope of works proposed. The proposed works satisfy Clauses 15.01-1S 'Urban Design', 15.01-2S 'Building Design', 15.01-5S 'Neighbourhood Character', 02.03-5 'Built Environment and Heritage', 15.03-1S 'Heritage Conservation', 15.03-1L-01 'Heritage Conservation – Campaspe', and 15.03-1L-02 'Port of Echuca'.

Clause 52.27 Assessment

The purpose of Clause 52.27 is *'to ensure that licensed premises are situated in appropriate locations and to ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.'* In accordance with Clause 66.03 the application was referred to Liquor Control Victoria, who did not provide any response or conditions. Additionally, pursuant to Clause 66.05, notice was provided to Victoria Police who did not provide any response.

In accordance with the Decision Guidelines the following must be considered:

- The Municipal Planning Strategy and the Planning Policy Framework.
- The impact of the sale or consumption of liquor permitted by the liquor licence on the amenity of the surrounding area.
- The impact of the hours of operation on the amenity of the surrounding area.
- The impact of the number of patrons on the amenity of the surrounding area.
- The cumulative impact of any existing licensed premises and the proposed licensed premises on the amenity of the surrounding area.

Applicant Acoustic Assessment

The application included an Acoustic Report for Extended Outdoor Trading (The Acoustic Report) by Enfield Acoustics Noise Vibration dated 23 March 2023 that assessed the potential noise impacts from the proposal. Noise receptors were placed at the Nirebo hotel and Quest, being the two closest noise-sensitive uses. The Acoustic Report addressed existing noise impacts from the subject land as well as the potential cumulative impacts and mitigation measures. The assessment found:

- *Live entertainment would not comply with the internal noise targets at Nirebo Motel before 11pm, however the 9-decibel exceedance could likely be mitigated through upgrading windows and doors. Acoustic mitigation measures would be limited to the rooms directly backing onto the hotel, with motel rooms further setback from the land would already comply.*
- *Live entertainment would not comply with the noise targets at Nirebo Motel after 11pm and would be difficult to manage without severely restricting the amplification levels onsite.*

- *Live entertainment would not comply at the Quest Hotel without amplification levels being limited or managed by the operator in the future. Music would need to be maintained at background music levels after 11pm (10pm Sunday).*
- *Further testing identified the primary source of patron noise appeared to be generated from the upper deck due to its elevation and limited shielding towards Quest. Approximately 250 patrons were within the existing external areas (ground level and upper deck) at the time of testing. The patron noise emission at Quest was 50dB(a). No patron noise was audible from inside the existing hotel. The patron noise level recorded would exceed the recommended target for late night trading after 10pm, but would be considered acceptable for trading up to 10pm.*

The assessment recommends:

- *The Nirebo Motel is considered exempt from the assessment under agreement between the Nirebo Motel and the hotel regarding potential noise amenity impacts. This was based on instructions from the applicant that they intended to retain ownership and management of both the subject site and Nirebo Motel long-term; This approach was not supported by Council.*

Or

- *Glazing to the motel rooms facing the hotel are upgraded with secondary glazing. Where this cannot be achieved due to existing architraves, the windows should be replaced with a new window frame.*
- *Nirebo Motel entry facades should be upgraded with secondary glazing. Where this cannot be achieved due to existing architraves, the façade should be replaced with a new window frame.*
- *Nirebo Motel entry doors should be upgraded to minimum 55mm solid core timber with perimeter surface mounted seals and automatic drop seals.*
- *A music noise limiter is installed to ensure that compliance is retained for different types of amplified music in the outdoor area.*
- *Live music entertainment outside is prohibited after 11pm (and 10pm on Sunday). Background music would be acceptable after 11pm (10pm Sunday). The installation and calibration of the proposed noise limiter would be the appropriate time to accurately set the upper limit of background noise, once all other mitigation works are completed.*
- *With regard to the music impacts at the Quest the assessment recommended live entertainment (including DJ's) is limited to 11pm (and 10pm Sunday).*
- *In relation to patron noise impacts, best practice would be to achieve the following internal noise targets at the Nirebo Motel:*
 - *35dB(A) before 10pm*
 - *30dB(A) after 10pm*
- *In addressing patron noise impacts at the Quest, best practice guidelines are that patron noise impacts do not generally occur where:*
 - *They are less than 'background plus 10dB prior to 10pm trading; and*
 - *They are less than 'background plus 5dB' after 10pm trading.*
- *1,000 patrons could be supported in the outdoor area before 10pm and approximately 600 patrons could be supported in the outdoor area after 10pm.*
- *Enclosing the existing upper deck along the Hare Street interface. The operable glass roof and walls would need to be closed from 10pm onwards.*
- *Provide solid cladding to the existing entry gates and proposed new entry gates to the extended licence area.*
- *Install acoustic baffles below the enclosed outdoor area.*
- *Install upgraded acoustic windows to internal live entertainment areas.*

With the mitigation measures mentioned above, the acoustic assessment advises:

- *1000 patrons could be supported outdoors (all areas) until 10pm; and*
- *Ground level external areas (existing and extended licence area) would need to be limited to 220 patrons overall for trading after 10pm, assuming that the glass box to the upper deck is closed.*

With regard to special events, the assessment considers it is reasonable to allow 500 patrons in the ground level external area on the following basis:

- *The increased patron noise emissions would be infrequent and would also generally align with times of the year when increased noise can be expected at surrounding sensitive uses.*
- *Patron noise impacts are not enforceable and there are no statutory guidelines on what is acceptable for planning. It is however reasonable to suggest that by limiting normal day-to-day noise emissions from the subject land, that infrequent events at higher noise emissions will be tolerable.*
- *The proposal for special events is consistent with events already listed on the existing liquor licence.*

The assessment considers it would be acceptable for up to 6 of the special event days in a calendar year to host live entertainment at higher amplification levels, consistent with the relevant Environment Protection Regulations 2021.

Peer review of acoustic assessment

Due to the technical aspect of this report, officers engaged an independent acoustic consultant to peer review the Enfield acoustic Report submitted as part of the application. The review found, with regard to the Enfield assessment:

- *The internal amenity assessment to be appropriate.*
- *The measured noise levels are plausible for representation of noise levels at nearest sensitive receivers.*
- *Renzo Tonin & Associates agree with the summary or results and considers the recommendations to be appropriate with regard to the music noise assessment.*
- *With regard to patron noise comparable results were determined using basic calculations.*
- *The acoustic mitigation measures recommended are appropriate and necessary.*
- *The reasoning behind increased patrons for special events is sound, and the restriction of days in a calendar year for higher music noise is appropriate and consistent with the Environment Protection Regulation (EPR) 2021.*
- *The Enfield summary of requirements is clear and concise, and appropriate for the proposal.*

The peer review also included a number of suggested permit conditions.

Increase Red line plan

The existing American Hotel currently sells alcohol and has a liquor licence for consumption on and off the premises. It is not anticipated the expansion of the red line area will introduce new impacts resulting from the sale of liquor. The sale of liquor for consumption on and off the premises is an established use within the Echuca CBD with multiple venues in proximity to the site used to sell liquor. The expanded Red Line area is further towards the Echuca Port area generally zoned Commercial 1 Zone and is not decreasing the current distance to the closest sensitive use within the General Residential Zone (approximately 115-130metres to the south-east).

The site forms part of the Echuca CBD which is commercial in nature and comprises land used for commercial and retail purposes. The number of premises selling alcohol in the area will not change as a result of the proposal. Council officers consider the expansion to the liquor licence area to be located on an appropriate site noting the site is appropriately zoned, in an area where the site and surrounding land uses are commercial / retail in nature and the proposed security and patron management plan can appropriately manage the sale of liquor onsite.

The impact of patron numbers on the amenity of the surrounding area

The application seeks to increase maximum patron numbers by 400 from 600 to 1,000. A number of objections raised existing and potential noise impacts as a concern. The applicant provided an acoustic assessment by Enfield Acoustics Pty Ltd which advised the following, subject to acoustic mitigation measures:

- *the proposed overall patron numbers are acceptable with only 220 patrons able to be supported in the ground floor external area after 10:00pm; and*
- *patron numbers are able to be increased to 500 within the ground floor external area on special weekends.*

The Enfield Acoustic Report was peer reviewed, addressing the concerns raised by objectors in relation to the report's findings. Overall, the peer review found the report to be appropriate and the implementation of the recommendations expected to provide satisfactory acoustic amenity for sensitive receivers. Following consultation, the applicant proposed further Acoustic Assessment could be conducted post permit and after the completion of the mitigation measures. It is considered that the inclusion of these permit conditions, which also ensures any further mitigation measures required post permit will be implemented within an appropriate timeframe.

In response to objector concerns on the capacity of the property to support the proposed number of patrons a patron capacity assessment was undertaken by an Independent Licenced Building Surveyor who found the site has a total occupant load of 1,590 patrons, with 660 patrons externally and the occupant load for the sanitary facilities within the Hotel to be 1,240 patrons.

The proposed security and patron management plan includes an exit strategy that seeks to actively encourage the patron flow exiting the site onto Heygarth Street and to the taxi rank or other late night venues and to not go past or through the Nirebo Hotel or other neighbouring accommodations. Signage encouraging patrons to be quiet will also be provided along with security staff monitoring the external area until at least 30 minutes after the last patron has left. To address concerns raised by objectors, the applicant has proposed to increase the patrol area, and this would form part of a condition. Further, review of the history of the land did not demonstrate an existing and ongoing issue in relation to anti-social behaviour relating to the site. The application was referred to Victorian Police, with no response or objection provided.

Council officers consider the potential amenity impacts generated by the increase in patron numbers relate to matters that would have previously been considered in the approval of the development as well as when other liquor licences in the surrounding area were approved. It is considered the the potential amenity impacts can be reasonably managed through the acoustic mitigation measures proposed, limiting the number of patrons allowed within the external area and through the implementation of the security and patron management plan.

Patron Numbers (Special Events)

Part of the proposal for patron numbers included 'special events' where patrons numbers within the external ground floor could increase to 500 after 10:00pm.

The Acoustic Report stated the following in relation to 'special events':

- *The increased patron noise emission would be infrequent and would also generally align with times of the year when increased noise can be expected at surrounding sensitive uses (e.g. New Years Eve, Public Holidays, local tourism events).*

Officers are not satisfied that the inclusion of 'special events' to increase outside patronage after 10:00pm will not cause an unreasonable amenity impact for the following reasons:

- The Acoustic Report modelling results conclude the cumulative patron noise impacts with mitigation works implemented result in supporting 220 patrons in the ground floor external area after 10:00pm.
- The increased number of 500 patrons more than doubles the acceptable number of 220 patrons.
- As acknowledged by the acoustic report patron noise levels area highly variable.
- The total number of 'special events' equates to 15 events, over 13 weekends and 39 days including numerous Sundays.

- The nexus between some days proposed and the event is tenuous with an example being the 'Pop and Pour' festival which is a one-day event on a Saturday and the applicant is applying for the 'special event' to cover this to include the Sunday as outlined in the objections.

Officers recommend a conservative approach to 'special events' and note that the applicant could demonstrate appropriate amenity management at a lower number of patrons and apply to amend at a later date. Both the Acoustic Report and the peer review has outlined that EPA has a permit requirement as part of the Environmental Protection Regulations 2021, requiring live outdoor music events to seek a permit after 6 events. Officers consider using this regulation to inform an appropriate number of events that may go above the accepted level. Considering the Acoustic Report, Peer review, limitations of monitoring and mitigating patron noise along with the tenuous nexus of events the following 'special events' are recommended with 330 patrons allowed within the external ground floor area after 10:00pm;

- Christmas Day;
- New Year's Eve;
- Australia Day;
- Winter Blues (Friday and Saturday);
- Southern 80 (Friday and Saturday);
- Riverboats (Friday and Saturday).

The above would form part of the permit conditions.

The cumulative impact of any existing licensed premises and the proposed licensed premises on the amenity of the surrounding area

Planning Practice Note 61 sets out when a cumulative impact assessment is required and what the assessment should address. Under the Practice Note a cumulative impact assessment is required for new or licensed premises that:

- Will be licensed and open after 11pm; and
- Is in an area where there is a cluster of licensed premises.

The extended red line area and existing premises will operate after 11pm and is in an area where there is a cluster of licensed premises, with a cumulative impact assessment required. A cumulative impact assessment was provided as part of the application.

Council officers consider the proposal is unlikely to increase or cause a negative cumulative impact in the area noting the below:

- The Commercial 1 Zone and relevant planning policy encourage the Echuca CBD to provide for business, retail, entertainment and tourism facilities (amongst other uses), with more intense development / land uses anticipated within activity centres and on land within the Commercial 1 Zone. The primacy of the Echuca CBD as the regional centre for the Shire is encouraged under the MPS and local planning policies. The proposal is consistent with the planning outcomes encouraged in the relevant planning policies.
- Land surrounding the site is primarily used for commercial / retail purposes with community facilities located east of the site. No sensitive land uses abut the site. Surrounding the site are other bars that have late night liquor licences that are open after 11pm. The area has an established commercial character with the expectation that there will be late night venues with larger numbers of people in the area, than would be expected in a residential area or an area that abuts residential land.

Council officers do not consider the number of patrons near sensitive uses at any time will significantly increase. Patrons are likely to disperse in multiple directions, with the exit strategy included within the proposed Security and Patron Management Plan helping to discourage patrons to leave past the adjoining Nirebo Hotel or other neighbouring accommodations addressing concerns raised by objectors. Council officers do not consider the proposal will generate amenity impacts beyond what is reasonable given the surrounding context of the site;

- Currently there are 23 (inclusive of the site) licensed premises within 500 metres of the site. Of these premises 13 (inclusive of the site) are open after 11pm. 10 premises allow for at least 200 patrons, with up to 750 patrons currently permitted within OPT Bar & Restaurant. The proposal will contribute to the accessibility of the diversity of activities and vibrancy of the area already on offer. Council officers consider the proposal will not unreasonably reinforce existing or create any new impacts arising from the mix of uses in the area.
- The operating hours of the venue are known to the community and are not changing as a result of the proposal. Patrons are not permitted to enter the venue after 2am, with patrons leaving the venue encouraged to leave via Heygarth Street and onto the taxi rank or head to other late night venues addressing concerns raised by objectors. Council consider the hours of operation are not likely to unreasonably contribute to problems for patron dispersal or reinforce any existing or create any new impacts arising from the premises closing times and patron dispersal within the area.
- Council officers consider the proposal provides appropriate mitigation measures that are addressed through the Security and Patron Management Plan which included further expanded security patrols to address objectors concerns for increase in anti-social behaviour. Council considers there will not be a negative cumulative impact resulting from the proposal.

Buildings and works

The site is within a commercial precinct and is located within the Old Echuca Township Precinct that includes building located north of Heygarth Street. This area is recognised for its historic buildings and relationship with the Port. The site is identified as being contributory to the significance of the precinct, however, the buildings and the site has had a number of alterations and additions over the years.

The individual description for the site within the Heritage Review 2014 – Part B Heritage Precinct document states; *“at a later date, a two storeyed addition was provided along Heygarth Street in a sympathetic style. There has also been a major redevelopment of the site in recent times with mainly interior alterations and the addition of a large courtyard to the northern elevation.”*

The location of the works is predominantly within the northern portion of the site where existing alterations and add-ons are evident. The buildings and works are setback from the main building on the site reducing any unreasonable visual impact on the heritage significance of the existing buildings in accordance with local heritage policy. The upgrades to the external upstairs deck area enclose an already altered area with predominantly permeable material and provides acoustic baffling that will tie into the existing undercover area. Upgraded solid gates to the ground floor are well set back from the corner façade elements of the heritage building. The colours and materials are in-keeping with the existing building and maintain the existing character of the hotel making it unlikely to cause any unreasonable visual impact. The location of the redesigned staircase is set within the middle portion of the site and unlikely to impact the heritage value of the area. Additionally, the upgrades to the Nirebo are acoustic measures and unlikely to impact on the visual elements of the non-contributory building.

Consideration of objections

- *Concerns raised by objectors relate to:*
 - *Existing excessive noise levels and an increase in noise generated by an increase in capacity and hours of operation, as well as exceeding acceptable noise levels.*
 - *Sleep prevention resulting from the increase in noise at night and early mornings.*
 - *Increase in alcohol related incidents / violence and will impact repeat business and lead to a loss of income.*

- *Policing the increase in alcohol related incidents / violence may be a problem for the local police force.*
- *The acoustic report submitted is deficient and does not consider residential land to the south.*
- *The proposed acoustic measures do not provide appropriate acoustic mitigation to ensure noise can be managed from the premises.*
- *The proposed noise limiter internal location is not an appropriate mechanism to measure noise levels generated from the premises or directly from patrons in external areas of the premises.*
- *Number of patrons proposed for special events is inappropriate and represents the provision of an outdoor music venue by stealth.*
- *Allowing one quarter of the years' weekends to be special events results in the events being a regular occurrence and not special.*
- *There are no mitigation measures to address the provision of live music and recorded music played in the unenclosed outdoor area.*
- *The ground floor external area is insufficient to cater for the majority of 200 or 500 patrons to be seated as indicated in the submitted acoustic report. The plans do not show seating arrangements for the external area.*
- *The current location and orientation of the live music stage does not consider the completely open space and the noise that currently emanates from the premises.*

Objections were primarily located from one address, Quest apartments.

Consultation was undertaken at Council offices on 7 June 2023, with Council, the applicant and some objectors in attendance.

Matters discussed included:

- Noise generated by the proposal;
- Alcohol related behaviour;
- The number of special event weekends; and
- Other matters.

Following the consultation, the applicant submitted an updated Patron Management Plan, Standard Operating Procedure: Entertainment and Music Compliance and Standard Operating Procedure: Security Amenity Check Procedure.

Following the objections received and consultation the applicant provided a written response advising:

- *The application seeks to extend the red line / licenced area, increase patron capacity and buildings and works to the hotel and Nirebo Motel. No changes or extensions are proposed to the existing hours of operations.*
- *An increase in patron umbers to 1,000 is proposed with 1,000 patrons able to access all areas of the hotel without restrictions on numbers until 10pm. After 10pm, only 220 patrons will be allowed in the external ground floor area (except on special event days where the limit is 500 patrons).*
- *The patron numbers and works were recommended by the acoustic engineer.*
- *Testing was carried out at the Quest site, being the nearest sensitive receptor offsite. Reasonable impacts at Quest would result in reasonable impacts at other sensitive properties given their relative proximity. The property at 213-217 Hare Street is further setback from the Hotel and does not have the same line-of-sight to the Hotel when compared to the Quest development.*
- *Several recommendations, following the review of the noise monitoring, were adopted by the applicant and included in the application.*

- *The applicant would be amenable to a condition being included on the amended permit which would require the applicant to commission a post-commencement measurement and / or report from a qualified consultant to ensure that the anticipated noise levels meet the forecast targets, and if not, undertake any recommendations required to ensure compliance.*
- *The increase in patron numbers allows for greater patron management internal to the premises, and therefore staggering departure in the evenings.*
- *The proposed mitigation practices and conditions are extensive and are a sufficient response to mitigate against the potential for alcohol-related incidents generated by the premises and to prevent unreasonable detriment to amenity.*
- *Any impacts generated are not unreasonable given the locational attributes of the site.*
- *Extending the area where security / guard checks and patrols are conducted to include the area between the American Hotel, Quest apartments and the Council gardens. This area would be routinely monitored until half an hour after the hotel closes.*
- *Including the extended area, as mentioned above, into the check and clean task of cleaning staff.*
- *A new Standard Operating Procedure: Security Amenity Checks was prepared.*
- *Updated relevant sections on pages 7 and 8 of the Patron Management Plan.*
- *A plan showing the area subject to the additional checks.*
- *Regardless of the time of year, the overall number of patrons would remain at 1,000 even when 500 patrons are allowed in the outdoor courtyard area on nominated special events / weekends.*
- *The special events/weekends requested for additional patrons in the outdoor area are not specific to the American Hotel. They are established and designated weekends / events already occurring in the Echuca / Moama township and are important for tourists in the locality and to locals within Echuca and the broader Campaspe region. Visitor numbers peak on these weekends, with local businesses encouraged to cater for increased tourism numbers.*
- *The upper deck will be ventilated as required under the relevant building regulations.*
- *The car parking was addressed under a separate permit application and is not a matter for Council's consideration under this application.*
- *There will be designated smoking areas and will comply with the relevant legislation.*
- *The Patron Management Plan includes a detailed complaints process / system.*

The changes have no impact on the provisions of the Campaspe Planning Scheme.

3.7 Conclusion

- The proposal has been assessed against all relevant policies and provisions in the Planning Scheme and objections considered.
- The proposal meets the Municipal Planning Strategy and Planning Policy Framework.
- The proposal satisfactorily addresses amenity concerns with appropriate acoustic measures supported by a peer review Acoustic Report.
- The proposal presents an appropriately measured increase in existing liquor license with buildings and works proposed to ensure compliance against the relevant noise regulations.
- On this basis, it is recommended that a Notice of Decision to Grant a Planning Permit is issued with conditions outlined in Attachment 1.

4. CONSULTATION

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.
- Placing a sign on site

A total of 13 objections received have been received to the proposal. A consultation session has held between the objectors and the applicant on 7 June 2023.

The proposed development was referred to the Victorian Commission for Gambling and Liquor Regulations and the Victoria Police.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Flourishing local economy

A resilient long-term economy attractive to local and external investors
Stimulated economic activity that provides local jobs

6. POLICIES AND RELATED COUNCIL DOCUMENTS

- *Echuca Commercial Strategy (2017)*
- *Event Strategy 2019-2024*

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

Planning and Environment Act 1987

8. FINANCIAL IMPLICATIONS

The requirements of section 9(2)(g) of the *Local Government Act 2020* (Vic) have been considered in the preparation of this report and no adverse issues of ongoing financial viability of the Council have been identified within this report.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Section 9(2)(c) of the *Local Government Act 2020* and no specific negative economic, social or environmental implications have been identified within this report.

10. ISSUES AND RISK MANAGEMENT

Issues:

The issues and assessment have been addressed in the body of this report.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

The officer preparing this report declares no conflict of interest regarding this matter in accordance with section 130 of the *Local Government Act 2020*.

12. CHARTER OF HUMAN RIGHTS

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Attachment 1 - Conditions

Conditions below to be added/alterd to existing permit.

- **Amend the Land Title** to read 'Volume 1293 Folio 097 and Volume 9175 Folio 311';
- **Amend the Land Address** to read '239-249 & 251-257 Hare Street ECHUCA VIC 3564';
- **Amend what the permit allows to read:**
 - 'Buildings and works in the Commercial 1 Zone, Heritage Overlay Schedule 1 (acoustic measures) and alteration to the liquor licence (increase red line and patron numbers) pursuant to Clause 52.27.
- **Amend condition 1 to read:**

'Before the amended development starts, amended plans must be submitted to and approved by the responsible authority. When approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions and a minimum of three copies must be provided. Such plans must be generally in accordance with the plan submitted but modified to show:

 - a. Deleted;
 - b. Any annotation on the development plans of patron numbers must be amended to illustrate a maximum of 1000 patrons at any one time;
 - c. Deleted;
 - d. Deleted;
 - e. Deleted;
 - f. The outstand is to have flexible chain between the wooden bollards/posts;
 - g. Deleted;
 - h. Security and Patron Management Plan / Standard Operating Procedures in accordance with Condition 5;
 - i. The trading hours as outlined in Condition 26;
 - j. Fully dimensioned plans illustrating the details of all the works associated with the noise control treatments within the Acoustic Report for Extended Outdoor Trading assessment prepared by Enfield Acoustics Pty Ltd dated March 2023;
 - k. Deleted;
 - l. The expanded red line area;
 - m. The Nirebo Hotel and the works proposed to the Nirebo Hotel, including site and elevation plans.
- **Amend condition 3 to read**

No more than 1000 persons to be on the licensed premises at any one time, without the written consent of the Responsible Authority.
No more than 220 persons to be in the external ground floor area after 10pm, unless a specified special occasion weekend outlined in Condition 27.

- **Amend condition 5 to read:**

Security and Patron Management Plan / Standard Operating Procedures

Before the increased liquor licence starts, a security and patron management plan and standard operating procedures plan must be submitted for approval to the satisfaction of the Responsible Authority. When approved, the plan will be endorsed and will then form part of the permit. All activities forming part of the use must comply with the endorsed management plan. The plan must include:

- a. Staffing and other measures which are designed to ensure the orderly arrival and departure of patrons;
- b. Security patrols and the management of patron behaviour on the premises;

- c. The number of patrons to be admitted;
- d. Signage to be used to encourage responsible off-site patron behaviour;
- e. The training of staff in the management of patron behaviour;
- f. Staff communication arrangements;
- g. Measures to control noise emissions from the premises and amenity control;
- h. Deleted.
- i. Process for closing louvres on upper deck by 10pm, including procedure and responsibility.

All to the satisfaction of the Responsible Authority.

- **Amend condition 24 to read:**

Acoustic Report for Extended Outdoor Trading

The recommended noise control treatments and monitoring requirements within the Acoustic Report for Extended Outdoor Trading prepared by Enfield Acoustics Pty Ltd dated March 2023 must be implemented prior to the change increase in patron numbers to the satisfaction of the Responsible Authority. All recommendations must comply with the State Environment Protection Policy (Control of Music Noise from Public Premises) No. N-2 (SEPPN-2) and any other relevant guideline.

- **Insert a new condition 27 to read:**

Special Occasion Weekend Trading

A maximum of 330 patrons are allowed within the external ground floor area on the following special occasion weekends:

- a. Christmas Eve;
- b. New Year's Eve;
- c. Australia Day weekend (Friday and Saturday);
- d. Southern 80 Ski weekend (Friday and Saturday);
- f. Riverboats Festival weekend (Friday and Saturday);
- h. Winter Blues Festival weekend (Friday and Saturday);

- **Insert new condition 28 to read:**

Noise Levels

Noise levels associated with the use must at all times comply with the Environment Protection Regulations under the Environment Protection Act 2017 (or as amended) and the incorporated Noise Protocol (Publication 1826, Noise Limit and Assessment Protocol for the Control of Noise from Commercial, Industrial and Trade Premises and Entertainment Venues).

- **Insert new condition 29 to read:**

Any changes to the overall design or operational detail, including detailed mechanical services design, shall be contained in a separate report or implemented into an updated acoustic report, and submitted to the satisfaction of the Responsible Authority. When approved, the acoustic report(s) shall be endorsed and form part of this permit.

- **Insert a new condition 30**

Noise Management Plan

A Noise Management Plan (NMP) is required that provides detailed technical and management measures to manage music noise levels to not to exceed relevant time and noise level limitations. The NMP shall also include the following:

- a. Incorporation of safe design principles as detailed in the 'Design Guidelines for Licensed Venues (Victorian Commission of Gambling and Liquor Regulation 2017)';
- b. Details of training provided for bar staff in the responsible serving of alcohol;
- c. Measures to be taken by management & staff to ensure patrons do not cause nuisance or annoyance beyond the land;
- d. Installation of appropriate signage throughout the venue and in common areas instructing patrons on expected behaviour, including to minimise levels in outdoor areas, including car park, and whilst accessing or leaving the premises;
- e. Adequate seating and places to put down drinks (including in outdoor courtyard), to limit intoxication and associated off site noise impacts;
- f. The maintenance of a register for any complaints;
- g. Provide a telephone number to contact the premises, provided on the internet and a notice put on the door and linked to the complaints register;
- h. Deliveries and waste collections to be conducted in accordance with EPA Publication 1254 'Noise Control Guidelines' and shall not occur after 10pm, and before 7am weekdays or 9am all other days;
- i. Emptying bottles into bins and glass crushing shall not occur after 10pm, and before 7am weekdays or 9am all other days. Noise enclosures are required for any bottle crushers that are to be used;
- j. Measures to encourage incidental smokers not to congregate within car park or cause off site noise impacts;
- k. Procedures to be undertaken by staff in the event of complaints by a member of the public, the Victoria Police, an 'authorised officer' of Council or the Victorian Commission for Gambling and Liquor Regulation;
- l. The management & dispersal of patrons, including patrons loitering around the venue after the venue has closed;
- m. The management of large group bookings;
- n. The management of smokers and on and off-site smoking areas (particularly where liquor may not be allowed to be sold and consumed within the smoking area after a particular time);
- o. The management of external queues;
- p. How the movement and exit of patrons is to be managed, particularly where there is a requirement to close different sections of the venue at different times;
- q. Details of the provision of music including frequency & hours of entertainment provided by live bands and DJs;
- r. Any other measures to be undertaken to ensure no unreasonable amenity impacts from the licensed premises.

- **Insert new condition 31 to read:**

Acoustic Assessment

Within 3 months of the commencement of the additional patron numbers, an acoustic assessment prepared by a suitably qualified acoustic engineer must be submitted to and approved by the Responsible Authority. When approved, the amended acoustic report will be endorsed and will form part of this permit. The acoustic report must confirm whether the recommendations included within the acoustic report prepared by Enfield Acoustics dated March 2023 have been implemented and if compliance with the Environment Protection Regulations under the Environment Protection Act 2017 and the incorporated Noise Protocol (Publication 1826, Noise Limit and Assessment Protocol for the Control of Noise from Commercial, Industrial and Trade Premises and Entertainment Venues).

If compliance is not achieved, the assessment must outline what mitigation measures are required to achieve compliance and submitted to the responsible authority for endorsement. Any endorsed plans or documents must be amended to include the changes and submitted to the responsible authority for endorsement. Any changes must be implemented to the satisfaction of the responsible authority within two (2) months.

If compliance is not achieved, patron numbers must be reduced to 600 until the additional mitigation measures are implemented and further testing to confirm compliance can be undertaken.

Attachment 2 – Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF)

The Municipal Planning Strategy (MPS) and Planning Policy Framework (PPF)

The following policies and objectives are relevant to this application.

Clause 02.03-1 Settlement

Echuca is the largest centre in the Shire with a population catchment area estimated to include 50,000 people within a 70 kilometre radius. Echuca is a hub for commercial, industrial, community, recreational and transportation activity for northern Victoria and southern New South Wales. Echuca's population is estimated to be about 16,762 by 2031 (Victoria in Future, 2016) and it is estimated that Echuca will need an average of about 110 new dwellings per year up until 2031 (Echuca Housing Strategy 2011).

Council's relevant key *strategic directions* relating to 'Settlement' are to:

- *Facilitate development in towns subject to land capability, infrastructure availability, environmental considerations and demonstrated demand.*

Clause 02.03-3 Environmental Risks

Climate change and environmental sustainability challenges in Campaspe include planning for areas that may be affected by increased fire, flooding, drought or other threats; the sustainable and sensitive management of storm water; and the design of sustainable housing and development.

Extensive areas of the Shire are prone to bushfires, especially in the south near Rushworth and Toolleen. Safety and access issues are also evident within bushfire prone areas along the Murray River.

Sound floodplain management is critical for the economic, social and environmental risks associated with the many floodplains in Campaspe. This level of management is provided by seven local floodplain development plans covering the Shire.

Council's relevant key *strategic directions* relating to 'Environmental Risks' are to:

- *Promote land use and development that is resilient to climate change impacts.*
- *Minimise the impact of bushfire, flooding, soil degradation and storms.*

Clause 02.03-5 Built Environment and Heritage

The majority of known Aboriginal cultural heritage places occur in the vicinity of the Murray, Lower Goulburn and Campaspe river systems.

Places of post-settlement cultural heritage significance include buildings, infrastructure, streetscapes, sites, precincts, landscapes and natural features reflecting the origins of the Shire as an important pastoral area that developed in the 1850's. These heritage places include the Port of Echuca; the Rushworth Town Centre with its intact 19th century main street; the Whroo historic area; the Rochester Town Centre; and some of the older parts of the Echuca commercial and residential precincts.

Commercial and industrial areas, especially at the gateway to townships, have developed in an ad-hoc manner with little consideration to how buildings relate to one another and to the streetscape.

Council's relevant key *strategic directions* relating to 'Built Environment and Heritage' are to:

- *Protect heritage places of natural or cultural significance.*
- *Manage the impacts of commercial and industrial development on nearby residential areas, major roads, town entrances or natural heritage sites.*

Clause 02.03-7 Economic development

The commercial hierarchy for the Shire is based on Echuca as the Regional centre; Rochester and Kyabram as key community centres; and Tongala, Rushworth, Stanhope, Lockington, Gunbower, Girgarre and Colbinabbin as local centres with convenience shopping.

Echuca's commercial structure is dominated by retail and wholesale trade. Echuca's main commercial area is its CBD which contains a mix of specialty retail, supermarket, office and restricted retail uses. The *Echuca Commercial Strategy 2017* provided an assessment of the demand and supply for commercial development in Echuca with anticipated population growth expected to drive new services in Echuca's commercial areas. The *Echuca South East Industrial and Commercial Growth Corridor Land Strategy (2011)* anticipates that Ogilvie Avenue between Sturt Street and Cornelia Creek Road will become increasingly important as an area for restricted retail uses playing an important complementary role in Echuca's commercial hierarchy without compromising the primacy of the CBD.

The Echuca CBD is identified as a regional centre, where the role is for a wide range of retail, business, community, health civic and entertainment uses, with preferred uses being discount department store(s), supermarkets, specialty retailing, offices, accommodation, entertainment, tourism and community facilities.

Council's relevant key *strategic directions* relating to 'Economic development' are to:

- *Maintain the primacy of the Echuca CBD as the regional centre for the Shire.*
- *Encourage the development of new tourist attractions and services.*

Clause 02.04 Strategic Framework Plans

The Echuca Framework Plan identifies the site as being located within the Historic Port Precinct.

Clause 11 Settlement

Planning is to anticipate and respond to the needs of existing and future communities through provision of zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure.

Planning is to recognise the need for, and as far as practicable contribute towards:

- Economic viability
- A high standard of environmental sustainability, urban design and amenity
- Climate change adaptation and mitigation
- Prevention of land, water, air and noise pollution
- Protecting, conserving and improving biodiversity, waterways and other natural resources
- Accessibility

Planning is to prevent environmental, human health and amenity problems created by siting incompatible land uses close together.

Clause 11.01-1S SettlementObjective

- *To facilitate the sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements.*

Clause 11.01-1R Settlement – Loddon Mallee NorthRelevant Strategies

- *Plan for and facilitate growth of Echuca and Swan Hill as regional centres and important tourism destinations while considering population change and settlement planning in New South Wales.*

- *Provide a suitable range of commercial and industrial precincts in the regional city, regional centres and towns recognising each settlement's role in their community of interest, including cross-border and inter-regional access for economic development.*

Clause 11.03-1S Activity Centres

Objective

- *To encourage the concentration of major retail, residential, commercial, administrative, entertainment and cultural developments into activity centres that are highly accessible to the community.*

Clause 11.03-1L-01 Echuca CBD Activity Centre

Objective

- *To maintain the primacy of the Echuca CBD as the regional centre for the Shire.*

Clause 12 Environmental and Landscape Values

Planning must implement environmental principles for ecologically sustainable development that have been established by international and national agreements. Foremost amongst the national agreements is the Intergovernmental Agreement on the Environment, which sets out key principles for environmental policy in Australia. Other agreements include the National Strategy for Ecologically Sustainable Development, National Greenhouse Strategy, the National Water Quality Management Strategy, Australia's Strategy for Nature 2019-2030, the National Forest Policy Statement and National Environment Protection Measures.

Clause 12.03 Water Bodies and Wetlands

Clause 12.03-1L River Corridors, Waterways, Lakes and Wetlands in Campaspe

Relevant Strategies

- *Protect the Murray River and Campaspe River reserves and other waterway reserves as floodplains and as buffer areas from nutrients and other pollutants.*

Clause 13 Environmental Risks and Amenity

Planning should strengthen the resilience and safety of communities by adopting a best practice environmental management and risk management approach.

Planning should identify, prevent and minimise the risk of harm to the environment, human health and amenity through:

- Land use and development compatibility.
- Effective controls to prevent or mitigate significant impacts.

Planning should identify and manage the potential for the environment and environmental changes to impact on the economic, environmental or social wellbeing of society.

Planning should ensure development and risk mitigation does not detrimentally interfere with important natural processes.

Planning should prepare for and respond to the impacts of climate change.

Clause 13.02 Bushfire

Clause 13.02-1S Bushfire Planning

Objective

- *To strengthen the resilience of settlements and communities to bushfire through risk-based planning that prioritises the protection of human life.*
- The subject site is in a designated bushfire prone area however the proposed works do not require consideration under this clause.

Clause 13.05 Noise

Clause 13.05-1S Noise Management

Objective

- *To assist the management of noise effects on sensitive land uses.*

Clause 13.07 Amenity, Human Health and SafetyClause 13.07-1S Land Use CompatibilityObjective

- *To protect community amenity, human health and safety while facilitating appropriate commercial, industrial, infrastructure or other uses with potential adverse off-site impacts.*

Clause 13.07-3S Live MusicObjective

- *To encourage, create and protect opportunities for the enjoyment of live music.*

Clause 15 Built Environment and Heritage

Planning is to recognise the role of urban design, building design, heritage and energy and resource efficiency in delivering liveable and sustainable cities, towns and neighbourhoods. Planning should ensure all land use and development appropriately responds to its surrounding landscape and character, valued built form and cultural context.

Planning should protect places and sites with significant heritage, architectural, aesthetic, natural, scientific and cultural value.

Planning should incorporate measures to protect culturally significant heritage places in locations exposed to climate related hazards.

Planning must support the establishment and maintenance of communities by delivering functional, accessible, safe and diverse physical and social environments, through the appropriate location of use and development and through high quality buildings and urban design.

Planning should promote excellence in the built environment and create places that:

- Are enjoyable, engaging, and comfortable to be in.
- Support human health and community wellbeing.
- Accommodate people of all abilities, ages and cultures.
- Contribute positively to local character and sense of place.
- Reflect the particular characteristics and cultural identity of the community.
- Enhance the function, amenity and safety of the public realm.
- Planning should promote development that is environmentally sustainable and minimise detrimental impacts on the built and natural environment.
- Planning should facilitate development that:
 - Is adapted and resilient to climate related hazards.
 - Supports the transition to net zero greenhouse gas emissions.
 - Minimises waste generation and supports resource recovery.
 - Conserves potable water.
 - Supports the use of, and access to, low emission forms of transport.
 - Protects and enhances natural values.
 - Minimises off-site detrimental impacts on people and the environment.

Clause 15.01 Built EnvironmentClause 15.01-1S Urban DesignObjective

- *To create urban environments that are safe, healthy, functional and enjoyable and that contribute to a sense of place and cultural identity.*

Clause 15.01-2S Building DesignObjective

- *To achieve building design and siting outcomes that contribute positively to the local context, enhance the public realm and support environmentally sustainable development.*

Clause 15.01-5S Neighbourhood Character

Objective

- *To recognise, support and protect neighbourhood character, cultural identity, and sense of place.*

Clause 15.03 HeritageClause 15.03-1S Heritage ConservationObjective

- *To ensure the conservation of places of heritage significance.*

Clause 15.03-1L-01 Heritage Conservation – CampaspeObjective

- *To protect and enhance heritage places including buildings, trees and structures of natural or cultural significance for present and future generations in Campaspe.*

Clause 15.03-1L-02 Port of EchucaObjective

- *To protect the heritage character of the Echuca Port and environs.*

Clause 15.03-2S Aboriginal Cultural HeritageObjective

- *To ensure the protection and conservation of places of Aboriginal cultural heritage significance.*

Clause 17 Economic Development

- Planning is to provide for a strong and innovative economy, where all sectors are critical to economic prosperity.
- Planning is to contribute to the economic wellbeing of the state and foster economic growth by providing land, facilitating decisions and resolving land use conflicts, so that each region may build on its strengths and achieve its economic potential.

Clause 17.01 EmploymentClause 17.01-1S Diversified economyObjective

To strengthen and diversify the economy.

Clause 17.02 CommercialClause 17.02-1S BusinessObjective

- *To encourage development that meets the community's needs for retail, entertainment, office and other commercial services.*

Clause 17.04 TourismClause 17.04-1S Facilitating TourismObjective

- *To encourage tourism development to maximise the economic social and cultural benefits of development the state as a competitive domestic and international tourist destination.*

Clause 17.04-1L Facilitating Tourism in CampaspeRelevant Strategies

- *Consolidate the Port of Echuca precinct as a tourism centre including alternative accommodation types and improved entertainment and services.*

8.2 Planning Authority Decisions

A Planning Authority is defined under Section 12 of the *Planning & Environment Act 1987* and is responsible for implementing the objectives of planning in Victoria and reviewing and preparing amendments to a planning scheme.

8.3 Infrastructure

8.3.1 Contract 23026 Award - Rushworth Streetscape Stage 2 Works

Directorate: Infrastructure

Responsible Officer: Manager Major Projects

Manager: Director Infrastructure

Attachments:

1. CONFIDENTIAL REDACTED - Attachment 1 - Evaluation Panel Report - EOI stage [8.3.1.1 - 3 pages]
2. CONFIDENTIAL REDACTED - Attachment 2 - Evaluation Panel Report - Stage 2 Closed Tender [8.3.1.2 - 4 pages]
3. CONFIDENTIAL REDACTED - Supplementary Recommendation Information [8.3.1.3 - 1 page]

1. PURPOSE

To seek Council approval to enter into C23026 – Rushworth Streetscape Stage 2 Works.

PR-100710 – Rushworth High Street Renewal is an approved project in the adopted 2023/2024 Capital Works Program. This Contract is for the design of renewal of the sealed infrastructure along High St from Bendigo Murchison Road to Wigg Street, Rushworth.

2. RECOMMENDATION

That Council authorise:

1. **The Award of Tender C23026 – Rushworth Streetscape Stage 2 Works to the supplier named in Attachment 3 for the amount listed in Attachment 3.**
2. **The signing by the Chief Executive Officer of any documents which may be required to give effect to this Council resolution;**
3. **The approval of Contract Variations by the person with sufficient financial delegation to approve each (the required delegated authority to be considered by reference to the cumulative varied sum as at the date of the relevant claim).**
4. **The publishing of the successful Tenderer name and Contract Sum on Council's website.**

Discussion

An asset condition assessment revealed that the pavement along High Street had lost its regular shape, had crocodile cracking of the seal and numerous bitumen patches to repair previous defects and minor rutting of vehicle wheel paths.

The contract works that became Stage 1 were concluded in December 2021 after significant delays and issues encountered with underground services. These works were contained to the eastern side of High Street and the creation of pedestrian outstands. The proceeding 18+ months has been devoted to understanding the lessons learnt from Stage 1, adjusting design as required, undertaking further community consultation with property owners who will be directly impacted and improving our understanding of sub-surface utility assets.

Works for this second and final stage of the overall project will comprise the remaining renewal of the sealed infrastructure, footpaths, drainage and streetscape along High Street Rushworth from Bendigo Murchison Road to Wigg Street. Specifically, this relates to the western side of High Street and the remaining works in front of the Post Office on the east side of High Street.

This tender involved a two-stage process. A stage one Expression of Interest (EOI) process was first carried out to ascertain experience and capability of tenderers. From the EOIs received, a shortlist of five contractors was selected to progress to Stage 2, being a closed tender by invitation process.

One-on-one consultation has been undertaken with all direct property owners impacted by the proposed Stage 2 works during the design phase. Further consultation will occur during the lead up to construction and during the construction process.

Broader community consultation was undertaken during the preparation of the planning permit for the Stage 1 works.

3. CONSULTATION

Internal consultation:

- Manager Major Projects
- Procurement Coordinator

External consultation:

- One-on-one consultation with property owners who will be directly impacted by the proposed works.
- Broader community consultation was undertaken during the preparation of the planning permit for the Stage 1 Works.

Councillors:

- 4 April 2023 Council Briefing Session.
- 5 September 2023 Council Briefing Session.

4. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Well planned places

Attractive and useable sites of importance

Land and underlying infrastructure suitable for growing populations

Campaspe Shire Council ('Council') is the custodian of an extensive range of community assets. In order to deliver a variety of services to the community, Council must ensure that the assets supporting the community are managed in a sustainable manner over the long term. Timely

renewal of civic infrastructure is essential in maintaining assets at an acceptable and functional standard.

5. POLICIES AND RELATED COUNCIL DOCUMENTS

The requirements of Section 9(2)(c) of Local Government Act 2020 have been considered and there are Council policy or legislative implications arising from this report, being:

- Policy 126 - Procurement Policy
- Policy 91 - Sustainable Asset Management

6. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

Section 109 Local Government Act 2020

- (1) A Council must comply with its Procurement Policy before entering into a contract for the purchase of goods or services or the carrying out of works.
- (2) The Chief Executive Officer must ensure that any report to the Council that recommends entering into a procurement agreement includes information in relation to any opportunities for collaboration with other Councils or public bodies which may be available.

A robust Expression of Interest and Tender process has been carried out in accordance with the requirements of Council's Procurement Policy. This recommendation is made on the basis of the outcome of that tender process.

In this instance, no opportunities were identified for collaboration with other Councils or public bodies. This project is very specifically geared towards the particular needs of the Rushworth community, and it would not only be inappropriate to combine the work with projects run by other councils, any such collaborative procurement approach would have been unlikely to generate a value for money result.

7. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

A financial viability assessment has been carried out by a third-party agent to verify the financial suitability of the preferred contractor prior to awarding this Contract and there were no adverse findings to note.

In addition, it must be noted that an additional capped amount of \$30,000.00 (including GST) has been added to the lump sum contract price as a provisional sum, to be allocated to dayworks where required. While this sum was not outlined in the tender documents nor the evaluation panel report, we consider that it does not have any effect on the scoring or outcome of the tender process (as it would have been included within the overall contract sum regardless of which tenderer had received the highest score) and is identified at this stage by the Superintendent as a necessary risk mitigation measure prior to the commencement of works.

8. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

The preferred Contractor is a local (Echuca based) business. As such, this project will contribute to the local economy both directly and indirectly.

9. RISK MANAGEMENT

Risk:

Risk	Likelihood	Consequence	Rating	Mitigation action
Delay to completion of works and resulting disruption to the Community	Possible	Moderate	Moderate	Resourcing has been considered and the Contractor will be required to confirm all available key staff, subcontractors and other resources prior to commencement of works. Hold points outlined in Contractor program and appropriate levels of supervision by Council for the duration of works to ensure key stages are completed in time.
Spend exceeding initial contract sum and potentially the budget allocation	Possible	Moderate	Moderate	The Contractor has provided a full breakdown of its lump sum cost within the tender submission and all work items have been reviewed by the evaluation panel and Project Manager. The request for further information process assisted in clarifying assumptions and exclusions to mitigate risk of overspend.
Lack of communication with key community stakeholders	Possible	Moderate	Moderate	The Contractor was required as part of the tender submission to provide detail as to how stakeholders would be managed. This is a key performance indicator within the contract and will be monitored regularly by the Project Manager. Any poor performance with regard to required communication levels will be enforced in accordance with the contract terms.
Poor quality workmanship	Unlikely	Moderate	Moderate	The tender evaluation panel reviewed the capability and experience of the Contractor very thoroughly. Council's internal references indicate the Contractor has sufficient capability to complete works to the required standard. All defects will be identified in a timely manner and the Contractor given notice to rectify any such issues.
Contractor inability to complete due to insolvency	Rare	Moderate	Low	The financial viability assessment provides some confidence that the risk of insolvency is negligible.

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

10. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

All staff involved in the Expression of Interest and Tender processes for this Contract completed Conflict of Interest Declarations. No conflicts were identified in relation to this project.

11. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

12. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to the existing policy or Strategy previously adopted by Council.

8.3.2 Capital Works Update

Directorate: Infrastructure

Responsible Officer: Capital Works Coordinator

Manager: Manager Projects & Facilities

Attachments:

1. 20230717 CWP Dashboard June 2023 [8.3.2.1 - 2 pages]
2. 20230717 CWP Summary Report June 20 [8.3.2.2 - 4 pages]

1. PURPOSE

To provide Councillors with a summary of the 2022/23 Capital Program delivery.

2. RECOMMENDATION

That Council note the findings in the report.

3. DISCUSSION

2022/23 Financial Year Summary

The 2022/23 financial year saw 139 live projects on the Capital Works Program (CWP) with a target spend of \$36m. There was a total spend of \$21.7m by 30 June 2023 with a further \$8.7m committed to be spent. This brought the value to \$30.5m (actuals and commitments) for the 2022/23FY.

A total of 99 projects were fully completed. The biggest spend overall was in Road, and Kerb and Channel renewals combined (\$7.5m). In addition to the regular gravel road, shoulders, and re-seals programs, an additional program of gravel road resheeting commenced under the Local Roads and Community Infrastructure (LRCI) program. Road rehabilitation works took place in Nish and Service Streets in Echuca, the Rushworth Senior Citizens Car Park and Barnadown-Myola Road. The Kerb and Channel program delivered \$1.5m of works across the shire including Echuca, Lockington, and Kyabram.

The LRCI Stage 3 program received an extension of time until June 2024 from the funding body. 50% of the program is complete with most remaining construction works due to commence in quarter 1 of the new financial year.

The 2022/23 CWP commenced with a total of 39 carry forward projects from the previous FY at a value of ~\$6m (excluding 'multiyear' projects). Of these projects 28 were completed.

Other key projects in the 2022/23 CWP included:

- Completion of stages two and three of Echuca East Redevelopment including the dog park, landscaping, and pathways.
- Netball court upgrades at Lockington and Kyabram.
- Substantial progress was made on the works as part of the Living Libraries grant funded upgrade to the Rushworth Service Centre and Library. Completion is expected in quarter 1 of the 2023/24 budget year.
- Further works at Echuca Holiday Park as part of the long-term masterplan implementation including a solar installation, play area and the commencement of the water play park.
- Endorsement of the Vic Park Masterplan and commencement of detailed design and approvals for the multipurpose building.

- Commencement of the Stormwater and Lagoon Upgrade as part of the wider Aquatic Reserve redevelopment, funded by an Integrated Water Management grant.
- Designs for Echuca Netball Court and Kyabram Wilf Cox Pavilion were completed to inform future funding opportunities.
- Completion of the Kyabram Fauna Park Reptile House
- Breen Avenue and Rushworth Rail Trail design and approvals continued with works to commence in 2023/24.

The end of year financial performance is based on a revised target spend calculated from the original target and any additional funding included in the program throughout the year. This revised target is based on funding allocated to projects from the contingency reserve or grants. Taking this into account, and including projects where savings have been returned, delivery overall was 64% of the target spend.

Out of the 139 projects, 40 will carry over to 2023/24 financial year (excluding multiyear projects) with a total of \$11.4m in spend.

Carry Overs

The program this year continued to be impacted by resourcing and lead time issues. This was further compounded by the flood event of October – December 2022 meaning lost time of approx. three months due to sites being inaccessible, reduced contractor availability, resources being reallocated to flood efforts and assets requiring reassessment for flood funding or insurance.

The team were involved in managing flood recovery works at the Rochester Service Centre (including the creation of a new temporary facility), Rochester Kindergarten, Rochester Seniors, Rochester 4Rs and Tennis Courts, Rochester Rotary Park, Back 9 Golf Clubhouse, Echuca Wharf and Echuca Riverboat Dock. The support to, and undertaking of, these critical works had a significant impact of resource availability in the undertaking of business-as-usual activities.

In addition, three members of the project team have been in acting roles for between 12-36 weeks with no backfill for their substantive posts. Lack of resources in Assets, Engineering and Building and Planning have also impacted delivery due to inadequately scoped projects and delays to approvals for projects already in progress. External approvals such as VLine, Vic Track, traditional landowners and Heritage Vic continue to cause delays.

These challenges repeatedly throw up obstacles to the full and successful delivery of the Capital Works Program, however they also present improvement opportunities that the Major Projects Team, and all officers involved in project delivery across council, are determined to address.

Improvement Actions 2023/24

Inadequate scoping of projects continues to affect delivery. A Project Sponsor training session was held in August 2022, and the need for ongoing support and development of service managers and project sponsors is critical. This will be a focus for the coming months, especially with new managers being recruited.

A review of the Project Management Framework is underway. As part of this a more sophisticated project complexity tool will be investigated. The tool will enable management of projects dependant on risk and to allow flexibility whilst still ensuring the required quality of project delivery and governance. This work will include internal stakeholders including Planning and Procurement.

Further development and maturing of the 10-Year Capital Plan and linking this to Council's service and strategic planning is essential to ensure future projects are planned and endorsed by Council. From this, opportunities for advanced design works will be explored to allow better scheduling of programs and major projects and inform funding and grant opportunities.

A review of councils in the Victorian Local Government 'Large Shire' comparator group will be conducted to establish where comparable Councils have reduced carry over successfully and share ideas and best practice.

At the end of the first quarter 2023/24 the works program and individual project deliverables will be revisited and scrutinised to identify any projects at risk of not being delivered as required. If an intervention treatment is not available to correct progress and ensure deliverability of the 2023/24 program, recommendations will be presented to Council which could include rescheduling of projects with a commitment to complete in a subsequent financial year. This will be completed in parallel with a review of the 10 Yr. Capital Plan to ensure that deferred projects are planned and scheduled appropriately.

4. CONSULTATION

Internal consultation:

- Director Infrastructure
- Manager Recreation
- Manager Projects and Facilities
- Project Management team
- Plant and Fleet Officer

Councillors:

- 29 August 2023 Council Briefing Session.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Well planned places

Land and underlying infrastructure suitable for growing populations
Quality, attractive recreational spaces
Improved walkability and cyclability within townships
Ability to travel safely and easily by road and rail

6. POLICIES AND RELATED COUNCIL DOCUMENTS

This report provides an update of progress against the adopted Capital Works Budget 2022/23. The program is delivered in line with the current Campaspe Shire Council Project Management framework.

7. LEGAL AND STATUTORY OBLIGATIONS

The requirements of Section 9(2)(c) of Local Government Act 2020 have been considered and there are no legislative implications arising from this report.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

Regular reporting of progress against the adopted capital budget will ensure the ongoing financial viability of the Council is ensured.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

The requirements of Section 9(2)(c) of Local Government Act 2020 have been considered. Projects delivered under the capital program provide improvements to council-owned assets for the benefit of the local community.

10. ISSUES AND RISK MANAGEMENT

Issues:

Issue 1:

Additional funding through Local Roads and Community Infrastructure program means the capital program continues to be larger than anticipated. This places pressure on staff to deliver the program. Engagement of consultant Project Manager/s to deliver projects, particularly those externally funded, has, and will continue to reduce the impact however resourcing and retention of suitably qualified and experienced Project Management Professionals remains an ongoing challenge.

Issue 2:

Typical delays in receiving approvals from external organisations were experienced through the year. The achievement of approvals continues to be a source of delay in many projects resulting in the extension of project timelines. Mitigation measures have been put in place with many projects being split over multiple years with a minimum of one year for design and approvals. Where projects are at risk due to external delays, these will be communicated to council and appropriate remedies discussed throughout the year.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

11. CONFLICT OF INTEREST

In accordance with section 130 of the Local Government Act 2020, the officer preparing this report declares no conflict of interest regarding this matter.

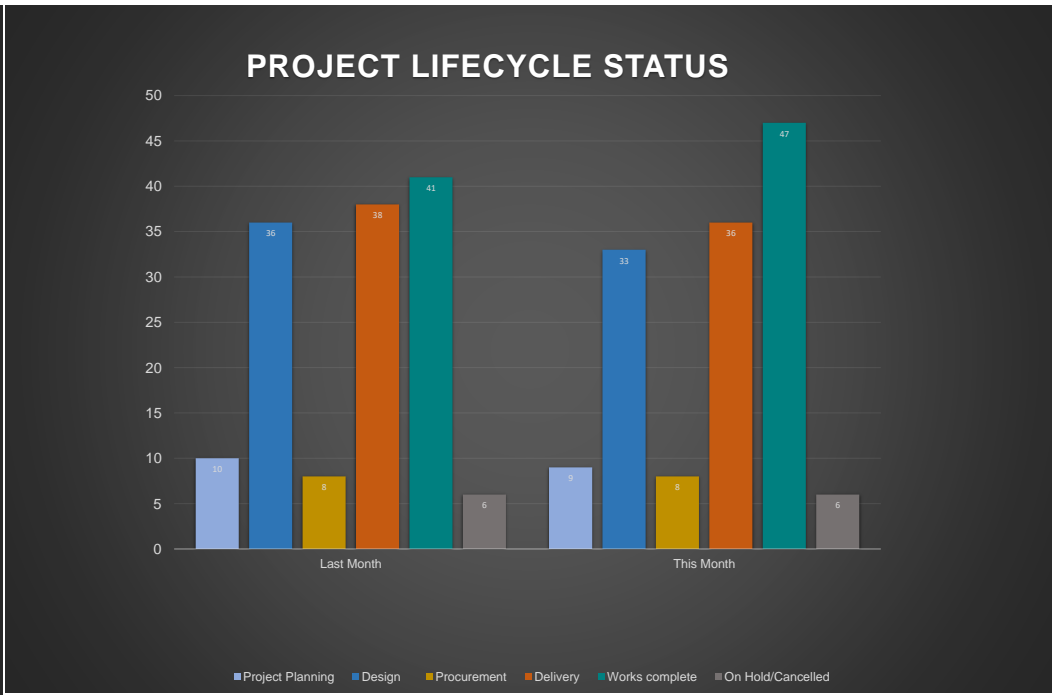
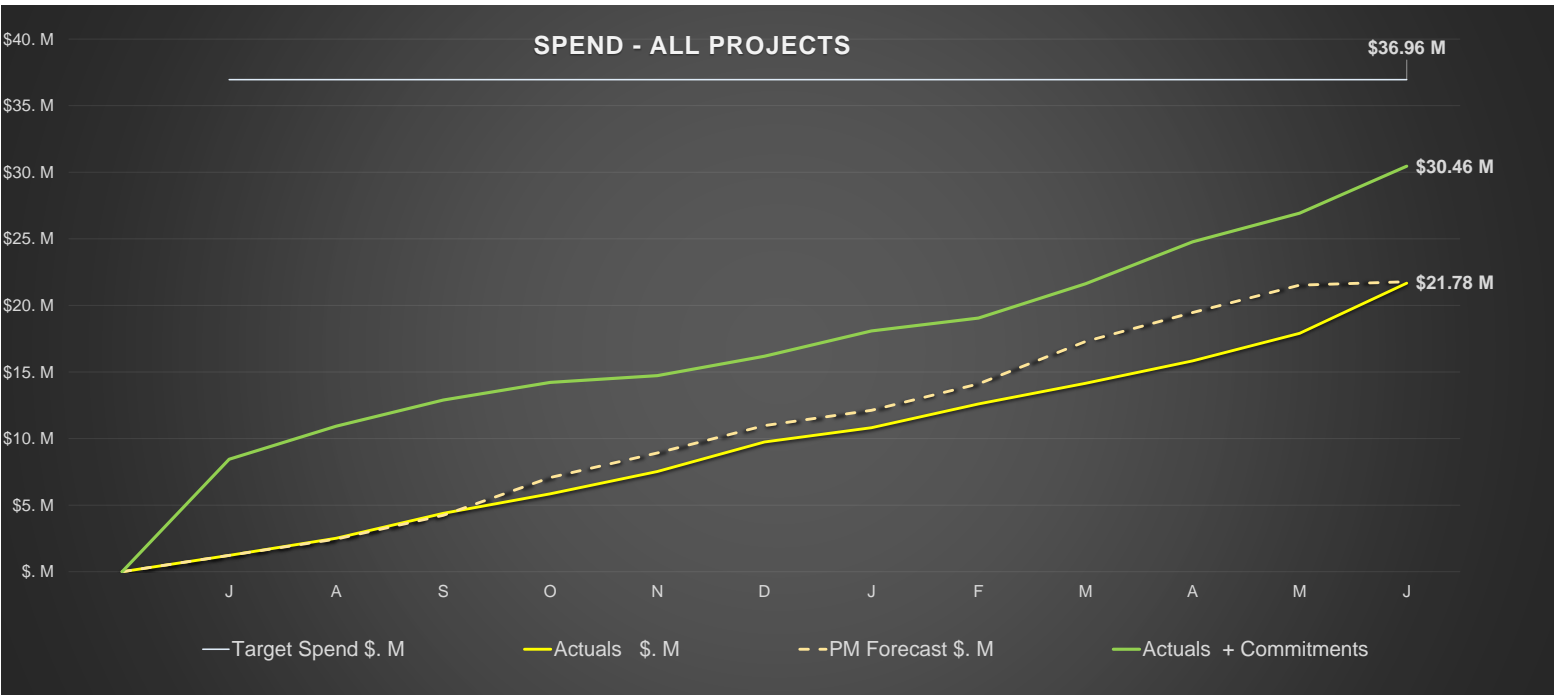
12. CHARTER OF HUMAN RIGHTS

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.



2022/23 Capital Works Program - June 2023

New Works								
Asset Class	Target Spend Budgeted New Works	Grant Dependent/ Rescoped projects	Revised Target Spend (less Grant Dependent projects and including transfers in from contingency, grants or reserves) *	Spend	% Spend to target	Spend plus Commitments	% Spend plus Commitments to target	Comments
Bridges	\$2,701,820	\$1,785,110	\$916,710	\$60,563	7%	\$148,159	16%	Delays to Thompson Bridge designs. Design is now complete, physical works to carry over to 23/24. Vic Park boat ramp designs underway. Construction delayed significantly due to flood event. Grant body advised.
Building & Structures	\$6,357,906	\$1,600,000	\$5,909,263	\$2,342,861	40%	\$5,249,865	89%	Rushworth Service Centre works underway and scheduled for completion in 23/24 f/y. Holiday Park - playground construction complete and water park and accessible cabin contracts awarded. LRCI Solar program and Public Amenities contractors engaged with works due to commence from August. Security project complete. Saleyards column renewal complete.
Advanced Designs	\$250,000		\$270,000	\$71,311	26%	\$109,730	41%	Program commenced late in the financial year therefore design works will carry forward.
Fencing and Bollards	\$100,000		\$100,000	\$6,371	6%	\$13,516	14%	Design of safety gates underway, construction will carry over. Project commenced late in the program due to resourcing issues.
Footpaths & Cycleways	\$3,760,590		\$2,580,000	\$200,295	8%	\$787,522	31%	Rushworth - Murchison Rail Trail pending approvals under LUAA (grant funding until June 2024). Breen Avenue Shared User Path out to tender. Construction will take place for both in 23/24
Irrigation	\$100,000		\$162,000	\$160,717	99%	\$160,717	99%	Works complete. Funds from carried over project added to this years program to enable whole of Gunbower irrigation to be completed.
Kerb & Channel	\$1,500,000		\$1,500,000	\$1,523,890	102%	\$1,642,251	109%	Target spend completed plus advanced designs
Land	\$4,922,500	\$4,500,000	\$422,500	\$114,752	27%	\$169,017	40%	Aquatic Reserve - Stormwater/lagoon stage of the project delayed due to flood/high river.
Open Space & Recreation Assets	\$1,715,000		\$1,904,200	\$1,738,246	91%	\$1,873,211	98%	Kyabram and Lockington Netball Court projects - majority of works completed apart from shelters and play area at Lockington. Lancaster court (LRCI) complete.
Plant & Equipment	\$3,642,256		\$3,642,256	\$1,420,352	39%	\$4,003,111	110%	The program has been subject to lead time issues - all items are now committed (some trade in values not confirmed therefore actual plus commitments showing over 100%).
Roads	\$14,028,250	\$4,700,000	\$9,308,250	\$5,245,865	56%	\$6,742,219	72%	Gravel Road resheeting program suffered lost time during rain and flood events meaning spend this year is 20% less than typical. Two projects removed from program (Mason and McCol) as following further investigations by engineering alternate maintenance treatments were deemed acceptable and more cost effective. Asphalt program delayed therefore some carry over.
Stormwater & Flood Control	\$620,000		\$608,000	\$273,695	45%	\$285,134	47%	Culvert program - 75% of expected work completed due to lost time during floods, remainder will carry over. Gamble Court Pump renewal works underway. Mount Terrick Road pump renewal delayed pending further investigations by engineering, will carry over.
Waste	\$175,000		\$175,000	\$0	0%	\$81,500	47%	Hydrant project contractor engaged, pending building permit works will carry over. Skip leachate feasibility complete.
Total	\$39,873,322	\$12,585,110	\$27,498,179	\$13,158,916	48%	\$21,265,950	77%	



* Target spend excludes grant dependent projects (Aerodrome, Aquatic Reserve, Echuca Wharf Access, Wilf Cox Pavilion, Echuca Boat Ramp future stages). Rescoped/deferred/cancelled projects have also been excluded (Vic Park Changerooms). Target spend will be revised to include grant funded projects as funds are confirmed.

2022/23 Capital Works Program - June 2023

Carry Over and Multi Year Projects

Asset Class	Target Spend Carried Over works	Revised Target Spend (less Grant Dependent projects and including transfers in from contingency, grants or reserves) *	Spend	% Spend to target	Spend plus Commitments	% Spend plus Commitments to target	Comments
Bridges	\$1,139,875	\$1,215,870	\$1,054,987	87%	\$1,054,987	87%	Watson, McEvoy and Groves Weir bridge works all completed. Design works at Raglus Bridge only remaining carry over bridge projects.
Building & Structures	\$5,358,987	\$5,413,749	\$4,538,207	84%	\$5,145,191	95%	Echuca East Stage 2, Kyabram Fauna Park Reptile House and Street Sweeping bunkers works complete, Vic Park Masterplan - concept designs out for review and will progress to preliminary design, Port of Echuca Log Slip works will commence following planning approvals. Solar installation at the holiday park complete, Saleyards crush works 90% complete.
Footpaths & Cycleways	\$1,189,451	\$1,582,451	\$995,069	63%	\$996,069	63%	LRCI Stage 2 Footpaths - completed. Footpath renewal program - complete. Breen Avenue Shared User Path subject to delays due to external approvals, now out to tender.
Open Space & Recreation Assets	\$314,836	\$315,939	\$333,037	105%	\$333,037	105%	Kyabram Boundary Nets, Moon Oval Design works and Kyabram Northern Oval Drainage complete.
Plant & Equipment	\$390,428	\$354,088	\$353,028	100%	\$353,028	100%	All items now received, final invoices are still to be paid and carry over project to be closed.
Roads	\$627,385	\$665,270	\$723,647	109%	\$723,647	109%	Fenaughty Street Rehab, Rushworth Car Park and Barnadown-Myola Road Rehab all complete.
Stormwater & Flood Control	\$586,592	\$677,721	\$428,589	63%	\$500,407	74%	Pits and Pipes completed. Collbinabbin Open Drain works have recommenced following delays due to floods. Kyabram Open Drain will carry over again due to delays in obtaining Vic Track approvals - works to be completed in September by internal crews.
Total	\$9,607,553	\$10,225,087	\$8,426,564	82%	\$9,106,366	89%	

Additional Projects **

Asset Class	Additional Projects	Carry over	Total Target Spend	Actual Spend	% Spend to target	Comments
Building & Structures	\$60,000	\$0	\$60,000	\$85,943	143%	McKenzie Road demolition - works complete. Tongala Depot - Shade Shelter purchased. Rushworth Service Centre and Rushworth Childcare Centres Stage 2 added to program in final quarter of year.
Total	\$60,000	\$0	\$60,000	\$85,943		

** Included in program outside of annual budget cycle.

Program Highlights

\$21.7 m was spent over 139 projects.
 \$2.5m in savings returned to reserves from completed projects.
 \$2.1m of spend carrying over can be attributed to multi year projects.
 \$11.4m will carry forward to 22/23 financial year.

The program this year continued to be impacted by resourcing and lead time issues. This was further compounded by the flood event of October – December 2022 meaning lost time of approx. 3 months due to sites being inaccessible, resources being reallocated to flood efforts and assets requiring reassessment for flood funding or insurance. The team were involved in managing flood recovery works at the Rochester Service Centre (including the creation of a new temporary facility), Rochester Kindergarten, Rochester Seniors, Rochester 4Rs and Tennis Courts, Rochester Rotary Park, Back 9 Golf Clubhouse, Echuca Wharf and Echuca Riverboat Doc. The support to and undertaking of these critical works had a significant impact of resource availability. In addition, 3 members of the project delivery team were also filling acting roles within the directorate with no back fill.

The biggest spend overall was in Road and Kerb and Channel renewals combined (\$7.5m). In addition to the regular gravel road, shoulders, and re-seals programs, an additional program of gravel road resheeting commenced under the Local Roads and Community Infrastructure (LRCI) program. Road rehabilitation works took place in Nish and Service Street in Echuca, the Rushworth Senior Citizens Car Park and Barnadown-Myola Road. The Kerb and Channel program delivered \$1.5m of works across the shire including Echuca, Lockington, and Kyabram.

The LRCI Stage 3 program received an extension of time until June 2024 from the funding body. 50% of the program is complete with most remaining construction works due to commence in quarter 1 of the new financial year.

Other key projects this year included:

- Completion of stages two and three of Echuca East Redevelopment including the dog park, landscaping, and pathways.
- Netball court upgrades at Lockington and Kyabram.
- Substantial progress was made on the works as part of the Living Libraries grant funded upgrade to the Rushworth Service Centre and Library. Completion is expected in quarter 1 of the 23/24 budget year.
- Further works at Echuca Holiday Park as part of the long-term masterplan including a solar installation, play area and the commencement of the water play park.
- Endorsement of the Vic Park Masterplan and commencement of detailed design and approvals for the multipurpose building.
- Commencement of the Stormwater and Lagoon Upgrade as part of the wider Aquatic Reserve redevelopment, funded by an Integrated Water Management grant.
- Designs for Echuca Netball Court and Kyabram Wilf Cox Pavilion were completed to inform future funding opportunities.

End of Financial Year Spend Summary	New Works	Carry Overs /Multi Year Projects	Additional Projects	Total
Budget	\$ 39,873,322	\$ 9,607,553	\$ 60,000	\$ 49,540,875
Grant dependent projects	\$ 12,585,110			\$ 12,585,110
Original Target Spend * (Less Grant Dependent or rescoped/deferred Projects)	\$ 27,288,212	\$ 9,607,553	\$ 60,000	\$ 36,955,765
Revised Target Spend (accounting for transfers in to the program from contingency, reserves , grants)	\$ 27,498,179	\$ 10,330,087	\$ 60,000	\$ 37,888,266
Actual Spend	\$ 13,158,916	\$ 8,487,224	\$ 85,943	\$ 21,732,082
Commitments	\$ 8,107,035	\$ 679,803	\$ -	\$ 8,786,837
Actuals & Commitments	\$ 21,265,950	\$ 9,106,366	\$ 85,943	\$ 30,518,919
Act & Comm/Target Spend	77%	88%	143%	81%

Revised Target Spend	\$37,888,266
Savings	\$2,524,857
Spend plus Savings	\$24,256,939
Overall delivery % (Spend plus savings against revised target)	64%

Carry over to 23/24 (multi year projects excluded)	\$ 11,433,759
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Active Project Status Report - June 2023
Shire of Campaspe Capital Works Program
Project Summary Report - Whole of Life Spend

31/06/2023

Project Details											
Project No	Project Description	Status	Comments	Project Sponsor	Project Manager	Budget (Whole of Project Life)	Actual Cost (Whole of Project Life)	Committed Cost	Carry Over/Savings	Forecast Start	Forecast Finish
Projects Carried over to 23/24											
Advance Designs and Project Management Costs											
PR-100756	Advance Designs All Areas (Parent Proj)	Carry over	Advance design projects were selected in December therefore have carried over.	Mark Dibsdale	Sarah Butterworth	185,000.00	5,720.00	24,875.22	179,280.00	1/07/2022	30/06/2024
Category Total						185,000.00	5,720.00	24,875.22	179,280.00		
Bridges											
PR-100957	Gunbower Thompsons Bridge Renewal	Carry over	Design was significantly delayed again in 2022/23 due to the lack of any design engineering resources. Design is yet to be finalised and will be carried over. Construction will also be carried over. Preliminary Design was checked and will not comply with Australian Standards. Detailed Design to be completed before being checked by a professional engineer.	Sebastian Campbell	Clay Drysdale	516,500.00	19,877.36	13,700.00	496,522.65	1/07/2021	30/06/2024
						This project was always planned for delivery over multiple financial years and has a number of funding stages. Project planning underway. Following delay due to October 2022 flood event. Awaiting Vic & NSW surveyor acceptance for state boundary establishment, tentative border line is at summer level water line, resulting in planning in parallel between Vic & NSW agencies. Preliminary design under way. Planning submissions for Vic & NSW under preparation, to be submitted in the next month. Cultural Heritage Management Plan development underway. Environmental assessments commenced. Tree assessment report received. Planning process under way. Issue with DECEA not recognising Parks Vic as Crown Land Administrator. Funding request for stage 3 & 4 complete, with grant submission for Universal Design Funding 2022 successful, deed under execution, portion funding deed drafted & issued for comment. Funding partners have agreed in writing to an EOT to allow construction in Winter 2024 due to flood delay. Agreements executed.					
PR-100745	Echuca Boat Ramp Redevelopment	Multi year		Mark Dibsdale	Paul Van Der Sluis	1,250,117.00	42,654.88	69,095.12	0.00	1/03/2022	30/06/2026
Category Total						1,766,617.00	62,532.23	82,795.12	496,522.65		
Buildings & Structures											
PR-100109	Echuca Pot E Discovery Centre (Log Slip)	Carry over	Log Winch and Strathmerton Station platform works have been delayed awaiting Heritage and Building approvals. Heritage and archaeology assessments have now been received for submission to Heritage Vic & NSW for approvals. Timeline for approval is unknown but no further works expected until August at the earliest. Also awaiting issue of Building Permit from CSC for Strathmerton Station retaining wall. Hoping to be underway with remaining works in August.	Kate Lemon	Scott Flanagan	600,000.00	413,289.91	153,012.73	186,710.08	31/03/2021	30/10/2023
						Holiday Park accessible cabins tenders have been awarded due to be completed late 2023 or February 2024. The new Holiday Park playground has been completed at the end of June 2023, a small amount of painting of the basketball slab will be undertaken in September when the weather is appropriate. The underbore for the electrical connection to the Waterplay will commence late July with the Waterplay slab to be undertaken in August 2023. The overall project has several projects within it. Amenities Block - Attempted open tender for new amenities building- we received no response. Attempted targeted RFQ after speaking to interested contractors -- no response (due to contractors picking up large amounts of work during tender period). Attempted open tender for a refurbishment of existing amenities building- one response which was too costly to be a waste use of funds was received. Had conversation with major contractors who had original supplier of the design. Council received no viable tenders. We will now go to tender for a Design and Construct project this will allow contractors to utilise their own prefabricated designs, several contractors are interested in the works. Accessible Cabins - The lead times for the construction industry is the longest it has been in several years. The project was awarded in early 2023 the fabrication has commenced. Due to the excessive lead times the project will be delivered by early 2024. Playground - The playground was completed in June 2023 Waterplay - The waterplay has a long lead time due to the fabrication requirements for the different elements the project was awarded on 6th of Feb and the project will commence site works when fiberglass products arrive in August 2023 Design - Minor remaining design is awaiting approval with DECEA					
PR-100353	Echuca Holiday Park Master Plan	Carry Over - ongoing program of works (over 10 years)		Kate Lemon	Peter Favero	1,600,000.00	487,378.95	1,013,695.10	1,112,621.05	1/07/2022	30/06/2024
PR-100360	Echuca Victoria Pk Masterplan (Design)	Carry over	Carry over due to change in PM part way through delivery and additional design scope (demolish grandstand). As of 19/07/23 the Master plan is updated, and the Consultant Detail Designs are being finalised (final feedback given on 19/07). Consultant also working on the Planning Submission, Construction Documentation and Cost Estimate/Plan. Estimated completion of design and approvals by December 2023.	Kerrie Hawkes	Stephen Starkey	300,000.00	164,532.00	107,328.00	135,468.00	1/07/2021	23/12/2023
PR-100498	Echuca Holiday Park Upgrade	Multi year	Amenities block will be tendered as a design and construct project in order to attract contractors.	Kate Lemon	Peter Favero	950,000.00	582,701.51	11,205.69	367,298.49	1/07/2020	30/06/2024
PR-100585	Echuca Moama Arts Precinct	Carry over	All landscaping works complete. Awaiting completion of electrical supply upgrade works. Additional works requiring planning permit approval to be completed including fencing around the Brothel and festoon lighting.	Sam Campi	Georgia McMurdo	144,500.00	86,367.85	25,048.95	58,132.15	1/07/2021	1/12/2023
PR-100596	Rushworth Service Centre Upgrade	Multi year	The project was always scheduled to be delivered over multiple years. Some construction delays have occurred due to revisions to designs and approvals required. Anticipated completion is September 2023.	Sandy Ennis	Cameron Stewart	1,399,970.00	935,836.46	453,423.27	0.00	1/07/2021	31/10/2023
PR-100599	Echuca Depot Toilet and Car Park	Carry over	Powercor works were required before demolition of existing toilet which has caused delays. Demolition of the former lunchroom completed, design of new toilet block underway.	Mark Dibsdale	Brendan Kneebone	107,500.00	48,414.26	0.00	59,085.74	1/07/2021	30/06/2024
PR-100605	Tongala Tennis Club Rooms Renewal Design	Carry over	Due to a lack of resources, the project manager was allocated to the project later in the year. The project was anticipated to be design only this financial year however scoping determined that works could be completed without design and in conjunction with some maintenance budget to cover flooring and painting. Works have been scoped and a contractor awarded, will commence when building permit is approved (August indicative start date).	Kerrie Hawkes	Todd Fleming	150,000.00	0.00	149,682.10	150,000.00	1/07/2021	30/10/2023
PR-100646	Campaspe Animal Shelter Dog Area	Carry over	Due to specific requirements of the kennels, multiple procurement activities took place with subsequent tender values for installation far exceeding budget. After further review of therequirements and market, it was agreed by the PRG to purchase the kennels separately. Due to the specialist requirements of the kennels these have now been ordered from an overseas supplier. Once delivery of materials gets closer, the budget will be reassessed to determine whether flooring works and installation can be completed utilising remaining budget.	Kate Kemp	Georgia McMurdo	408,505.00	86,035.00	261,755.00	322,470.00	1/07/2022	6/06/2024
PR-100675	Shire Resource Recovery Centre Skip Load	Carry over	Due to a lack of resources, the project manager was allocated to the project later in the year. Request for tender pack being prepared. Approvals being sought as needed from Campaspe Shire Council, Catchment Management Authority, DECEA and TLAVC (Not applicable to all sites). Forecast to go to tender in September.	James Marsh	Scott Flanagan	175,000.00	65,430.00	16,380.00	109,570.00	1/07/2022	30/06/2024
PR-100688	Echuca Aquatic Reserve PublicToilets	Carry over	Design only - Vic planning exemption received, currently waiting on detailed designs to be finalised. Small amount of carry over spend (\$6k) with the remainder to be returned to savings when designs finalised.	Sam Campi	Leanne Dos Santos	60,000.00	9,377.00	6,650.00	50,623.00	1/07/2022	30/8/2023
PR-100712	Shire DDA Works 22/23	Carry over	Concrete footings completed and installation of the pool pod is scheduled for 3rd & 4th August.	Sebastian Campbell	Leanne Dos Santos	100,000.00	63,164.39	38,669.27	36,836.61	1/07/2022	8/05/2023
PR-100734	Shire Wide Solar Program (LRCI3)	Carry over - LRCI3 (spend by June 2024)	Carry over - due to delays in awarding tender due to floods and subsequent delays in site inspections, structural assessment and design and associated reviews and approvals. As of 19/07/23 7 of 9 designs approved, final feedback on last two designs given on 19/07. Installation to commence from August.	Sam Campi	Pravarjan Behera	450,000.00	118,076.86	374,532.54	331,923.14	1/01/2022	1/12/2023
PR-100749	Echuca Canoe Club Storage Design	Carry over	Due to a lack of resources, the project manager was allocated to the project later in the year. Now in design. Designs received that don't meet Council/User requirements. Designs sent back to engineer to try and simplify the overall concept.	Kerrie Hawkes	Georgia McMurdo	50,000.00	11,400.00	2,500.00	38,600.00	1/07/2022	1/12/2023
PR-100762	Echuca Victoria Pk Multi-use Changeroom	Carry over	Carry over due to change in project manager part way through delivery. As of 19/07/23 Construction Contract Document was finalised and contract award imminent. Estimated completion by March 2024.	Kerrie Hawkes	Stephen Starkey	450,000.00	0.00	5,530.00	450,000.00	1/07/2022	24/03/2023
PR-100765	Shire Public Amenities Program (LRCI3)	Carry over - LRCI3 (spend by June 2024)	New project included as LRCI funding later in year. Supply and installation contract awarded 9 June 2023. Works scheduled from Late August to late October 2023	Kerrie Hawkes	Paul Arthurson	725,590.00	42,745.00	751,239.20	682,845.00	1/07/2022	31/12/2023
PR-100834	Rochester Service Centre & Library Upgrade	Additional projects (not on budgeted capital program - flood works)	Additional project as a result of initial flood works. Internal fitout - Concept design completed. Seeking feedback to progress on detailed design. Roof repairs - request for quote documentation in progress. HVAC - To go for request for quote following internal fitout.	Denise Morgan	Pravarjan Behera	330,000.00	10,895.00	25,625.00	0.00	6/04/2023	30/10/2023
PR-100835	Rochester Childcare Centre Upgrade St 2	Additional projects (not on budgeted capital program - flood works)	Additional project as a result of initial flood works. Planning and Design for Stage 1A(ramps) and 2(Toddler Space) well progressed. Budget value and source TBC once a contractable variation with the builder is quantified.	Janelle Wheatley	Scott Flanagan	0.00	7,575.50	0.00	0.00	6/04/2023	30/12/2023
Category Total						8,001,065.00	3,133,018.67	3,403,852.35	4,092,182.27		
Fencing & Bollards											
PR-100739	Shire Resource Recov Centre Safety Gates	Carry over	Due to a lack of resources, the project manager was allocated to the project later in the year. In design phase. Waiting on structural engineering assessment of each site to further implement concept drawings.	James Marsh	Todd Fleming	100,000.00	6,371.00	7,145.00	93,629.00	1/07/2022	30/06/2024
Category Total						100,000.00	6,371.00	7,145.00	93,629.00		
Footpaths & Cycleways											
						This project was always scheduled for delivery over multiple financial years (construction completion by June 2024) - Drafting of tenders underway. Works to date - Design - Civil and bridge design completed o Interpretive signage concepts and content received for consultation purposes. Approvals - Design approved by VicRoads for Bendigo Murchison Road o DoT "Works within road reserve" permit to be submitted once all approvals received o GMW Occupation License received July 2023, for a 500m diversion through GMW land o Campaspe Planning permit requires approval from DECEA for native habitat removal. Review meeting held with DECEA 14 June 2023. Response collated and sent 23 June 2023. DECEA have advised final response expected End July 2023 o CMA Works on waterways permit received Feb 2022 o TLAVC provided approval to proceed with works June 23. However negotiation on compensation to continue. Site meeting also scheduled 19 July 2023. Community consultation - Meetings held with landowners and key stakeholders - Media releases placed in Waranga Times - Consultation undertaken with Rushworth Place based planning committee, and Historical society. High street information stand planned for early August 23. Construction - Rail Trail construction scheduled in stages once planning permit approved, as follows 1) Native vegetation removal, 2) Bridges repairs and balustrading, 3) Rushworth asphalt section, 4) 10km Gravel trail.					
PR-100079	Rushworth Murchison Rail Trail	Multi year		Sebastian Campbell	Paul Arthurson	3,155,000.00	286,618.15	88,121.50	0.00	1/07/2020	30/06/2024
PR-100085	Kyabram Breen Avenue Shared User Path	Carry over	Delays due to Vine and ViTrack approvals. Preferred tenderer chosen, awaiting award. Construction works expected to begin early September, pending Council planning permit approval.	Sebastian Campbell	Georgia McMurdo	979,500.00	87,597.42	1,000.00	891,902.58	1/07/2019	1/12/2023
PR-100657	Shire Footpath Renewal Program 22/23	Carry over	Due to a lack of resources, the project manager was allocated to the project later in the year. Then re-allocated onto flood recovery works. That and previous year carry over meant 22/23 works were not awarded until later in the financial year. Construction has commenced, driveway re-work for Fenagully street project completed. Oak Dene ct Kyabram, Moore st Echuca & Johnson st Rochester under construction. Telstra to commence works this week.	Sebastian Campbell	Paul Van Der Sluis	370,266.77	54,100.00	499,105.93	316,166.77	1/07/2022	30/01/2024
PR-100682	Shire Footpath New and Upgrade Program	Carry over	Project started late due to inadequate scoping due to no engineering team and no project manager. Project manager commenced the project late in the financial year however the scope was inadequate. It was agreed that the project will deliver designs to inform a program for construction over several years. Project to be modified to complete design package.	Sebastian Campbell	Peter Favero	230,000.00	0.00	0.00	230,000.00	1/07/2022	30/06/2024

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Land						Category Total	4,734,766.77	428,315.57	588,227.43	1,438,069.35	
PR-100168	Echuca Aquatic Res/Onion Patch	Carry over	Continuation of the Aquatic Reserve detailed design.	Kerrie Hawkes	Paul Arthurson	502,000.00	429,584.78	35,735.00	72,415.22	1/07/2018	30/06/2024
			IWM grant funds awarded to Council for the Stormwater upgrade works. Works were scheduled for around April 2023, however floods have impacted on timing. Campaspe planning permit received 15 Dec 22. Heritage permit exemption application submitted 3 Jan 2023. Meeting with Heritage Vic representatives scheduled 17 Jan 2023. Updated documentation supplied 1 and 13 Feb 2023. Detailed design complete. Tender documentation to be finalised once heritage requirements confirmed. IWM funding is to be spent by December 2023.								
PR-100761	Echuca Aquatic Res Stormwater/Lagoon	Carry over		Kerrie Hawkes	Paul Arthurson	422,500.00	8,120.00	18,530.00	395,850.00	1/05/2022	31/12/2023
Open Space & Recreation Assets						Category Total	924,500.00	437,794.78	54,265.90	468,265.22	
PR-100625	Lockington Rec Reserve Court Upgrade	Carry over	Overall program of works subject to delay due to no Municipal Building Surveyor. Courts completed in financial year and partial site handover to Club User Groups was completed by April 2023. After consultation with the group playground equipment has now been ordered with a lead time of 10-12 weeks therefore this installation and the shelter will be completed from October 2023.	Kerrie Hawkes	Cameron Stewart	884,200.00	824,671.27	71,921.00	59,528.73	1/12/2021	31/12/2023
PR-100703	Kyatbram Northern Oval Amenities Renewal	Carry over	Due to a lack of resources, the project manager was allocated to the project later in the year. Now in design. Request for quote is being prepared	Kerrie Hawkes	Todd Fleming	80,000.00	5,390.00	600.00	74,610.00	1/07/2022	30/12/2023
PR-100732	Echuca Apex Park BBQ Shelter Renewal	Carry over	Shelter construction being finalised with installation to occur 1st quarter 23/24	Kerrie Hawkes	Mark Dibsdale	50,000.00	1,317.77	15,000.00	48,682.23	1/07/2022	30/09/2023
Plant, Machinery and Equipment						Category Total	1,614,200.00	831,379.94	87,521.00	182,820.96	
PR-100416	EADLE Secondary Cattle Crush	Carry over	Works are nearing completion with a few modification required before crush becomes operational - anticipated project to be finalised by early August.	Kate Lemon	Leanne Dos Santos	116,778.00	5,660.00	97,123.63	111,118.00	1/07/2020	30/8/2023
PR-100692	Shire Retirement of Disused Radio Towers	Multi year	To be delivered by ICT and Building teams. Two year program with additional funding allocation in 23/24. Towers at Rochester service centre and Tongala due for removal August.	Matthew McPherson	Damien McInnes	10,000.00	0.00	0.00	10,000.00	1/07/2022	30/06/2023
PR-100730	Plant Replacement Program 22/23	Carry over	Plant and fleet lead times and lack of resources have resulted in carry over. Cover for Plant and Fleet officer maternity leave was reallocated to flood efforts. All plant now ordered but actual delivery and spend will be determined by lead times.	Sebastian Campbell	Kirsten McCartney	3,471,256.00	1,273,496.83	2,582,947.98	2,197,849.17	1/07/2022	30/06/2024
Roads						Category Total	3,598,034.00	1,279,066.83	2,680,071.61	2,319,967.17	
PR-100521	Rushworth Lions Pk Internal Rd Construct	Carry over	Project started late due to no PM resource and a design review being required due to LRCI amenities project affecting this design. Public tender and selective tender processes for construction failed to attract any submissions. Now out for second selective tender process. Construction will be carried over. No construction submissions received from selective quotations process. Restrictive Department of Transport requirements removed. Second selective quotations invited (third procurement activity in total) - closing 24 July 2023.	Sebastian Campbell	Clay Drysdale	160,650.00	5,887.00	0.00	154,763.00	1/07/2021	1/12/2023
PR-100655	Shire Sealed Road Resurfacing Program	Carry over	Project Manager has been acting Assets Manager since December 2023. Seals complete with asphalt sections still to be delivered, further delayed by weather.	Sebastian Campbell	Sebastian Campbell	1,380,000.00	383,961.03	397,335.81	397,335.00	1/06/2022	30/09/2023
PR-100735	Shire Road Resheeting (LRCI 3)	Carry over - LRCI3 (spend by June 2024)	Contract was due to be awarded in December but had to be reviewed to ascertain impact of flood affected roads resulting in a second tender. Works in progress, crew changed out at approx. 80% complete. Wet weather experienced over June & July has resulted in stand down for approx 3 weeks, with some works in between rain events resulting in re-work & reduced productivity. Completion date has slipped back by 1 month.	Sebastian Campbell	Paul Van Der Sluis	1,800,000.00	1,041,247.00	518,770.00	758,753.00	1/01/2022	30/07/2023
PR-100744	Advance Designs Roads	Carry over	Project Manager has been acting Assets Manager since December 2023. New project manager commenced design request for quote as no internal Design Engineers. RFG late in the financial year. Designs are 80% complete.	Sebastian Campbell	Sebastian Campbell	200,000.00	59,847.50	58,475.00	140,152.50	1/07/2022	30/06/2024
Stormwater & Flood Control						Category Total	3,540,650.00	1,490,942.53	974,580.81	1,451,003.50	
PR-100422	Shire Open Drain Renewal Program	Carry over	Kyatbram open drain awaiting approval from VLine to proceed with works, expected late 2023.	Sebastian Campbell	Georgia McMurdo	242,450.00	108,899.32	1,206.00	133,550.68	1/07/2020	1/11/2023
PR-100556	Shire Open Drain Renewal (D&C)	Carry over	Open drain in Cobinabbin delayed due to floods. Re-mobilised but experienced further delays due to concreting contractors not being available and adverse weather. Updated program has earmarked late July for completion.	Sebastian Campbell	Georgia McMurdo	342,761.00	272,147.70	70,611.98	70,613.30	1/07/2021	31/07/2023
PR-100647	Echuca Mount Terrick Road Pump Well	Carry over	Road Services are still investigating pump station purpose to determine design parameters. Design yet to be completed.	Kate Lemon	Brian Hubbard	200,000.00	0.00	0.00	200,000.00	1/07/2022	30/06/2024
PR-100648	Cobinabbin Gamble Court Pump Well Renewal	Carry over	Practical Completion delayed until the middle of July. Majority of works complete.	Sebastian Campbell	Clay Drysdale	200,000.00	194,852.75	8,198.23	5,147.25	1/07/2022	1/07/2023
PR-100660	Shire Rural Culvert Program	Carry over	Due to flood and material delays, many culvert works have been delayed. Lead time on culverts was 18 weeks when ordered. Remaining budget will finalise and complete the current culvert list prior to moving on to any new sites. Close out for completed sites underway. Remaining sites to be carried over to complete as many as possible with the remaining budget and then move to the next financial year project.	Sebastian Campbell	Georgia McMurdo	208,000.00	79,292.52	3,240.00	128,707.48	1/07/2022	1/12/2023
Waste Management						Category Total	1,193,211.00	655,192.29	83,256.21	538,018.71	
PR-100573	Shire Resource Recovery Ctr Fire Hydrant	Carry over	Contractor appointed and ready to proceed since March. Awaiting Building Permit from Campaspe Shire Council.	James Marsh	Scott Flanagan	150,000.00	0.00	81,500.00	150,000.00	1/07/2022	22/12/2023
PR-100652	Shire Resource Recov Cntr Skip Leachate	Carry over	Project Feasibility Review and findings presented. Task Complete. Further request for a risk review on managing leachate being undertaken.	James Marsh	Scott Flanagan	25,000.00	0.00	0.00	25,000.00	1/07/2022	30/06/2023
						Category Total	175,000.00	0.00	81,500.00	175,000.00	
							25,233,043.77	8,330,342.94	8,068,089.75	11,433,758.83	

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Completed Projects											
Bridges											
PR-100290	Gunbower Watson Bridge Renewal	Project Completed	Final works completed 18 August 22	Sebastian Campbell	Paul Arthurson	638,607.36	681,672.81	0.00	(43,065.45)	1/07/2019	30/12/2022
PR-100309	Cobinabbin Groves Bridge Construction	Project Completed	Construction works completed, working on project closure.	Sebastian Campbell	Gregory Dryburgh	1,006,000.00	613,726.10	0.00	392,273.90	1/07/2019	30/11/2022
PR-100312	Miliamo Swamp Bridge Renewal 2019 - 2021	Project Completed	Council inspection completed 12 May 22	Sebastian Campbell	Paul Arthurson	442,000.00	34,821.14	0.00	407,178.86	1/07/2019	31/01/2022
PR-100317	Cornella McEvoy Crossing Bridge Renewal	Project Completed	Practical completion issued 17 August 22	Sebastian Campbell	Paul Arthurson	146,075.00	141,685.91	0.00	4,389.09	1/07/2019	30/09/2022
PR-100319	Runnymede Grogan Crossing 2019 - 2021	Project Completed	Project closure process complete	Sebastian Campbell	Paul Arthurson	166,315.00	60,528.96	0.00	105,786.14	1/07/2019	31/01/2022
PR-100481	Echuca Anstruther Street Footbridge	Project Completed	Project is being closed out.	Sebastian Campbell	Cameron Stewart	430,600.00	324,053.59	0.00	106,546.41	1/07/2018	30/10/2022
PR-100528	Echuca Wharf ODA Access	Project Completed	Design complete.	Kate Lemon	Georgia McMurdo	194,000.00	112,393.59	5,787.50	75,818.91	8/08/2020	31/12/2021
PR-100650	Stanhope Two Tree Road Floodway Bridge	Project Completed	Preliminary design received.	Sebastian Campbell	Brian Hubbard	26,000.00	3,800.00	0.00	22,200.00	1/07/2022	30/06/2023
Category Total						3,049,597.36	1,972,682.00	5,787.50	1,071,127.86		
Buildings & Structures											
PR-100060	Echuca East Community Precinct	Project Completed	Echuca East Stage 2 and 3 completed, minor defect rectification being undertaken.	Kerrie Hawkes	Peter Favero	7,641,533.43	7,676,653.04	25,984.23	(61,103.84)	1/07/2018	19/06/2023
PR-100330	Echuca Holiday Park Upgrade	Project Completed	Capital projects completed. Masterplan upgrade plans completed. Permit currently with DECCA awaiting approval	Kate Lemon	Peter Favero	884,000.00	858,684.87	13,636.36	11,678.77	1/07/2019	30/12/2022
PR-100409	Shire Energy Efficient Projects (Solar)	Project Completed	Final payment received project completed	Kate Lemon	Peter Favero	103,000.00	131,494.89	0.00	(28,494.89)	1/07/2020	30/06/2023
PR-100423	Campaspe Animal Shelter (Design)	Project Completed	Project to be removed due pending strategic review of facility.	Kate Kemp	Georgia McMurdo	24,926.00	11,960.00	0.00	12,966.00	1/07/2021	30/12/2022
PR-100514	Shire Street Sweeping Waste Facilities	Project Completed	Crill construction works completed.	Sebastian Campbell	Sebastian Campbell	235,906.28	241,215.88	1,430.37	(6,739.97)	1/07/2021	30/11/2022
PR-100515	Kyalbram Fauna Park Reptile House	Project Completed	Works complete.	Mark Dibsdale	Jane Wraier	650,000.00	654,695.91	0.00	(4,695.91)	1/07/2020	30/06/2022
PR-100536	Shire Security Review Implementation	Project Completed	Works complete.	Mark Dibsdale	Georgia McMurdo	426,700.75	426,700.73	0.00	0.02	1/07/2021	30/03/2023
PR-100567	Mt Scobie RRC Fencing & Water Connection	Project Completed	Project to be closed - Mt Scobie to be flood recovery facility for another 12 months.	James Marsh	Cameron Stewart	95,000.00	1,817.85	129.79	93,052.36	1/07/2021	30/09/2022
PR-100580	E&DLE Concrete Loading Ramp Removal	Project Completed	Works complete.	Kate Lemon	Leanne Dos Santos	25,222.00	8,088.80	0.00	17,133.20	1/07/2021	30/06/2023
PR-100584	Shire DDA Works	Project Completed	All works complete	Sebastian Campbell	Leanne Dos Santos	130,000.00	76,048.19	16,643.75	37,308.06	1/07/2021	31/10/2022
PR-100595	Campaspe Community Childrens Ctr Renewal	Project Completed	Delivery of concept designs are underway.	Janelle Wheatley	Leanne Dos Santos	83,000.00	35,741.00	5,759.00	41,500.00	1/07/2021	31/10/2022
PR-100598	Echuca Council Offices Design	Project Completed	Project under review by EMG.	Mark Dibsdale	Cameron Stewart	50,000.00	0.00	0.00	50,000.00	1/07/2021	19/06/2023
PR-100602	Echuca Victoria Pk Changeovers	Project cancelled	Project cancelled and closed	Kerrie Hawkes	Sarah Butterworth	255,904.00	20,436.35	0.00	235,467.65	1/07/2021	30/12/2022
PR-100606	Kyalbram Will Cox Pavilion (Grant Dep)	Project Completed	Final (DRAFT) Detail Designs have been completed.	Kerrie Hawkes	Cameron Stewart	115,000.00	69,280.60	19,719.60	26,000.00	1/07/2021	30/06/2023
PR-100641	Echuca and Mt Scobie RRC Glass/FOGO Bunk	Project Completed	All works completed - by waste department	Kate Lemon	James Marsh	188,889.00	196,080.53	0.00	(7,191.53)	1/07/2021	30/12/2022
PR-100645	Echuca Murray Esp to Kotta St Fence	Project Completed	Fence works completed, further works to retaining wall at base of Picket fence being investigated.	Kate Lemon	Leanne Dos Santos	50,000.00	46,454.54	0.00	3,545.46	1/07/2021	30/06/2022
PR-100757	Echuca McKenzie Road House Demolition	Project Completed	works completed. File in Review and closure	Mark Dibsdale	Santos	60,000.00	47,330.40	0.00	12,669.60	1/07/2022	2/09/2022
PR-100764	Shire Wide Public Amenities	Project Completed	High Street Car Park Amenities will be updated this year.	Mark Dibsdale	Keith Bennett	50,000.00	33,188.20	0.00	16,811.80	1/07/2022	30/06/2023
Category Total						11,669,081.46	10,535,871.68	83,363.90	449,908.78		
Footpaths & Cycleways											
PR-100561	Shire Footpath Renewal Program	Project Completed	Carry over project - Works complete, PC inspection completed in March, major defects closed out. Project closeout in progress.	Sebastian Campbell	Paul Van Der Sluis	813,233.23	846,302.35	0.00	(33,069.12)	1/07/2021	30/12/2022
PR-100612	Footpath Program (LRCI Stage 2)	Project Completed	Works completed in Bowen Street Echuca. All other works complete.	Sebastian Campbell	Georgia McMurdo	1,100,000.00	1,176,363.54	0.00	(76,363.54)	1/04/2021	30/09/2022
PR-100613	Shire DDA Works (LRCI Stage 2)	Project Completed	All works complete.	Sebastian Campbell	Sarah Butterworth	244,986.00	227,307.34	0.00	17,678.66	1/04/2021	30/06/2022
PR-100763	Echuca Murray Esplanade Upgrade	Closed	Funds to be transferred to PCE for completion.	Sebastian Campbell	Sarah Butterworth	300,000.00	17,708.80	0.00	282,291.20	1/07/2022	30/06/2023
Category Total						2,458,219.23	2,267,682.63	0.00	190,537.20		
Irrigation											
PR-100610	Shire Parks and Playgrounds Irrigation	Project Completed	Works completed.	James Marsh	David Southwell	38,000.00	32,031.43	0.00	5,968.57	1/07/2021	30/10/2022
PR-100713	Shire Parks and Playgrounds Irrigation	Project Completed	Works completed.	Kate Lemon	David Southwell	162,000.00	160,716.54	0.00	1,283.46	1/07/2022	30/06/2023
Category Total						200,000.00	192,747.97	0.00	7,252.03		
Kerb & Channel											
PR-100510	Echuca Collier Street K&C	Project Completed	Complete.	Sebastian Campbell	Stephen Cook	115,707.63	115,707.63	0.00	0.00	1/06/2020	30/11/2021
PR-100540	Echuca High Street K&C (Evans to Vines)	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	112,231.29	112,231.29	0.00	0.00	1/06/2021	30/10/2022
PR-100546	Echuca McKenzie St K&C Renewal	Project Completed	Completed.	Sebastian Campbell	Georgia McMurdo	90,252.98	90,252.98	0.00	0.00	1/06/2021	30/06/2022
PR-100635	Kyalbram Allan St K&C Renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	132,502.49	132,502.49	0.00	0.00	1/06/2021	30/06/2022
PR-100638	Stanhope Glasgow St K&C Renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	61,007.58	61,007.58	0.00	0.00	1/06/2021	30/06/2022
PR-100716	Echuca Evans Court K & C Renewal	Project Completed	Construction Complete. Walkover, A-SPEC, ATF & Closure required.	Sebastian Campbell	Georgia McMurdo	241,209.15	241,209.15	0.00	0.00	3/12/2021	30/06/2023
PR-100718	Kyalbram Crosswaite St K & C Renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	76,411.74	76,411.74	0.00	0.00	3/12/2021	30/11/2022
PR-100719	Kyalbram Davies Court K & C Renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	125,117.33	125,117.33	0.00	0.00	3/12/2021	30/06/2023
PR-100720	Lockington Shakespeare Cres K&C Renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	144,618.11	144,618.11	0.00	0.00	3/12/2021	30/12/2022
PR-100721	Echuca South St K & C Renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	133,521.55	133,521.55	0.00	0.00	3/12/2021	30/09/2022

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PR-100722	Kyarbram Tristania St K & C renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	93,504.50	93,504.50	0.00	0.00	3/12/2021	30/10/2022
PR-100724	Echuca Haverfield-Freeman K&C Renewal	Project Completed	Complete.	Sebastian Campbell	Georgia McMurdo	175,195.53	175,195.53	0.00	0.00	3/12/2021	30/12/2022
PR-100725	Echuca McKinlay St K & C Renewal 22/23	Project Completed	Works complete. ATF & Closure required.	Sebastian Campbell	Georgia McMurdo	136,293.97	136,293.97	0.00	0.00	3/12/2021	30/06/2023
PR-100775	Echuca Eyre Street K & C Howell/Mitchell	Project Completed	Completed.	Sebastian Campbell	Georgia McMurdo	125,318.84	125,318.84	0.00	0.00	3/12/2021	30/06/2023
PR-100776	Echuca Eyre Street K & C Sturt to Hume	Project Completed	Completed	Sebastian Campbell	Georgia McMurdo	74,219.96	74,219.96	0.00	0.00	3/12/2021	30/12/2022
PR-100832	Echuca Francis Street K&C Renewal 22/23	Project Completed	Works complete. Walkover, A-SPEC, ATF & closure required.	Darriel Basham	Georgia McMurdo	60,306.88	60,306.88	0.00	0.00	23/02/2023	30/06/2023
Category Total						1,897,419.53	1,897,419.53	0.00	0.00		
Open Space & Recreation Assets											
PR-100438	Kyarbram Rec Res Cricket Nets	Project Completed	Minor defects to be completed on Power connection to bowling machine & new nets.	Kerrie Hawkes	Cameron Stewart	231,103.00	231,741.09	0.00	(638.09)	1/07/2021	30/12/2022
PR-100102	Kyarbram Rec Res Netball Crt Construction	Works complete	All Major works are completed & handover to User Groups (April 2023) NEW Spectator Shelter to be constructed after the 2023 GVFL football & netball season. To be nominated under LRC14	Kerrie Hawkes	Cameron Stewart	816,000.00	807,990.00	47,443.89	(39,433.89)	1/07/2018	30/06/2023
PR-100575	Rochester Moon Oval Lighting Design	Project Completed	FINAL Detail Designs & BOQ Costings have been submitted to Rec Team	Kerrie Hawkes	Cameron Stewart	85,000.00	83,011.64	0.00	1,988.36	1/07/2021	30/06/2023
PR-100592	Kyarbram Northern Oval Drainage Upgrade	Project Completed	Works complete. waiting on grass (hydroseed) to establish.	Kerrie Hawkes	Gregory Dryburgh	69,836.00	71,840.32	0.00	(1,804.32)	1/07/2021	16/12/2022
PR-100698	Echuca South Netball Complex Design	Project Completed	Final Detail Designs have been completed & are currently being reviewed by the Rec Team.	Kerrie Hawkes	Cameron Stewart	50,000.00	33,654.00	0.00	16,346.00	1/07/2022	30/06/2023
PR-100704	Kyarbram Rec Reserve Old Toilet Demo	Project Completed	Works completed. file in review and closure	Marc Turri	Leanne Dos Santos	35,000.00	10,505.00	0.00	24,495.00	1/07/2022	30/12/2022
PR-100772	Lancaster Rec Res Netball Crt (LRC13)	Project Completed	Works complete. File in review and closure	Kerrie Hawkes	Leanne Dos Santos	20,000.00	19,480.00	0.00	520.00	1/07/2022	30/06/2023
Category Total						1,306,939.00	1,258,022.05	47,443.89	1,473.06		
Plant, Machinery and Equipment											
PR-100609	Major Plant Replacement Program 21/22	Project Completed	Carry over from 21/22, all committed plant received. Project to be closed.	Sebastian Campbell	Kirsten McCartney	2,278,928.00	1,392,605.39	0.00	886,322.61	1/07/2021	30/12/2022
PR-100685	Disaster Recovery System Renewal	Project Completed	Project to be delivered by ICT.	Matthew McPherson	Matthew McPherson	71,000.00	70,998.24	0.00	1.76	1/07/2022	30/11/2023
PR-100753	Shire Pool Dosing Plant Equipment	Project Completed	Works completed. file in review and closure.	Kerrie Hawkes	Leanne Dos Santos	90,000.00	75,946.50	0.00	14,053.50	1/07/2022	30/12/2022
Category Total						2,439,928.00	1,539,550.13	0.00	960,377.87		
Playgrounds											
PR-100282	Gunbower Lion's Park Upgrade	Project Completed	Project complete	Kerrie Hawkes	Peter Favero	1,027,298.00	989,734.07	0.00	1.00	1/05/2020	30/09/2022
Category Total						1,027,298.00	989,734.07	0.00	1.00		
Roads											
PR-100195	Rushworth Snr Citizens Carpark Construct	Project Completed	Project completed in Sept 2022 & is waiting to be closed out by other Internal Departments in CAMMS.	Janelle Wheatley	Cameron Stewart	310,730.00	323,806.94	0.00	(13,076.94)	1/07/2020	30/10/2022
PR-100399	Barnadown-Mycla Road Rehab	Project Completed	Project completed.	Sebastian Campbell	Brian Hubbard	228,885.00	214,267.88	0.00	14,617.12	1/07/2020	26/05/2023
PR-100416	Torrumbury Weir Rd (Design Review)	Project Completed	Review of design to be completed to establish best outcome for road safety within the native vegetation and tree constraints.	Sebastian Campbell	Sebastian Campbell	50,000.00	35,065.44	4,912.50	10,022.06	1/04/2021	30/06/2023
PR-100518	Kyarbram Fenaughty Street Construction	Project Completed	Construction works completed and undertaking closure.	Sebastian Campbell	Gregory Dryburgh	686,000.00	665,480.36	0.00	20,519.64	2/07/2020	28/10/2022
PR-100529	Shire Gravel and Shoulders Stabilising	Project Completed	Project complete.	Sebastian Campbell	Brian Hubbard	2,532,792.00	2,265,505.32	0.00	267,286.68	6/08/2020	30/06/2022
PR-100554	Echuca Nish St Road Rehabilitation	Project Completed	Project complete. Phase sign offs pending. Closure report and ATF complete.	Sebastian Campbell	Brian Hubbard	412,600.00	329,463.53	0.00	83,136.47	1/07/2021	28/02/2023
PR-100568	Echuca Service St Rehabilitation	Project Completed	Project completed.	Sebastian Campbell	Brian Hubbard	361,000.00	315,083.68	0.00	45,916.32	1/07/2021	28/02/2023
PR-100569	Rochester McCol Road Rehabilitation	Project cancelled	Project removed from Programme. Project closed and pending signoff process.	Sebastian Campbell	Brian Hubbard	625,000.00	12,552.50	0.00	612,447.50	1/07/2021	26/05/2023
PR-100570	Gingarre Mason Road Construction	Project cancelled	Project removed from Programme. Project closed and pending signoff process.	Sebastian Campbell	Brian Hubbard	952,000.00	14,662.50	0.00	937,337.50	1/07/2021	26/05/2023
PR-100604	Echuca Parking Meters	Project Completed	Works completed. File in Review and closure	Kate Lemon	Leanne Dos Santos	150,000.00	122,102.70	0.00	27,897.30	1/07/2021	30/10/2022
PR-100653	Shire Road Resheeting Program 22/23	Project Completed	Project complete	Sebastian Campbell	Brian Hubbard	2,424,900.00	1,661,041.17	0.00	763,858.83	1/07/2022	31/05/2023
PR-100654	Shire Sealed Road Shoulder Resheet 22/23	Project Completed	Project complete	Sebastian Campbell	Brian Hubbard	1,067,100.00	1,091,350.80	0.00	(24,250.80)	1/07/2022	31/05/2023
PR-100770	Rochester Cohen Street Upgrade Design	Project Completed	Designs and estimates complete and with Road Services for consideration in future Capital Works program.	Sebastian Campbell	Sarah Butterworth	0.00	4,100.00	0.00	(4,100.00)	1/07/2022	31/03/2023
Category Total						9,801,007.00	7,654,482.82	4,912.50	2,741,611.68		
Stormwater & Flood Control											
PR-100120	Echuca Ash Street Drainage	Project Completed	Project complete	Sebastian Campbell	Paul Arthurson	1,545,461.00	1,543,379.64	0.00	2,081.36	1/07/2018	30/09/2022
PR-100425	Shire Rural Culvert Pits and Pipes	Project Completed	Complete, submitted for sign off/closure.	Sebastian Campbell	Georgia McMurdo	469,500.00	478,385.60	0.00	(8,885.60)	1/07/2020	30/03/2023
Category Total						2,014,961.00	2,021,765.24	0.00	-6,804.24		
						35,264,450.58	23,729,957.52	141,446.89	5,355,483.24		

NB - For this financial year PM costs were budgeted in a separate allocation, therefore any negative balances in savings from closed projects can be attributed to the PM costs for the project being journalled into the project by Finance during financial close out in order to capitalise the full cost of the project. From 23/24 financial year PM costs will be included in individual project budgets as per the process prior to 21/22 financial year

8.4 Communities

8.4.1 Sister City Relationships

Directorate:	Communities
Responsible Officer:	Director Communities
Manager:	Director Communities
Attachments:	Nil

1. PURPOSE

The purpose of report is to provide Council with an update on the current status of the International Engagement Policy including the Sister City relationship with Shiroy, Japan, Shangri La, China and the financial support to Campaspe East Timor Association Friendship group, and to consider rescinding the agreement.

2. RECOMMENDATION

That Council

- 1. Endorse the rescission of the International Engagement Policy.**
- 2. Agree to notify delegates in Shiroy, Japan of decision to rescind International Engagement Policy.**
- 3. Acknowledge that Campaspe East Timor Association Friendship (CETAF) is no longer in operation and Council is not providing any further financial support.**

3. DISCUSSION

The Sister City relationships were established with both Shiroy, Japan and Shangri La, China 25 years ago to provide opportunities to contribute to the cultural diversity and richness of the community. These relationships were also seen to enhance economic productivity and growth through support for tourism, major events, attracting skilled migration and enhance international trade across multiple industries.

During the most recent visits from Japan it was noted that the same visitors were coming to Campaspe each time and that there were minimal new delegates participating. This reduces the opportunities for international trade development and was viewed as more of a holiday for the participants with no real economic benefit to Campaspe community.

There has not been a contingent supported between Shiroy and Campaspe for more than 4 years now due to global COVID travel restrictions. The COVID pandemic has highlighted and enhanced the global network of other means of communicating, connecting and the increased availability of information which no longer requires long haul flights and large expenses in travel.

Relationship with China was challenging and trips between countries occurred sporadically. The Sister City relationship with Shangri La, China was discontinued in May 2021.

Council has provided an annual \$750 financial contribution to the Campaspe East Timor Association Friendship group (CETAF). This annual contribution is to assist with the CETAF's operational costs. Officers have established that CETAF dissolved in early 2023 due to a number of personal reasons and external commitments of group members.

4. CONSULTATION

Internal consultation:

- Executive Leadership Team
- Staff (previous program participants)

External consultation:

- CETAF
- Kyabram P-12 College
- Jacky Okada, Secretary General, International Friendship Association of Shiroi and organising travel agent

Councillors:

- 29 August 2023 Council Briefing Session

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Growing quality of life

Inclusive, connected, culturally diverse and safe

6. POLICIES AND RELATED COUNCIL DOCUMENTS

Policy 082 International Engagement

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

There are no legal or statutory obligations to support international relationships.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

Nil.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Nil identified.

10. ISSUES AND RISK MANAGEMENT

Issues:

Issue 1:

Jacky Okada, of the International Friendship Association of Shiroi is seeking to reinvigorate the community delegation exchange program. The decision to rescind the long-standing Sister City Agreement will be disappointing for some, therefore important we communicate the decision to the Shiroi City Council and their International Friendship Association of Shiroi.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

Nil.

12. CHARTER OF HUMAN RIGHTS

This report complies with the Charter of Human Rights.

13. INSTRUMENT OF DELEGATION

Recommendations within this report have been provided within the officers delegation of authority.

8.4.2 Loddon Mallee Housing Action Plan

Directorate: Communities

Responsible Officer: Manager Community Health

Manager: Director Communities

Attachments:

1. Final Loddon Mallee Housing Action Plan [8.4.2.1 - 40 pages]
2. LM Business Case Mildura [8.4.2.2 - 33 pages]
3. LM Business Cases Buloke [8.4.2.3 - 48 pages]
4. LM Business Cases Etty St [8.4.2.4 - 86 pages]
5. LM Business Cases Newbridge Preliminary Report [8.4.2.5 - 29 pages]

1. PURPOSE

To inform Council of the Loddon Mallee Housing Action Plan report which focuses on addressing major barriers to providing more adequate housing in the Loddon Mallee Region.

2. RECOMMENDATION

That Council:

1. **Endorse the Loddon Mallee Housing Action Plan.**
2. **Note the financial contribution from Campaspe Shire Council to Macedon Ranges Shire Council as employing agency of \$8,000.00 towards the employment of a Regional Housing Officer, dedicated to the delivery of strategies of the Loddon Mallee Housing Action Plan.**
3. **Note that any future contribution will be reviewed after the 12-month employment duration of a Regional Housing Officer and contingent upon demonstrated project deliverables.**

3. DISCUSSION

The Victorian State Government Department of Jobs, Skills, Industry and Regions (DJSIR) provided funding for the development of a Loddon Mallee Housing Action Plan, which investigates issues relating to the provision of additional housing across the Loddon Mallee Region. The plan identifies a number of strategies developed to address the critical housing needs of the region.

In addition to the action plan, the project also developed four business case studies that demonstrated projects being implemented with examples of what could unlock housing and illustrate how some of the issues and barriers identified could be addressed.

Several of the issues explored by the plan are applicable across all of the Loddon Mallee Region local government areas. For example, a significant common issue across the region is the existence of vacant or surplus to requirement land held by State Government departments that would be highly suitable for housing, however the inability to release this land due to bureaucratic processes presents as a major impediment. If this project were able to influence a transferable pathway for releasing land of this nature for housing development, this would be a significant benefit for the region. It is envisaged there will be significant benefit gained by Campaspe Shire Council participating collaboratively with regional partners in the delivery of actions from the plan.

Swan Hill Rural City Council acted as the project lead, worked closely with DJSIR and the appointed consultants SGS Economics and Planning to develop the strategies and action plan.

All Loddon Mallee Councils were invited and took part in the project through the consultation process to ensure local Council issues were identified and reflected in the final strategies, as follows:

Strategy 1 – Better Strategic Planning for future housing supply

Strategy 2 – Bridging Infrastructure financing gaps

Strategy 3 – Accelerating the development of zoned and suitable land for housing

Strategy 4 – Bridging the feasibility gaps for medium density infill housing

Strategy 5 – Addressing growing demand for affordable and secure housing

Strategy 6 – Reducing time and costs to unlock supply.

The action plan is a long-term visionary document and would rely on the assistance of a housing officer over a sustained period of time to achieve successful outcomes.

A number of Councils within the region have staff undertaking aspects of a housing officer role, however this is in a part time capacity with no ability to take carriage of the action plan implementation items.

Funding for the creation of at least one dedicated position is likely to be in the order of \$150,000.00 per year. The Loddon Mallee Regional Development Australia (RDA) has invested an initial \$75,000.00 toward a position, with the shortfall being met by the Loddon Mallee Region Councils. A 12-month demonstration period is required to work toward attracting further State Government funding.

Consultation

Through the development of the plan, consultation has taken place with a wide variety of stakeholders, industry experts and community leaders with the aim of developing an action plan that will over time deliver more housing on the ground which the region has identified as one of the requirements to ensure the future prosperity of the Loddon Mallee Region.

There has been significant consultation undertaken across the Loddon Mallee Region to develop the Housing Action Plan. Councils, State Government Departments, Industry leaders, key stakeholders and Community representatives have been involved in the discussions. There were a number of workshops conducted together with one-on-one interviews to establish what the impediments to the provision of additional housing were. The consultants also reviewed relevant policies and documentation relating to housing, land release, financing and Government regulations.

Internal consultation:

- Previous consultation occurred with former Executive Team Members in 2021 - 2022.
- 16 August 2023 Executive Leadership Team (including briefing by Swan Hill Rural City Council's Economic and Community Development Manager)

External consultation:

- Officer participation through development phase of the action plan

Councillors:

- 5 September 2023 Council Briefing Session.

4. STRATEGIC ALIGNMENT

Council Plan 2021-2025

- Growing quality of life:
Effective and efficient services available locally.
Children, young people and families healthy and well.

The Loddon Mallee Housing Action Plan highlights the need for more housing, such as affordable, social and workers accommodation. The construction of new housing will have a positive impact on the Loddon Mallee region economy, providing employment opportunities, industry support and housing for people seeking to live within the region, along with the opportunity for unused land to be developed.

5. POLICIES AND RELATED COUNCIL DOCUMENTS

Echuca Housing Strategy (2011)

The Loddon Mallee Housing Action Plan aligns with the Echuca Housing Strategy including the themes of increasing housing choice and housing availability and addressing future residential supply.

6. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

7. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

Campaspe Shire Council has committed funds (\$8,000) toward the creation of a Regional Housing Officer position, as part of a cost share arrangement with the 10 local governments of the Loddon Mallee Region. Future funding contribution toward such a position is recommended to be contingent upon demonstrated project outcomes.

8. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

The Loddon Mallee Housing Action Plan highlights the need for more housing, such as affordable, social and workers accommodation. The plan describes short, medium and long-term strategies to influence increased housing provision. A full partnership approach will be needed to achieve success.

The construction of new housing will have a positive impact on the Loddon Mallee region economy, providing employment opportunities, industry support and housing for people seeking to live within the region, along with the opportunity for unused land to be developed.

Consideration will need to be given as to how to overcome some of the financial impediments relating to infrastructure costs to attract investment into the housing sector.

The action plan acknowledges the need to have consideration for the environment when identifying parcels of land to be developed into housing. Constructing environmentally sustainable homes is encouraged when working with prospective developers and continuation of State Government support for ecofriendly housing should be a part of any advocacy campaign around housing.

9. ISSUES AND RISK MANAGEMENT

Issues:

Issue 1: Lack of Housing

The lack of housing across the Loddon Mallee region is a risk for all Councils and will have a detrimental impact on the ability for the region to grow and take advantage of economic and business opportunities.

Issue 2: Difficulty recruiting and risk to implementation

It is recognised there may be difficulty attracting a Regional Housing Officer. Project partners have discussed the potential to locate the proposed Housing Officer centrally or at a location in the region that best suits prospective candidates to support attracting the right person with the skills needed. Macedon Ranges Shire Council will be the employing agency for the funded 12-month role.

In the event the role is unable to be filled, the Governance body would have to consider how best to progress the action plan within resources or via consultancy.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

10. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

11. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

12. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to the existing policy or Strategy previously adopted by Council.

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LODDON-MALLEE HOUSING ACTION PLAN

Swan Hill Rural City Council

November 2022



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SGS ECONOMICS AND PLANNING:

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Implementation and summary of action plan / business case projects

Governance responsibility for the action plan and business cases

Future carriage and responsibility for the action plan should reside with an appropriate authority and with access to appropriate resources for implementation. Four governance options have been considered, with the advantages and disadvantages summarised in Table E1.

In addition to this 'implementation' level governance function it is also considered appropriate, given the importance of housing to the region and complexity of the issues, to ensure there is an advocacy and oversight role for a separate group, drawn from the Regional Development Australia (RDA) and Regional Partnership (RP) groups (who have provided in-principle support for such a role) representing the Loddon-Mallee region.

Option 1 (Establishing an implementation taskforce and seeking additional operational resources, overseen by a strategic leadership group) is favoured to enable a targeted and singular focus on implementation with appropriate advocacy and oversight. Dedicated resources should be sought for implementation, in the form of two Housing Support Officers working across the region. The following process is proposed.

- Establish a Loddon Mallee Housing Action Plan implementation taskforce based on the Project Control Group established for the current study, with selected other industry and advocacy representatives (up to 7 members), with a three year life and with an agreed meeting schedule
- Establish a Loddon-Mallee Housing Leadership group of say five people, drawn from RDAs and RPs in the region. This group would have a strategic oversight and advocacy role, including promoting the work of the taskforce and ensuring the housing agenda stays 'front of mind' in the strategic and coordination work of the RDAs and RPs.
- Initial responsibility for establishing the implementation taskforce, and then sharing and seeking adoption of the Action Plan amongst the 10 councils in the region would rest with the task force supported by Swan Hill Rural City Council. The action plan will be distributed to councils for adoption on the understanding that through implementation the agenda will evolve and be refined. Not all actions will necessarily be implemented and there will be a need for flexibility as circumstances and opportunities arise.
- Swan Hill Rural City Council could act as the Governance Secretariat in the first instance through its Economic Development Unit (with a view to rotating it through the Councils).
- RDV would be approached to identify the most appropriate targets for matched funding for implementation resources.
- The implementation taskforce would seek financial contributions from the 10 councils of (say) \$75,000 (pro rata based on income) and then make representations to state government for funding (e.g. via the Regional Jobs and Infrastructure Fund) for a total of (say) \$300,000 over two years to employ two

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Housing Support Officers (with responsibility for implementing the action plan and elements arising from the business cases and liaising across the region). The actual required resources would be confirmed by the task force.

- Position descriptions and a recruitment process for the Housing Support Officers would follow. One council will need to take responsibility for employment (the Health Heart of Victoria precedent where Greater Bendigo employed an officer working across six councils is relevant).

TABLE E1 ACTION PLAN GOVERNANCE OPTIONS AND ADVANTAGES AND DISADVANTAGES

Governance options	Advantages	Disadvantages
1. Establishing a new group with responsibility for the action plan and cross-council representation – seek additional resources for implementation.	Singular focus on housing is possible Resources can be sought for a clear agenda based on the Action Plan Resources can be tied to tasks and achievement of outcomes	Effort to establish Competing resourcing and time commitments (of stakeholders and potential members)
2. Existing bodies such as those set up under Regional Partnerships i.e. Loddon Campaspe and Mallee Regional Partnership, with support of Council Directors or Economic Development Teams/State Government Staff to action items	Body already exists	Boundaries for two groups don't exactly align with the Loddon- Mallee region and its 10 local government areas. Extra agenda item for these regional partnerships – housing may get 'lost' Difficult to create and maintain regional coordination for effective progress to be made.
3. Existing bodies such as Loddon Campaspe & Mallee Group of Councils with support of Council Directors or Economic Development Teams/State Government Staff to action items	Body already exists	Only half of the Councils would be meeting with the other half involved in a different group meeting Extra agenda item for these Groups of Councils – housing may get 'lost' Difficult to create and maintain regional coordination for effective progress to be made.
4. Integrating into implementation of the Regional Economic Development Strategies with Action plan as focus for sub-committee of the main group - Regional Partnerships with RDAs.	Housing is generally a focus	Action plan agenda is specific – different to other work Unclear who would be responsible for implementation, therefore minimal progress will be made.

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Key Housing Supply Issues

From the research and consultation **six key issues** relating to housing supply have been identified across the region:

1. a lack of comprehensive strategic planning for future housing
2. suitable development land being withheld from in-sequential release
3. lack of infrastructure finance / provision to support development
4. poor development feasibility in some markets for medium density and compact housing and therefore unachievable sale prices
5. decreased housing affordability and increased housing related stress
6. costs and time delays in planning and development that hamper responsive supply.

A lack of strategic planning is a region wide problem. The other issues or problems exist to varying degrees across the ten council areas.

Action Plan

The following **Action Plan** addresses each of these issues through strategies and actions in two categories, namely:

- Region-wide actions for long term impact (for enduring change across the whole region)
- Actions for short/medium term impact (across the whole region but available to councils as relevant)

Table E2 summarises the actions in these categories. Further detail on the actions is provided in section 3 of the report that follows. The actions would be the responsibility of the Housing Support Officers supported by the proposed taskforce. Each action is further categorised by its nature (i.e. Advocacy, Research, Governance reform, Policy, Funding / subsidies, Coordination / assistance, Guidelines / information), and by which level of government would be the most likely partner in implementation, and by the potential size or scale of impact on the housing and supply issues that have been identified.

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TABLE E2 SUMMARY OF ACTIONS TO ADDRESS HOUSING CHALLENGES

Strategy and Actions	Action type	Implement ation partner	Scale of Impact
Strategy 1 Better strategic planning for future housing supply			
Actions for long term impact			
1L1 Create new units for regional planning based in the regions, with responsibility for detailed regional strategic planning and oversight of major land release projects (could be an expanded role for the VPA). Ideally these units would include a planning director, a demographer to provide a more up to date data and on the ground assessment of key housing statistics, and a support team.	Governance reform	State	High
1L2 Prepare a detailed, evidence based regional planning strategy with demand and supply analysis and specific directions to provide land for 30 years housing supply, including state-wide bushfire and flood risk assessments to apply a consistent approach to settlement planning.	Policy	State	High
1L3 Advocate for a Windfall Gains Tax revenue sharing deal under which a proportionate share of aggregate State collections of WGT would be returned the Loddon-Mallee region to support regional strategic planning and infrastructure investments consistent with strategic plans.	Funding / subsidies	State	Medium
1L4 Seek a review of PPN90 Planning for Housing to require a 30 year planning horizon and allow for town by town differences in designating additional land for future housing.	Policy	State	Low
Actions for short/medium term impact			
1S1 Lobby DELWP and the Victorian Planning Authority (VPA) to refresh the current Loddon-Mallee regional growth framework to more rapidly open up new housing supply opportunities, including. <ul style="list-style-type: none"> - undertaking rapid strategic analysis of future demand and supply prospects at a regional level - Identifying priority areas for new release in liaison with councils taking into account suitable zoned land and infrastructure availability - preparing PSPs consistent with the rapid strategic analysis and local objectives for housing and urban development. - expediting accompanying Planning scheme amendments that facilitate new residential developments. 	Advocacy / Policy	State	Medium
1S2 Expand resources available for local strategic planning, particularly for smaller resource constrained councils e.g. partnerships with Universities to facilitate undergraduate planners, ensure new state planning hubs support strategic planning.	Funding	State	Medium

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Strategy and Actions	Action type	Implement ation partne	Scale of Impact
Strategy 2: Bridging infrastructure financing gap			
Actions for long term impact			
2L1 Seek assistance to access NHFIC funding for infrastructure <ul style="list-style-type: none"> - Coordinate a regional approach via proposed Housing Support Officers and engage with NHFIC - Seek DJPR support to act as broker and under-writing agency to assist Councils access NHFIC concessional loans, grants or equity finance - Call for expressions of interest from Council for development projects where it can be demonstrated that without NHFIC financing the project would be unlikely to proceed, or likely to proceed only at a much later date - Seek funding via the National Housing Infrastructure Facility (NHIF) for the eligible development projects. 	Coordination / assistance	Federal / State	High
2L2 Engage with councils and DELWP to identify barriers to wider use of Development Contributions Plans and Infrastructure Contributions Plans and identify joint approaches or reforms that would encourage take-up including administrative burdens and moderating cash flow and financing issues for individual councils as they need to fund infrastructure	Governance reform	State / Councils	Med-ium
Actions for short/medium term impact			
2S1 Establish a mechanism for councils to invite the VPA to produce DCPs for development areas upon request.	Coordination / assistance	State / Councils	Med-ium
2S2 Organise a housing supply action summit with key providers of development infrastructure (water, sewerage, roads) to address key barriers to identified housing development opportunities, and to discuss other joint grant and funding opportunities.	Coordination / assistance	State / Councils	Mediu m

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Strategy and Actions	Action type	Implementation partner	Scale of Impact
Strategy 3: Accelerating the development of zoned and suitable land for housing			
Actions for long term impact			
3L1 Establish a short-list of 20 under-utilised government owned sites (e.g. VicTrack land) suitable for housing across the region (created from suggestions by each of the councils), and after due consideration of planning merits, seek Ministerial and/or government support for fast-tracking surplus designation, sale (or disposal) and development, and compile in a prospectus to publicise the opportunities (which could include community housing partners).	Coordination / assistance	State	High
3L2 Establish a process where land-owners and developers of suitable zoned land can partner with Development Victoria (DV) to develop their land and make them equity partners	Coordination / assistance	State	Medium
3L3 More clearly identify DV owned or optioned vacant land, and promote these as development opportunities to encourage involvement from the development industry.	Policy	State	Medium
3L4 Prepare consistent guidelines for councils to apply differential rates to encourage development of suitable zoned and in-sequence vacant land.	Guidelines / information	Councils	Medium
Actions for short/medium term impact			
3S1 With the assistance of DELWP provide an advice service to owners of zoned, vacant land capable of producing 5 or more dwellings on development pathways, and if implemented, write to all such owners calling for expressions of interest in the advice and development assistance service	Coordination / assistance	State	Low
3S2 Prepare a short prospectus of known development opportunities and promote this to selected developers in Melbourne or Bendigo (and beyond).	Guidelines / information	Councils	Low

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Strategy and Actions	Action type	Implementation partner	Scale of Impact
Strategy 4: Bridging the feasibility gap for medium density infill housing			
Actions for long term impact			
4L1 Push for Development Victoria to undertake innovative and essential infill and medium density housing development projects in regional centres in the Loddon-Mallee	Governance reform	State	High
4L2 Develop regional support for more affordable and diverse housing by establishing an 'alliance' group of developers, project builders and council representatives to 'make the case' for non-traditional housing on smaller blocks in regional markets including: <ul style="list-style-type: none"> - demonstrating economic and social need - highlighting benefits from a cost, convenience and housing diversity perspective to encourage take-up - highlighting exemplar projects and housing plans to showcase more affordable homes - work on addressing barriers to market acceptance for council and community education. 	Advocacy	Councils	Medium
Actions for short/medium term impact			
4S1 Push for the State Government to provide a medium density housing 'bounty' (e.g. \$30,000 per unit – to be confirmed after further investigation) to developers willing to build multi-unit housing in infill areas in regional centres in the region.	Funding / subsidies	State	High
4S2 Critically review local planning controls in consultation with the development sector, particularly in service rich, high amenity inner areas of larger towns, to identify any barriers to shop-top, compact or multi-unit housing development, including subdivision of existing dwellings into two dwellings.	Policy	State / Councils	Medium
4S3 Package up council owned land in good locations deemed to be under-utilised and surplus to foreseeable requirements (following a rigorous evaluation process) and proactively market the sites on favourable terms to developers willing to provide demonstration medium density housing projects. These projects could be teamed with further subsidies to support additional affordability objectives (see below).	Funding / subsidies	Councils	High

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Strategy and Actions	Action type	Implement tation partner	Scale of Impact
Strategy 5: Addressing growing demand for affordable and secure housing			
Actions for long term impact			
5L1 Undertake research to better understand what the gaps and needs for rural key worker, seasonal and essential housing are by LGA in the region and prepare an informed regional needs position statement to use in advocacy.	Research	Councils	Low
5L2 Push for the State Government to commit to a Rural and Seasonal Worker Housing program which would provide recurrent payments to parties willing to build, own and operate rental housing to mitigate skill shortages in country Victoria to address regional needs (identified in the above-mentioned position statement)	Advocacy	State	High
5L3 Work with universities with a regional presence (La Trobe in particular) and encourage them to support affordable student housing projects in key regional centres.	Coordination / assistance	Local	Med- ium
5L4 Lobby for an extension of the Big Housing Build and other social and affordable housing investment including in private sector joint ventures in regional Victoria (including in towns which were not part of the original, first round spend guarantee).	Advocacy	State	High
5L5 Liaise with Commonwealth Games offices and associated agencies, including Development Victoria, and encourage the relocation of any temporary housing structures/ pods into regional areas for seasonal worker accommodation after the Commonwealth Games.	Coordination / assistance	State / Councils	High
Actions for short/medium term impact			
5S1 Prioritise a project in First Nations Housing in the region by: <ul style="list-style-type: none"> - Identifying the nature of projects eligible for grant funding through for example the National Indigenous Australian Agency NIAA or the Social Housing Growth Fund – Homes for Aboriginal Victorians - Liaising with Councils and First Nations representative groups in the region to identify relevant housing ideas and potential housing projects - Working with potential partners to refine projects and secure funding for a First Nations Housing Project from the above or other sources. 	Coordination / assistance	Local	Low
5S2 Investigate opportunities to support the construction of accommodation prior to the Commonwealth Games (for those councils in proximity to Greater Bendigo).	Policy	Local	High
5S3 Approach Development Victoria to undertake an exemplar infill renewal housing project at Chum Street, Bendigo to demonstrate the benefits of mixed, medium density housing projects with social housing, justified on the basis of wider economic, social and community merits.	Advocacy	State	High

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5S4 Lobby the state government to introduce reforms to the planning system to enable short term rental housing to be distinguished from housing for long term occupation (which would mean housing used for short term rental accommodation – defined by for example a 180 day limit restriction – would require a planning permit though allowing for some reasonable exemptions).	Policy	State	Medium
5S5 Identify suitable underutilised Council land or sites which could be developed for social and affordable housing and work with HomesVic to offer this to community housing providers through the Big Housing Build and future programs (also see 4S3)	Funding / subsidies	Councils	Medium

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Strategy and Actions	Action type	Implement ation partne	Scale of Impact
Strategy 6: Reducing time and costs to unlock supply			
Actions for long term impact			
6L1 Push for the State Government to expand its Regional Planning Hub program to assist local councils to speed up their housing policy updates and improve their development approvals processes. A priority focus should be to get as much housing development 'code assessable' as possible.	Policy	State	Med- ium
6L2 Work with relevant partners (Victorian Skills Authority and education providers) to promote and encourage development of a local trade skills program and promote this in schools to facilitate the development of a future construction workforce.	Guidelines / information	s State	Med- ium
Actions for short/medium term impact			
6S1 Provide a regional service to assist councils in identifying projects that could access DELWP's Development Facilitation Program which is intended to accelerate the assessment and determination of eligible 'regional housing and/or employment projects'.	Coordination / assistance	State / Councils	Low
6S2 Establish council level criteria and system for priority assessments for residential rezonings and development proposals.	Guidelines / information	Councils	Low
6S3 Run local training / information programs on regulatory settings and requirements to assist development proponents to frame their project documentation to enable rapid assessment.	Guidelines / information	State / Councils	Low
6S4 Promote new low cost building technologies and typologies (kit builds, pre-fabs, moveable dwellings, off-site construction) to encourage housing development (without necessarily reducing the quality of the design and build).	Guidelines / information	Councils	Low

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Business cases / strategic guides for four projects

The Acton Plan is accompanied and supported by two business cases and two strategic guides for projects which could unlock housing and illustrate how some of the issues and barriers identified above could be addressed. Broadly speaking, projects for these reports were chosen based on their:

- geographic spread (to ensure different parts of the region were represented by projects but also with a bias toward the smaller settlements and rural areas which typically receive less attention in relation to such projects)
- potential to address different aspects of the housing challenge (across the spread of issues identified above)
- potential to reveal new pathways and new ways of addressing barriers to housing supply
- potential for replication in other regions
- potential to leverage or unlock other investment
- potential to address direct and pressing economic and social issues.

After consultation with RDV, LGA's and the PCG the following four studies were selected.:

1. Etty Street Project Strategic Guide

Etty Street is a former secondary school site in Castlemaine in the Mount Alexander council area. The Department of Education and Training owns the school site, and lots on the land are managed by DELWP, Parks Victoria and the Department of Education and Training. The site has a potential development yield of 90 lots. The land is classified as Crown land, and land-use changes are subject to native title.

The core goal of Mount Alexander Shire Council is to provide social and affordable housing by activating under-utilised State land. This goal aligns with Strategy 5 of the housing action plan. The Strategic Guide addresses two key issues:

- How to identify and activate surplus State land. Formulating the process for the transfer of lots from one entity to another. Identifying the legislative barriers that need addressing.
- How to navigate the native title process in a time-effective manner.

The broader learnings from the project will be a process that is adoptable by other regional councils to unlock under-utilised State land that is subject to native title.

2. Mildura Worker Housing Project Business Case

SMECC is a worker housing provider for employees from culturally and linguistically diverse (CALD) backgrounds. The organisation has had success in providing worker housing in the past. Currently, they are pursuing a new project that will deliver over 124 beds on an underutilised parcel of land on Ramsay Court.

The business case develops the economic case for funding and provides a financial feasibility model for a successful housing accommodation development including identifying the capital 'gap' required to realise the project and achieve its demonstrated economic benefits. The business case aligns with Strategy 5 of the housing action plan. The business case showcases how councils could facilitate the development of a similar project.

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3. Buloke Worker Housing Project Strategic Guide

The Buloke Shire has several businesses looking to expand or establish operations within the region bringing job opportunities. A key barrier for businesses is obtaining sufficient workers due to the lack of housing within Buloke. Buloke likely has sufficient zoned land and does not need to necessarily rezone more land; instead, landowners need to be incentivised to release land. Alternatively, suitable land needs to be identified for specific worker housing projects. Another issue to address is how council can guide potential developers in creating a development proposal or lead themselves a development proposal.

The Strategic Guide outlines the steps required to achieve additional worker housing. the Strategic Guide aligns with Strategy 3 in finding opportunities to accelerate the development of zoned and suitable land for housing development and Strategy 5 in addressing the growing demand for social and affordable housing.

4. Loddon Newbridge Water and Sewerage Infrastructure Project Business Case

Newbridge is a settlement in Loddon LGA whose growth has been hampered by the lack of a reticulated water and sewerage system. Though Newbridge was identified as a priority location under State government Country Towns Water Supply and Sewerage Program, the wind up of that program has meant Coliban Water is unable to finance the project. Prices would need to rise to finance the debt and this would unduly impact on the customers. What is missing for the project to go ahead is a third-party guarantor to take on the financing obligations.

This Business Case considers the wider economic benefits of the project which justify alternative financing options including the use of the National Housing and Infrastructure Facility (NHIF) to address infrastructure gaps. The options could be helpful to other regional councils (or water authorities) facing similar financing barriers. The Newbridge project aligns with Strategy 2 of the housing action plan on bridging infrastructure gaps. .

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1. Introduction

Adequate housing is fundamental to a community's social functioning and economic performance. The ten councils that make up the Loddon-Mallee region have identified that population growth combined with a shortage of appropriate housing, a lack of housing diversity and increasingly expensive housing is creating social stresses and pressures on services and infrastructure while dragging on the region's ability to achieve its economic potential. This Housing Action Plan (and the business cases to be prepared in due course) is a response to various dimensions of the housing crisis in the Loddon-Mallee.

There are some common issues identified as affecting housing in the region, though particular councils have unique needs. Research and consultation were undertaken to understand the scale and spatial incidence of the issues. In addition, councils, regional organisations and developers were consulted to identify priority actions that would address the key issues identified. From these findings SGS undertook further work to formulate this draft Housing Action Plan to strategically address the issues identified. Four business cases to address priority actions will be prepared in due course, following further consultation.

Section 2 of this draft Action Plan describes the issues identified and key findings from the discussion paper prepared prior to consultation early in 2021 (and prior to the release of 2021 census data later in the year) and summarises the issues and key findings from the targeted consultation with stakeholders.

Section 3 identifies strategies and key actions to address the housing issues identified through the research and consultation.

Four priority projects identified in the course of the analysis and consultation undertaken for the study are a focus for further studies produced separately to this action plan.

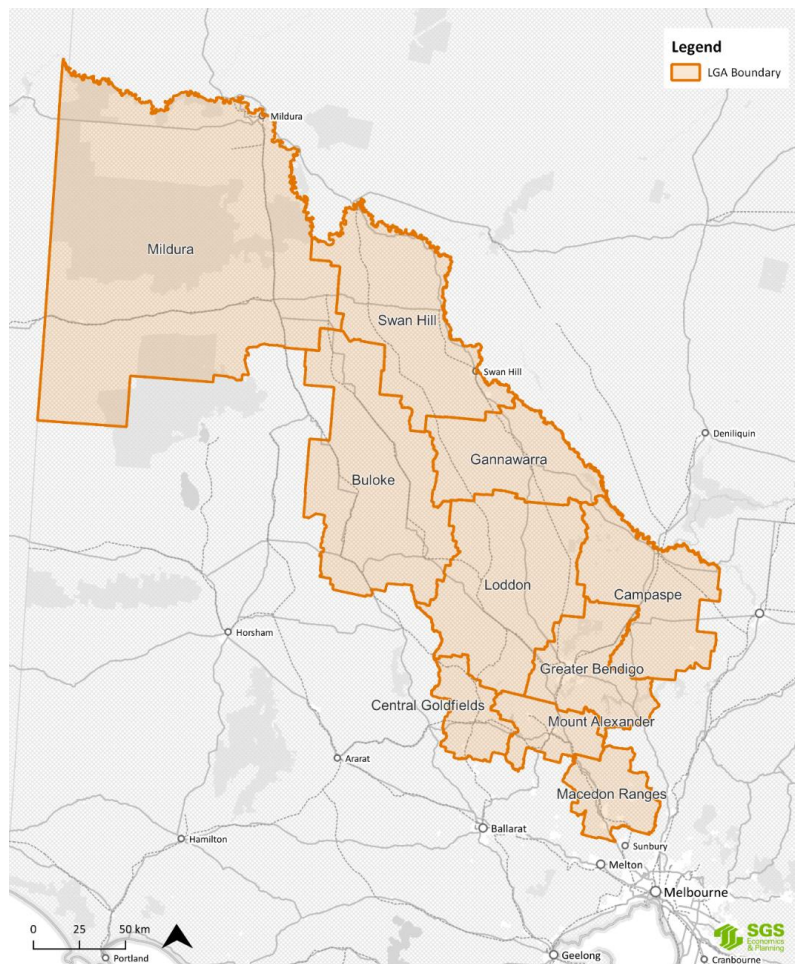
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2. Research and consultation

2.1 Profile of region

The Loddon-Mallee region's 10 municipalities are geographically dispersed, stretching from proximity to metro Melbourne towards the north-western border of Victoria. Cities, towns and settlements across the region have quite different characteristics. Natural and rural landscapes are varied. Economic drivers and influences on growth are also different and distinctive across the region.

FIGURE 1: LODDON MALLEE COUNCILS



Source: SGS Economics and Planning 2022

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Major centres

The Loddon Mallee region has four major urban centres Bendigo, Mildura, Swan Hill and Echuca.

Greater Bendigo is easily the most populated local government area in the region with a population of over 110,000 people¹. The size of the economy, or GRP is over \$7bn. The key employment industries being healthcare and social assistance and retail. Manufacturing, agriculture and tourism are also major contributors to the municipality's economy. The city is a major regional service and economic hub in Central Victoria.

The Rural City of Mildura is located in the north west of Victoria about 550kms from metropolitan Melbourne. The LGA has a population of over 50,000 people with about 35,000 in the urban area of Mildura. The key industries are tourism, food and beverage manufacturing, transport and logistics, agriculture, retail, health and community services². Mildura city is a major service centre for not only north west Victoria by also parts of NSW and SA.

Swan Hill has a population of over 20,000 people and has an economic output of \$3bn³. The LGA includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco. Agriculture makes up about a fifth of the LGAs economic output with seasonal agricultural work being a feature.

Echuca is the major centre within the Campaspe municipality located near the Murray River. The key industries are tourism and agriculture. The settlement serves as an important economic and social hub for Northern Victoria and Southern NSW with its border twin Moama.

Economic profile of region

The Loddon-Mallee region has a complex economic profile given its geographic spread. The Loddon Mallee region has approximately 340,000 residents spread across the 10 council areas, representing about 5 per cent of Victoria's population. The region contributes about 3 per cent of the state's GSP and has over 129,000 jobs. The key employment sectors for the region are healthcare and social assistance, retail, manufacturing, tourism and hospitality, and agriculture.

Loddon-Mallee contains two diverse, broadly categorizable regional economies. The Southern part of the region has a strong defence, machinery and food manufacturing base. Whilst the Northern region has a strong horticulture, dairying, broad acre cropping, mineral sand and rare earth mining and renewable energy industry. Tourism is also an important industry with the Murray River being a tourist attraction in the north and historic Bendigo an attraction in the south. A key economic initiative is the idea of a Regional Employment and Innovation Corridor running between Gisborne through Bendigo to Echuca with the aim of driving future growth in the Loddon Mallee region.

South of Bendigo the local government areas of Macedon Ranges (containing the towns of Macedon and Woodend, Mount Alexander centred on Castlemaine and Central Goldfields focussed on Maryborough) have varied histories and economies but are increasingly connected to metropolitan

¹ <https://www.bendigo.vic.gov.au/sites/default/files/2021-02/City%20Statistics%202020.pdf>

² <https://www.mildura.vic.gov.au/Council/About-Council/Demographics-Statistics>

³ <https://app.rempln.com.au/swanhill/economy/trends/population?state=YIAjCN!1YvwigaMqUP6kNOFvnnv8WUgFWIbDkFnlelnhv12YW>

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Melbourne, particularly Macedon Ranges and Mount Alexander with commuter rail and freeway connections providing commuting options to central Melbourne.

2.2 Findings from discussion paper research

Recent Commonwealth and State initiatives

A range of housing initiatives are underway at both Commonwealth and state level. The most relevant of these for the region is perhaps the Big Housing Build of the Victorian State Government. This proposed a significant expansion of social housing across Victoria. The VPA and a NSW Regional Housing Taskforce have both recently released reports that identify actions to address housing supply constraints in regional areas.

Several initiatives are already underway in the region to address housing issues, and some are similar to those included in both the VPA and NSW Regional Housing Taskforce documents.

These reflect the housing aims and objectives in the various LGA housing and settlement strategies. Some of the aims and objectives identified in the strategies are common across the councils. These include:

- Increasing housing diversity options available especially targeting housing for an ageing population and worker housing
- Encouraging infill and housing density in existing residential areas
- Improving housing affordability, including the provision of social housing
- Improving the amenity, safe active transport, services and neighbourhood character, and
- Having sufficient land to accommodate housing demand.

Some unique objectives and aims are identified, for example increasing tourism development in Gannawarra, providing high quality housing in Bendigo and Campaspe, providing physical infrastructure that maintains pace with growth in Macedon Ranges, protecting agricultural land in the Loddon Shire and Macedon Ranges and Seasonal Worker Accommodation for Swan Hill and Mildura.

It should be noted some of the current housing and settlement strategies objectives and aims were set some time before COVID.

Basic demographic and housing profile

- The population was 324,123 in 2016 and grew by 30,476 in the 10-year period or about 305 per year or at an average rate of 1 per cent. Within the region the Buloke, Gannawarra and Loddon LGAs saw their populations decline in this 10-year period. Recent population change as estimated by the ABS suggests a total population of 344,000 in 2021. Greater Bendigo and the peri-urban LGAs of Mount Alexander and Macedon Ranges Shire saw the greatest rate of population increase in the year to end of June 2021 (all at 1% or above).
- LGA by LGA population figures may hide sub-LGA and town by town variations. Furthermore it is suggested by stakeholders that ABS estimates may undercount the population in some instances, for example Swan Hill Council has suggested that Robinvale is growing at a much faster rate than would be suggested by official statistics. Demand from seasonal workers can have a big impact on

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population and this may not be adequately captured by national statistics⁴. A systematic undercount is particularly problematic where population figures are used for housing demand projections which form the basis of forward planning for land supply

- An ageing population profile is characteristic of the Loddon Mallee region. Buloke and Swan Hill is where an ageing population profile is most apparent, with all age groups under 65 have a having negative growth.
- At a region level the composition of household types is projected to remain largely the same. However, a LGA by LGA review shows lone person households will be an increasing share in Buloke, Central Goldfields, Gannawarra, Loddon and Mildura. The share will increase by 2 to 3 percentage points.
- The Loddon-Mallee region had 146,542 dwellings at the time of the 2016 ABS Census. In the order of 1900 dwellings per year have been added on average in the 2006-16 period.
- Separate houses accounted for 88 per cent of all dwellings in 2016. Flats or apartments account for 6 per cent and semi-detached dwellings account for 3 per cent.
- Three-bedroom houses are the most prevalent (50.4%), then four bedrooms (25.1%) and followed by two-bedroom dwellings (16.7%).

Housing market indicators and affordability stress

- In general **there is an increasing lack of affordability with significant recent house price and rental growth**. The table below summarises key house price and rental indicators for the LGAs across the region for the final quarter of 2021. These of course are averages and conceal more significant spikes in particular towns and settlements (some of which are also reported in the attached discussion paper).
- Median house prices jumped by a range of 7 to 15% across the LGAs, except for the Loddon Shire. The substantial increase in housing prices is locking out households from homeownership. Rental vacancy rates are below 1 per cent in every LGA indicating limited housing stock to meet demand from new residents and workers. With rental and houses prices creeping towards metro Melbourne price levels there is a growing and sometimes acute lack of affordability. Unlocking housing supply would release the pressure in the region.
- Based on modelling undertaken by SGS the estimated total number of households experiencing rental housing stress across the region was 17,900 or 13 per cent of all households in 2016. Rents have been rising faster than income growth and it is likely that affordability has worsened and will continue to deteriorate such that the share of households in rental stress will also rise.
- There is a significant shortfall between the households requiring assistance (a minimum of 13% of households) and the number of available dwellings (e.g. social housing which comprises 3% of stock).
- Lone person households represent the single largest cohort experiencing housing stress (in total and share).
- Workers are also struggling to get housing due to high prices and low vacancy rates. This has negative consequences both economically and socially.

⁴ Anecdotal findings show in some locations population levels are much higher than estimated in the ABS statistics. For example, Robinvale's population seasonally doubles leading to housing pressures.

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SNAPSHOT OF LGA HOUSING MARKETS LODDON-MALLEE REGION – FINAL QUARTER 2021

	% change in median house prices	Rental Vacancy rate	Change in rental price
Buloke	11.54%	0.09%	4.35%
Campaspe	14.65%	0.24%	3.03%
Central Goldfields	2.44%	0.25%	3.45%
Gannawarra	15.00%	0.14%	4.17%
Greater Bendigo	8.87%	0.78%	-1.32%
Loddon	-7.56%	0.00%	-6.00%
Macedon	7.25%	0.36%	0.00%
Mildura	10.97%	0.64%	3.03%
Mount Alexander	8.91%	0.36%	-1.25%
Swan Hill	11.90%	0.24%	-10.00%

Source: SGS Economics and Planning 2022, Realestateinvestar 2022

Future housing demand

- In the absence of comprehensive updated projections prepared specifically for the region, the baseline population growth scenario in VIF 2019 (the Victorian Government's projections) has been utilised for housing demand modelling.
- There has been no observed widespread surge in population growth stemming from the COVID-19 pandemic based on 2021 estimates of the resident population, however, **dwelling completions data suggests that the rate of housing growth may be in the order of 25-30% higher than that observed to 2016**. LGAs with negative or relatively static growth rates in the baseline scenario are likely to be growing – albeit slowly - not declining, while those with moderate growth in the baseline may be growing faster.
- Based on the baseline population forecasts there is estimated future demand for 23,500 dwellings in the Loddon Mallee region over the next 15 years, representing a total increase of 15 per cent on the current stock. The greatest demand for additional dwellings is in the City of Greater Bendigo and Macedon Ranges Shire. **An increased rate of growth of say 25 per cent would see growth of about 30,000 dwellings in the next 15 years.**
- Future housing demand projections identifies separate houses as the predominant dwelling type, based on revealed preferences given the available housing stock. The projections suggest the share of future demand for additional separate houses will range between 83 to 96 per cent of all

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dwellings across the LGAs in the region to 2036. Demand for alternative housing types may increase in future but based on these projections **Councils should still be planning for somewhere between 4 and 17 per cent of future dwellings being in non-detached forms.**

Labour market profile and impacts of a housing supply shortfall

Input-output modelling showed the economic impact of constrained access to essential workers arising from prospective housing shortfalls. These are:

- Using the low housing shortfall scenario, the Loddon Mallee region could lose \$44m in gross regional product. This equates to 0.2 per cent of the region's GRP and this is equivalent to 60 per cent of the region's growth in GRP between 2018 and 2019.
- In the high scenario, the region could lose \$218m in gross regional product. This equates to approximately 1 per cent of the region's GRP and this would be equivalent to 3 years loss in GRP based on GRP growth between 2018 and 2019. Compared to Victoria growth in 2018-19 the lost output would account for 2 per cent of the state's growth.
- The industries with the biggest losses in GRP are Agriculture, Forestry and Fishing, Manufacturing and Education and Training
- Macedon Ranges and Greater Bendigo would lose a greater share of output relative to their GRP because of housing supply shortfalls

2.3 Summary findings from consultation session

To enhance SGS's understanding of the issues, their scale and the priority actions to address the issues SGS hosted 9 engagement sessions featuring up to three stakeholders in each session. The 10 councils were consulted with attendance of council executives, housing officers and other relevant council representatives. The non-council stakeholders engaged with were executive officers from Central VIC PCP, DELWP, Haven Home Safe, Our Place, Villawood, LCRP and Loddon-Mallee RDA. The consultation sessions had three purposes

- Seeking feedback on the contents and direction of the discussion paper
- Enhancing the understanding of key barriers and issues. The issues are listed below:
 - Zoning and land suitability
 - Service infrastructure
 - State government regulatory role
 - Local government agility and regulatory response
 - Housing affordability
 - Diverse housing needs
 - Cost and speed of housing delivery
 - Developer attraction and investment
- Identifying priority actions in the most important category issues.

Consultation session participants provided written feedback on the discussion paper, a ranking of the importance of the issues and priority actions for consideration categorised by the issues listed above.

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Issues by theme

Below is a high level summary of the points raised on each of the key issues and SGS's reflections on their relative importance after gathering all the information provided by engagement session participants.

Zoning, land suitability

This centred around the availability of suitable residential land. The key issues raised by councils were:

- For the larger councils (regional centres) there is generally sufficient zoned land, though some may not be suitable for development or located where demand is concentrated and also located with amenities such as transport, education, health and social services..
- Small councils typically reported insufficient suitable land zoned for residential development.
- In addition, for these councils the costs of bringing land online are seen as prohibitive due to the expenses incurred in rezoning and the labour intensive process, which reduces development feasibility.
- A key issue driving land availability in the Central Goldfields Shire is the limitation imposed by geography and terrain. To an extent, this issue is also manifest in Mount Alexander where a lack of flat parcels of land impedes development prospects.
- Though environmental overlays are important, the perception was there needs to be clear guidance on how overlays are applied and a balance in mitigating risks than

This is not a high priority issue at a regional level and for most councils but is a high priority issue for the small rural councils.

Service infrastructure

This considered the extent to which service infrastructure is a barrier to housing supply. Service infrastructure mainly referred to availability of water, sewerage, power, road access connections and other infrastructure fundamental to residential development. The key points raised were

- Key service infrastructure lacking across the region is for water and sewerage
- The key barriers to needed service infrastructure being built are
 - the costliness of infrastructure including 'up-front' financing by 'first mover' developers
 - infrastructure authorities having little appetite to invest due to existing debt obligations
 - a lack of knowledge and skills capacity in the region around infrastructure.
- Due to the costly nature and the time it takes to recoup the investment in service infrastructure especially in the smaller council areas, it was suggested that State government needs to bear the risk burden.
- A patchwork approach to resolving the service infrastructure issue, that is doing works on a council by council basis, will not be economically beneficial for the region. A strategic region wide approach would be significant and would open up housing supply. A region wide approach would provide opportunities for economies of scale reducing the overall cost of service infrastructure provision.

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- Developers encounter a feasibility gap due to the cost of service infrastructure. Filling that gap would make development feasibility more attractive in areas that have historically been unfeasible from a developers perspective.

A lack of service infrastructure was a region wide issue making it a high priority issue.

State government regulatory role

This discussed to what extent is state government's regulatory role a barrier to housing supply. Some key points raised were.

- The involvement of multiple state regulators in the approval process is seen as impeding the supply of land. This was an issue raised by councils and developers. The issues raised were
 - Conflicting positions on the suitability of land by different state agencies
 - The amount of time taken to get approval from agencies is long. The involvement of multiple agencies makes the process unreasonably lengthy
- Some State government processes (e.g., planning amendments) are too costly for smaller councils. There needs to be a consideration of costs to a council's budget.
- There is a need for a process that allows councils to bring forward for quicker consideration approvals that will generate the most economic benefit.
- There is a lack of skilled planners in the smaller councils and the dwindling pool of planners is adding pressure as statutory workload increases.

Not all councils considered the State's regulatory role to be a barrier to housing supply. For a subset of councils the state government's regulatory role is a high priority issue, however region wide this was not identified as a high priority issue. For developers reforms to the state government's regulatory role to make development easier is evidently a high priority.

Local government agility and regulatory response

Consultation participants gave an assessment on how agile councils are at responding to the need for more housing

- The mix of an escalating statutory planning workload and a lack of qualified planners in the small councils and some of the large councils is a barrier to responsiveness.
- Resources in general at a local government level are seen as a constraint to councils effectively fulfilling their regulatory roles.
- There is need for better systems to bring forward for quicker approval endeavours that will have a larger economic impact.
- Developers stated that council processes are at time lengthy. limiting their ability to deliver housing in a timely manner.

Though their own regulatory responsiveness linked to a lack of resourcing is a top priority issue for councils, the pressures would be released with better strategic planning and more co-ordination and assistance from State government. State level resourcing and strategic planning support is the key issue in this regard.

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Housing affordability

This discussed the current state of housing affordability

- Affordability is declining across the region in most of the LGAs. This is impacting general residents and the attraction of workers as housing price points are out of reach for many workers.
- The risk aversion to financial institutions lending in regional areas means would be homeowners need a 30 per cent deposit. With escalating house prices this pushes homeownership out of reach for many in the region
- Council resource constraints mean that being providers of social housing, or even playing a more active role, is not viable for most councils.
- Affordable housing for workers (inclusive of seasonal workers) is a key barrier to economic development due to the lack of housing that matches wages.

Housing affordability is an increasingly critical issue in the peri-urban local government areas. Elsewhere there are still pockets of relatively affordable housing. Affordability 'per se' was in general not considered a priority issue though it will be increasingly important across the region in due course if trends continue.

Diverse housing needs

The discussion centred on what type of diverse housing is needed and if there is a housing product that is needed. The points raised were

- There is need for housing suitable for seasonal workers. The current housing stock is either too large for the typical household or of low quality. The housing needs to be close to amenities. There is demand for but a shortage of medium density housing.
- Economic development such as Kerang Link, Solar and Wind Farms will bring more jobs into the region. The current stock of housing will not be sufficient to meet demand and limit the ability to attract jobs to the region
- There is need for more adequate housing that suits an ageing population. The prevalence of more smaller households will need suitable housing.

The ability to attract and retain workers is key for the economic development of the region and in addition providing housing to vulnerable groups is important to maintaining social and economic cohesion. More opportunities for households to downsize will free up housing stock. Therefore, providing diverse including more compact housing is a high priority for the region.

Cost and speed of housing delivery

This involved discussion on the development sector's ability to bring housing online in a timely and efficient manner. The points raised were:

- A lack of trades is a key issue for most of the councils across the region. There is a need to develop the building sector by providing incentives and training programs for the region to gain more apprentices.

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- For the larger councils, land banking seems to be a key barrier preventing more housing from being developed. There is a need for incentives to encourage the release of land by making housing development more financially profitable.
- The looming issue of increasing material costs and the potential for developers to go bankrupt due to costs eating into margins means housing delivery could be impacted in the future.

This is probably is not a top priority issue compared to other issues facing the region. However, with the looming cost of materials and trades this could become a top priority issue in the short term.

Developer attraction and investment

This discussed to what extent development feasibility barriers and investment barriers are stopping housing supply

- Development feasibility is a barrier to infill housing and greenfield housing in many parts of the region.
- The depth and skills of the development sector is a constraint in many areas. Medium density infill development involves more risks and delivery challenges. Developers tend to focus on traditional housing in new release areas. Swan Hill council pointed out that it has some good infill housing developers.
- The challenge is specifically related to a lack of developers willing to do infill housing in what would appear to be appropriate locations (in established areas with good amenities).
- Gannawarra Shire indicated that it had actively sought to recruit developers from outside the region to realise greenfield development opportunities, with some success.

This appeared to be a lower priority issue.

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3. Strategies and Actions

3.1 Overview

In reviewing the research and consultation findings six key issues relating to housing supply have been identified across the region:

1. a lack of comprehensive strategic planning for future housing
2. suitable development land being withheld from in-sequence release
3. lack of infrastructure finance / provision to support development
4. poor development feasibility in some markets for medium density and compact housing and therefore unachievable sale prices
5. decreased housing affordability and increased housing related stress
6. costs and time delays in planning and development that hamper responsive supply.

A lack of strategic planning is a region wide problem. The other issues or problems exist to varying degrees across the ten council areas.

These issues are addressed through strategies and with draft actions in two categories, namely:

- Region-wide actions for long term impact (strategic action for enduring change across the whole region)
- Actions for short/medium term impact (strategic actions for short term impact across the whole region but available to Councils as relevant)

The preparation of four business cases for selected projects will follow and these will accompany the final action plan.

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3.2 Better strategic planning for future housing supply**Overview**

Many of the planning related barriers to more effective housing supply stem from a lack of adequate long term strategic planning. The current Regional Growth Plans are outdated and too high level in their performance and directions. The recent spikes of growth have exposed this deep strategic planning deficiency.

Firstly, there is a lack of comprehensive data to identify whether there is a shortage of land zoned for future housing across the region. The anecdotes suggest that most jurisdictions do not have a zoned land shortage in general, and that this in itself is not a first order issue, though mismatches between supply and demand in different markets and settlement areas are apparent. Better strategic planning would take both a region wide and settlement level approach to identifying demand and supply potential.

This would begin with a robust population forecasting capacity which forms the foundation of regional strategic planning. A number of councils in the region had problems with the VIF forecasts which they believe underestimate population growth. Work undertaken by councils provides anecdotal evidence that population growth is higher than these 'official' forecasts (at least in particular settlements). A more bespoke and regional level forecasting capacity is required to feed into housing (and employment) targets in strategic planning.

From the consultation feedback it is apparent that councils are inadequately resourced to undertake effective strategic planning for housing. However, the problem won't necessarily be fixed long term by funding additional local level strategic planning. A consistent and clear regional planning approach is required. An enduring solution to the under-resourcing issue could be the creation of well-funded regional planning units that can undertake comprehensive strategic spatial planning. Councils could then be left to mostly focus on development-level planning and municipal service delivery, though strategic planning would still be important for the larger councils in particular.

The task of preparing plans for significant new release areas and sequencing their development might also be better located with a regional planning authority. An alternative or perhaps interim approach would be to mandate the VPA to do this work.

One issue raised by multiple council respondents was the deficiencies of Planning Practice Note 90 Planning for Housing which directs the following⁵:

- *Plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur.*
- *Residential land supply will be considered on a municipal basis, rather than a town-bytown basis*

A fifteen year horizon is probably insufficient given the nature of land ownership, willingness to develop, infrastructure costs and patterns of development apparent in regional areas. Furthermore some towns and settlements have high rates of growth and less available land, even if across the

⁵ https://www.planning.vic.gov.au/__data/assets/pdf_file/0032/445388/PPN90-Planning-for-housing.pdf

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municipal area there might be sufficient land to accommodate development in aggregate for 15 years. These sub-municipal differences need to be able to be reflected in planning for future housing supply.

Actions for long term impact

- Create new units for regional planning based in the regions, with responsibility for detailed regional strategic planning and oversight of major land release projects. This would have appropriate officers for example a planning director, a demographer to provide a more up to date data and on the ground assessment of key housing statistics, and a support team.

Continue to press for the VPA to undertake this work in the meantime (see below).

- Prepare a detailed, evidence based regional planning strategy that includes:
 - Identification of major strategic and state level infrastructure which will influence development patterns
 - Clear identification of regional or major environmental and other development constraints including forecast impacts from climate change based on detailed mapping
 - Dwelling forecasts and/or targets (20-30 years) at regional, local government and major centre level based on robust population and dwelling forecasting (providing specific direction for particular place planning by local government)
 - Greenfield vs infill targets for an explicit 30 years planning horizon
 - Identification of major new release (and infill) areas to provide 30 years supply (calibrated closely to the Greenfield vs infill targets)
 - Employment forecasts and/or targets (20-30 years) at regional and local government level
 - Identification of regionally significant employment clusters and industrial areas
 - An identified hierarchy or typology of centres to guide priorities in planning for intensification and infrastructure provision, based on considerations such as:
 - employment size
 - range of retail and services available
 - type of employment
 - key transport nodes
 - capacity for change including government-owned land, likely positive impact from future transport, and other major infrastructure investment.
 - Support and commitment from key providers of development infrastructure (water, sewerage, roads) to the identified preferred development areas and sequence
 - Consistent directions for Councils to support the strategic regional planning through their planning and infrastructure actions.
- Advocate for a Windfall Gains Tax revenue sharing deal under which a proportionate share of aggregate State collections of WGT would be returned the Loddon-Mallee region to support regional strategic planning and infrastructure investments consistent with strategic plans.

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- Seek a review of PPN90 Planning for Housing to:
 - require a 30 year horizon for the accommodation of future population and housing growth
 - make it clear that while initial demand and capacity analysis should take a municipal wide perspective, sub-municipal (town by town) differences in anticipated future rates of development can be a justification for designating additional land for future housing
 - prepare an accompanying set of guidelines for the preparation of evidence based housing strategies (the NSW Guide provides a reference for this⁶)

Actions for short/medium term impact

- Lobby DELWP and the Victorian Planning Authority (VPA) to refresh the current Loddon-Mallee regional growth framework to more rapidly open up new housing supply opportunities by:
 - undertaking rapid strategic analysis of future demand and supply prospects at a regional level
 - Identifying priority areas for new release in liaison with councils taking into account suitable zoned land and infrastructure availability
 - preparing PSPs consistent with the rapid strategic analysis and local objectives for housing and urban development.
 - expediting accompanying Planning scheme amendments that facilitate new residential developments.
- Expand resources available for local strategic planning, particularly for smaller resource constrained councils e.g.
 - partnerships with universities to get planning undergraduates to intern at local councils especially the smaller rural councils
 - work with the new state planning hub to ensure assistance is available for strategic planning.

3.3 Bridging infrastructure financing gaps

A lack of zoned land for housing is a moderate priority issue across the region. Far more critical is the process for and cost of providing lead and trunk infrastructure (water, sewerage, drainage and roads) to support timely and in-sequence housing development for land already zoned for housing. 'First-mover' reluctance to finance the cost of this infrastructure means that suitable zoned land is withheld from in-sequence development. Alternatively, a reluctance on the part of key infrastructure agencies to forward fund development infrastructure where future development patterns (and therefore revenue streams) are uncertain or not considered sufficiently deep is another barrier to development.

Projects that are impeded by infrastructure-servicing issues are eligible for low-cost finance from NHFIC. The National Housing Infrastructure Facility (NHIF) provides finance for 'eligible infrastructure projects that will unlock new housing supply' (see summary in the box below)⁷. Many regional councils and developers are resource-constrained and would need assistance from another agency to act as broker and agent to support bids for the finance and manage the acquittal.

⁶ <https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/Local-Housing-Strategy-Guideline-and-Template>

⁷ <https://www.nhfic.gov.au/what-we-do/national-housing-infrastructure-facility/>

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There is no systematic use of Development Contributions Plans to fund infrastructure which would assist in orderly and funded development. Mildura and Swan Hill Councils have Development Contribution Plan for growth fronts. Greater Bendigo has two DCPs applying to the Marong Business Park and Huntly Growth Area. In the absence of systems of development contributions Councils are potentially foregoing millions of dollars which could be captured to fund infrastructure and support the timely supply of land for housing.

The VPA has supported capacity building for local Councils to apply DCPs, but the effectiveness of this process is yet to be demonstrated. In any case, the fruits of this reform will take some time to appear.

Recognising the detailed planning work and administration required to support Development Contribution Plans one solution might include the creation of a joint organisation of regional councils, to create efficiencies to procure and administer them (and also to pool funds and thereby alleviate cash flow and financing barriers). In the short term it might be more realistic to assign this responsibility to a state government level body.

What is the National Housing Infrastructure Facility (NHIF)?

The National Housing Infrastructure Facility (NHIF) is an Australian Government initiative. It provides finance for eligible infrastructure projects that will unlock new housing supply, particularly affordable housing. The NHIF offers concessional loans, grants and equity finance to help support critical housing-enabling infrastructure and comprising:

- up to \$175 million for NHIF grants (\$1.5 million of which may be used to provide support to registered community housing providers in the form of capacity building activities); and
- up to \$825 million for concessional loans and equity finance which will form part of a revolving permanent fund (with returns on loans and equity investments to be reinvested).

To be eligible an applicant must demonstrate that without NHIF financing its project would be unlikely to proceed, or likely to proceed only at a much later date or with a lesser impact on new affordable housing.

The NHIF can provide finance to help support critical housing-enabling infrastructure. For example,

- electricity and gas, transportation including roads, telecommunications, and water, sewerage and stormwater.
- site remediation works including the removal of hazardous waste or contamination

Eligible applicants include registered community housing providers, local governments, state or territory governments, and government-owned development corporations or utility providers.

The provision of NHIF Loans, NHIF Grants and NHIF Equity Investments is subject to sufficient funds being available each financial year.

To apply for a NHIF Loan and/ or NHIF Grant (once an EOI Form has been submitted), Applicants must:

- complete the Application Form provided by the NHIF relationship manager;
- provide all the information requested in the Application Form and the guidelines;
- address all the Assessment Criteria and (for NHIF Loans) provide evidence of the Applicant's ability to repay the loan; and
- submit their application to the NHIF through an NHIF relationship manager, along with all required supporting documentation.

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Actions for long term impact

- Seek assistance to access NHFIC funding for infrastructure
 - Coordinate a regional approach via proposed Housing Support Officers and engage with NHFIC
 - Seek DJPR support to act as broker and under-writing agency to assist Councils access NHFIC concessional loans, grants or equity finance
 - Call for expressions of interest from Council for development projects where it can be demonstrated that without NHFIC financing the project would be unlikely to proceed, or likely to proceed only at a much later date
 - Seek funding via the National Housing Infrastructure Facility (NHIF) for the eligible development projects
- Engage with councils and DELWP to identify barriers to wider use of Development Contributions Plans and Infrastructure Contributions Plans and identify joint approaches or reforms that would encourage take-up including administrative burdens and moderating cash flow and financing issues for individual councils as they need to fund infrastructure.

Actions for short/medium term impact

- Establish a mechanism for Councils to invite the VPA to produce DCPs for development areas upon request.
- Organise a housing supply action summit with key providers of development infrastructure (water, sewerage, roads) to address key barriers to identified housing development opportunities, and to discuss other joint grant and funding opportunities.

3.4 Accelerating the development of zoned and suitable land for housing

The withholding of zoned, suitable and 'in-sequence' land from development is a critical barrier to housing supply experienced in differing degrees across the region. Land withholding can result in ad-hoc development patterns, and the leap-frogging of development frontiers to areas that may not have the necessary support infrastructure in place.

This phenomenon is typical in the regions where land owners have asset management or investment perspectives that are divorced from housing demands and planning preferences. They may be actively using the land for another purpose or they may be seeking to maximise returns by progressive sales to developers over a medium term horizon ('drip-feeding'). 'Stick' or 'carrot' measures may be appropriate depending on the context where land withholding is disrupting an effective supply response.

The opportunity for landowners to partner with Development Victoria to secure the development would be 'carrot' or incentive measures, while punitive rates for in-sequence, serviced land being withheld from development, or in extreme cases resort to compulsory acquisition might represent 'stick' measures. Swan Hill council has lifted rates on vacant properties to encourage them to develop and this approach might provide an example for other councils.

These mechanisms would be justified to address demonstrable market failure, wherein the lack of market housing can be seen to hold back the economic and social development of regional areas.

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Better promotion of development opportunities and expanding the number of active developers in local markets might also accelerate the bringing of land to market.

Actions for long term impact

- Establish a short-list of 20 under-utilised government owned sites (e.g. VicTrack land) suitable for housing across the region (created from suggestions by each of the councils), and after due consideration of planning merits, seek Ministerial and/or government support for fast-tracking surplus designation, sale (or disposal) and development, and compile in a prospectus to publicise the opportunities (which could include community housing partners).
- Establish a process where land-owners and developers of suitable zoned land can partner with Development Victoria (DV) to develop their land and make them equity partners.
- More clearly identify DV owned or optioned vacant land and promote these as development opportunities to encourage involvement from the development industry.
- Prepare consistent guidelines for councils to apply differential rates to encourage development of suitable zoned and in-sequence vacant land.

Actions for short/medium term impact

- With the assistance of DELWP provide an advice service to owners of zoned, vacant land capable of producing 5 or more dwellings on development pathways, and if implemented, write to all such owners calling for expressions of interest in the advice and development assistance service.
- Prepare a short prospectus of known development opportunities and promote this to selected developers from Melbourne or Greater Bendigo.

3.5 Bridging the feasibility gap for medium density infill housing

A lack of feasibility for new housing in 'greenfield' areas would be partly addressed by the actions mentioned above, including better forward strategic planning and providing finance for forward infrastructure provision. Pressures on development feasibility from the high cost of builders and materials, which are widely mentioned, would remain.

Systemic feasibility barriers would face medium density and smaller scale infill housing projects in regional cities and towns. This is an under-acknowledged problem because this type of smaller scale, well located housing would be ideal for transitory and seasonal key worker housing (if on the rental market) as well as long term residents looking to 'age in place'.

In the larger regional towns and peri-urban areas in particular there is an emerging mismatch between households and the historic housing stock. New households are smaller on average (typically 1-2 person) and predicted to increase while 2-3 bedroom houses are typical. There is a need for more compact, 1-2 bedroom dwellings in accessible locations.

The reality however is that the development of multi-unit blocks and some more compact housing types in regional areas is quite uncommon. This is mostly a feasibility problem (and partly a 'depth of industry' problem) rather than inherently linked to a lack of market demand (which, though not

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significant, would be increasing). Generally the revenue from the sale of units is not sufficient to cover the normal profit requirements of developers or even recover construction costs.

Though the price of competitor housing product (i.e. detached houses) have gone up during the COVID period in general there remains a feasibility gap for medium density, multi-unit housing. Generally, the feasibility gap is unlikely to be bridged by changes to standard development taxes and charges. Interventions that are more far-reaching are likely to be required to boost housing supply in rural areas to enable skills attraction and retention, as well as meeting the needs of an ageing population. This gap could potentially be filled by involving state government and having them provide a subsidy to reflect the scale of external benefit.

It is important to continually review development controls and standards to see if these represent a continuing barrier or add costs to medium density development. This will be particularly important in the peri-urban and larger regional councils where it could be expected that demand for diverse and more compact housing is expanding, and the price of traditional detached housing will be increasing.

Actions for long term impact

- Push for the establishment of a government developer to undertake innovative and essential infill and medium density housing development projects in regional centres in the Loddon-Mallee. Development Victoria could also be mobilised and have its function extended for this task.
- Develop regional support for more affordable and diverse housing by establishing an 'alliance' group of developers, project builders and council representatives to 'make the case' for non-traditional housing on smaller blocks in regional markets including:
 - demonstrating economic and social need
 - highlighting benefits from a cost, convenience and housing diversity perspective to encourage take-up
 - highlighting exemplar projects and housing plans to showcase more affordable homes
 - work on addressing barriers to market acceptance for council and community education.

Actions for short/medium term impact

- Push for the State Government to provide a medium density housing 'bounty' (e.g. \$30,000 per unit – to be confirmed after further investigation) to developers willing to build multi-unit housing in infill areas in regional centres in the region. This could be paid 'up-front' at building approval stage though returned if the development is not completed. This could also reflect targeting principles set up under the now defunct National Rental Affordability Scheme.
- Critically review local planning controls in consultation with the development sector, particularly in service rich, high amenity inner areas of larger towns, to identify any barriers to shop-top, compact or multi-unit housing development, including subdivision of existing dwellings into two dwellings.
- Package up council owned land in good locations deemed to be under-utilised and surplus to foreseeable requirements (following a rigorous evaluation process) and proactively market the sites on favourable terms to developers willing to provide demonstration medium density housing projects. These projects could be teamed with further subsidies to support additional affordability objectives (see below).

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3.6 Addressing growing demand for affordable and secure housing

Affordability was a near universal issue for Council officers and stakeholders engaged throughout this study (severe in the peri-urban municipalities and regional centres, and while less acute beginning to emerge as an issue even in the smaller regional municipalities of Loddon, Buloke and Gannawarra). The modelling and analysis highlighted housing stress as an entrenched issue likely to get worse given increases in house prices and rents. The Victorian Government's Big Housing Build is producing more social housing with a commitment to the major centres in the region, but targeted support for additional key worker and seasonal worker housing in particular locations is required.

Affordability pressures are made more acute given the decline in the availability of long-term rental properties. In some markets in the Loddon-Mallee there are typically just a handful of properties available for long term private rental. The increase in sale values has incentivised owners of rental stock to sell properties which might have been previously available to rent, while other properties have been converted to short term rental (Airbnb etc). In Victoria there is no distinction between houses available for short term rental in the use definitions in the planning system so no recourse to the planning system to address the conversion of housing to short term rental. NSW has recently addressed this issue with reforms (that took effect in November 2021) that aim to address the balance between supporting visitor and tourist accommodation with the need to protect long term rental stock. This includes updating the definitions of Short Term Rental Accommodation (STRA) including adding a 180 day limit restriction for 'non-hosted' STRA based on location, while allowing exemptions of bookings of 21 consecutive days or more from these day limits for non-hosted STRA to facilitate temporary short stay rental housing for seasonal or temporary workers. These reforms⁸ could be a model for change in Victoria.

Councils can leverage their own land resources, or to encourage state agencies to contribute land for social and affordable housing projects, and some specific examples and opportunities were identified during the consultation. A local community committee in Buloke has already supported the development of a small social housing development while Swan Hill Council has contributed land to the Swan Hill Worker Housing project which will deliver four houses with the support of the Victorian Government.

In Bendigo the 'Chum Street' site has been identified previously as ideal for a mixed housing infill development. It is an ex-mining site currently managed by DELWP. DTF has reviewed prospects for the site previously and decided it was not feasible to develop it, given contamination and development costs and the ultimate realisable values. Redevelopment could be an exemplar for demonstrating the potential of medium density infill in regional centres as well as providing a mix of housing including social housing. It would need to be justified on the basis of its wider economic, social and community merits rather than narrow financial feasibility metrics.

⁸ <https://www.planning.nsw.gov.au/Policy-and-Legislation/Under-review-and-new-Policy-and-Legislation/Short-term-rental-accommodation>

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Actions for long term impact

- Undertake research to better understand what the gaps and needs for rural key worker, seasonal and essential housing are by LGA in the region and prepare an informed regional needs position statement to use in advocacy.
- Push for the State Government to commit to a Rural and Seasonal Worker Housing program which would provide recurrent payments to parties willing to build, own and operate rental housing to mitigate skill shortages in country Victoria to address regional needs (identified in the above-mentioned position statement).
- Work with universities with a regional presence (La Trobe in particular) and encourage them to support affordable student housing projects in key regional centres.
- Lobby for an extension of the Big Housing Build and other social and affordable housing investment including in private sector joint ventures in regional Victoria (including in towns which were not part of the original, first round spend guarantee).
- Liaise with Commonwealth Games offices and associated agencies, including Development Victoria, and encourage the relocation of any temporary housing structures/ pods into regional areas for seasonal worker accommodation after the Commonwealth Games.

Actions for short/medium term impact

- Prioritise a project in First Nations Housing in the region by:
 - Identifying the nature of projects eligible for grant funding through for example the National Indigenous Australian Agency NIAA or the Social Housing Growth Fund – Homes for Aboriginal Victorians
 - Liaising with Councils and First Nations representative groups in the region to identify relevant housing ideas and potential housing projects
 - Working with potential partners to refine projects and secure funding for a First Nations Housing Project from the above or other sources.
- Investigate opportunities to support the construction of accommodation prior to the Commonwealth Games (for those councils in proximity to Greater Bendigo).
- Approach Development Victoria to undertake an exemplar infill renewal housing project at Chum Street in Bendigo to demonstrate the benefits of mixed, medium density housing including social and affordable dwellings, justified on the basis of its wider economic, social and community merits.
- Lobby the state government to introduce reforms to the planning system to enable short term rental housing to be distinguished from housing for long term occupation (which would mean housing used for short term rental accommodation – defined by for example a 180 day limit restriction – would require a planning permit though allowing for some reasonable exemptions); the recent NSW reforms provide a model for scope.
- Identify suitable underutilised Council land or sites which could be developed for social and affordable housing and work with HomesVic to offer this to community housing providers through the Big Housing Build and future programs.

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3.7 Reducing time and costs to unlock supply

Much of the frustration expressed by those consulted for the study on the role of state government agencies in relation to planning scheme amendments related to proposals or prospects not identified through local or regional level strategic planning. It is not surprising that ad hoc or out of sequence proposals need more justification and face greater barriers to approval, though this doesn't imply such proposals don't have ultimate merits. However there were anecdotes of 'hold-ups' on some elements of conforming proposals, including changing state-level regulations that legitimately address say bushfire or vegetation management issues but can 'shift the goal-posts' and add uncertainty and costs for smaller developers with advanced propositions.

Ensuring that structure planning and planning scheme amendments for rezonings occur in a timely manner is essential to provide an efficient housing market. However, financial and staffing capacity constraints within council's place limits on the ability to undertake this necessary strategic work in a timely way.

Other costs are external to the planning system include the cost of 'tradies' and building materials which is increasingly cited as a barrier to responsive and affordable housing development. New materials and techniques are available that have brought down the cost of housing and these could be promoted more widely.

Actions for long term impact

- Push for the State Government to reinstate / reinvigorate the 'flying squad' program to assist local Councils to speed up their policy documentation and improve their development approvals processes. A priority focus should be to get as much housing development 'code assessable' as possible.
- Work with relevant partners (Victorian Skills Authority and education providers) to promote and encourage development of a local trade skills program and promote this in schools to facilitate the development of a future construction workforce.

Actions for short/medium term impact

- Provide a regional service for Councils to assist in identifying projects that could access DELWP's Development Facilitation Program which is intended to accelerate the assessment and determination of eligible 'regional housing and/or employment projects'.
- Establish council level criteria and system for priority assessments for residential rezonings and development proposals. Criteria might include: Policy alignment; Benefit generation; Financial impact; Socioeconomic impact; and, Delivery risks.
- Run local training / information programs on regulatory settings and requirements to assist development proponents to frame their project documentation to enable rapid approval.
- Promote new low cost building technologies and typologies (kit builds, pre-fabs, moveable dwellings, off-site construction) to encourage housing development.

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Loddon-Mallee Housing Action Plan: Mildura Worker Housing project business case

Swan Hill Rural City Council

November 2022



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Executive summary

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan.

This business case report is focussed on the expansion of an existing seasonal worker accommodation facility in Mildura in the Mallee region. The project is designed to address a shortage of accommodation for workers which is constraining the agricultural sector and economic output in the region.

Project description

The proposal is the development of a **\$7m dollar international worker housing facility** that will be owned and operated by SMECC, a not-for-profit organisation. The facility will comprise of 62 twin-share rooms and three 2-bedroom apartments on a block of land on Ramsay Court.

Methodology

The development concept was assessed using an Investment Logic Mapping (ILM) framework to clearly define and outline the benefits of addressing the shortage of worker accommodation, and show how the proposed facility would address the problem.

The business case includes quantitative analysis to answer two questions:

- **Financial feasibility assessment** – Does the project need capital or operational funding to ensure its viability?
- **Cost benefit analysis** – Do the benefits generated for Victorians by the proposed rebate lift community welfare? Will net benefits, as expressed through measures such as Benefit Cost Ratio (BCR) and Net Present Value (NPV), be generated for Victorians?

ILM Findings

The development concept addresses the two problems identified.

- The first problem of **insufficient housing leading to poor economic and social outcomes** is addressed by the increased availability of housing that will take some people out of overcrowded accommodation into housing that provides adequate space. The increase in housing lifts the capacity of Mildura to bring in more seasonal workers to relieve the pent-up demand for workers. Adequate housing space reduces the risk of mental health illness and physical illness that is more prevalent in crowded and poor-quality housing.
- The second problem of **exploitation risk leading to negative outcomes** is addressed through a reputable organisation, SMECC, providing housing at a fair price, which means workers have a greater level of take-home pay. The proposal offers access to a concierge officer (support worker) who can provide workers with easy access to services and assistance. The provision of support

services will enable international workers easier access to the knowledge to navigate the system and knowledge of the rights and privileges available to them as international workers in Australia.

Financial feasibility results

The assessment showed the project's revenues will be able to cover the operational costs from the first year the facility begins operations and on an ongoing basis. From the net operating surplus per annum, \$1.7m of the project's capital cost of \$7m can be serviced with a 15-year commercial loan. **The financial analysis suggests that the operator would need \$5.3m in additional capital grant funding to enable the project to proceed.**

Cost-benefit analysis results

The cost-benefit analysis showed the project will generate a **net benefit of \$1.30 for every dollar invested** which shows there is a net benefit to Victorians. The benefits include increased economic output through enhanced labour productivity and cost-savings to the State in terms of health and safety provision. Even when the benefits are varied +/-5%, the project will still generate a net benefit to Victorians with the BCR above 1. The results of the cost-benefit analysis results are shown below.

COST BENEFIT RESULTS SUMMARY

Net Present Value	
Capital costs	\$7,000,000
Operating costs	\$3,477,000
Total incremental costs	\$10,477,000
Enhanced labour productivity	\$2,289,000
Health cost savings	\$1,474,000
Enhanced human capital	\$1,116,000
Reduced crime and harmful behaviours	\$732,000
Education benefit	\$155,000
Residual asset value	\$1,486,000
Revenue	\$6,486,000
Total incremental benefits	\$13,738,000
Net benefits	\$3,261,000
BCR	1.3

Source: SGS Economics and Planning

Funding support options

The \$5.3m capital support to enable this project to proceed could come from the following sources.

- A State Government capital grant, effectively covering 76% of the capital cost.
- Alternatively, a low interest loan could be provided to SMECC for all or part of the capital, however a loan for say 90% of the capital cost (\$6.3m) at say 2% interest per annum would take more than 50 years to repay.
- A further alternative then would be for government to be an equity partner though this would require a governance and accountability regime which might be cumbersome.

Guidance for local councils

Other councils, with appropriate support, could replicate a project similar to this following the identification of a worker housing need. The how to guide for pursuing a similar project is shown overleaf.

GUIDANCE FOR SIMILAR PROJECTS

Key stages	Role of Housing Support Officer
1. Needs assessment to ascertain the type of worker housing needed.	<p>Assessment funding: find the finance for the required needs assessment</p> <p>Needs establishment: procure the consultant/s to conduct the required needs assessment/s including quantitative of the local economy</p> <p>Community consultation: assist the consultant in the community consultation process by securing the key stakeholders pivotal for confirming the aspects of need and developing an appropriate worker housing development proposal</p>
2. Identify and secure suitable land that can be used for worker housing. Undertaking a pre-feasibility assessment to identify preferred site.	<p>Hold land owner summit: A forum to gauge interest from potential landowners who could provide land Or Identify if there is council land suitable for the need identified Or Identify if there is State-owned land that could be declared surplus and able to be devoted to the project</p> <p>Secure potential land: obtain a non-binding option to use the land for housing or an in-principle agreement conditional on agreed terms such as securing a housing provider and finance; ultimately, and once development partners are involved, a project has approval and finance for development has been secured a formal process of land title transfer or land sale would need to occur (for state owned land relevant process and protocols can be found in Victorian Government Landholding Policy and Guidelines and associated documents)</p>
3. Early planning analysis	Address planning issues: Work alongside council to identify and address any statutory planning issues that may affect the worker housing project on identified potential sites. This process will also identify desirable approval pathways from a planning perspective.
4. Seeking a development partner - with social housing, service providers and others such as construction industry contractors, State government departments and parliamentary representatives	Development sector and stakeholder forum: organise and host a targeted forum to advertise and build relationships with potential social housing providers and/or developers in the worker housing space.
5. Consultation with key stakeholders to establish aims and objectives that will guide the expression of interest	Co-design: host a co-design session to develop the aims and objectives to inform the EOI
6. Early concept development to address findings	Concept plan: Working alongside development partners and council to address findings from step 5
7. Development of business plan and financial evaluations	<p>Procurement funding: Find and secure funding for feasibility studies / business cases</p> <p>Consultant Procurement: Procure and engage the relevant consultants to provide the needed inputs.</p>
8. Establish potential funding sources	Engagement with financiers: find potential funding sources and build relationships if needed with financiers, using feasibility analysis and business cases to justify project support
9. Final Expression of Interest	Development of project EOI: with project details, aims and requirements.
10. Tendering project	Tendering: developing the EOI and assessing the appropriate provider

Source: SGS Economics and Planning

1. Introduction

1.1 Housing Action Plan and four associated projects

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan.

While each report relates to a particular project or issue, the strategic responses and lessons from each provide recommendations that are mostly replicable and scalable to similar issues elsewhere in the region. There are two 'business cases' and two 'strategic policy guides' covering the projects. The business cases are quantitative and focus on the economic case for the housing proposal. The strategic guides address good practice processes and steps.

The projects are:

- Mildura worker housing project – expansion of an existing seasonal worker accommodation facility in regional Victoria (quantitative business case report)
- Etty Street housing site opportunity – a potential social and affordable housing development site with multiple titles, including state-owned and Crown land with associated Aboriginal lands rights implications (strategic policy guide report)
- Buloke worker housing project – understanding the strategic need for key worker housing to support the local community and considering options for key worker housing in Donald, in the Buloke Shire (strategic policy guide report)
- Newbridge Water and Sewerage Infrastructure extension – strategic approach to investing in infrastructure supporting new housing development in a small-town context (quantitative business case report).

All documents draw out and summarises replicable and scalable steps. The reports and especially their included "How to guides", are intended to provide housing practitioners with a toolkit to actively address typical barriers to new housing supply found in regional Victoria.

1.2 This report

This business case report is focussed on the expansion of an existing seasonal worker accommodation facility in Mildura in the Mallee region. The project is designed to address a shortage of accommodation for workers which is constraining the agricultural sector and economic output in the region. The report addresses the question of what external financial support is needed to enable the project to proceed and ensure its long-term financial viability. It also includes a business case in support of the project, identifying the economic 'case' for the project using a cost benefit analysis framework.

2. Problem definition and project details

2.1 Defining the problem

Mildura faces constraints in providing enough worker housing. Of particular concern in this business case is housing for seasonal workers from overseas. These are an essential group that enable firms to remain productive and competitive in export-oriented industries which directly contribute to Victoria's economic performance. Mildura is a nationally significant area for agricultural and horticultural production (total agricultural production in the Mildura Local Government Area was worth \$1.13 billion in 2020-21, the highest amount of any LGA in Australia¹). Agriculture and related industries such as food and beverage manufacturing are the principal engines for economic activity.

As the Loddon Regional Economic Development Strategy points out in relation to workforce constraints:

Agriculture is becoming increasingly skill and capital intensive. Projected skill demand for the industry includes an increase to agronomists, farm managers, irrigation managers which will require greater attraction or upskilling efforts from the current workforce. Full-time industry employment is expected to decrease over the next five years as small land holdings are merged to create larger, and more competitive corporate businesses. At the same time, farmers consistently face difficulties attracting seasonal workers to assist with harvesting, and consequently rely on international labour.²

The inability to provide sufficient housing for workers and seasonal workers in particular leads to overcrowding, the use of ill-suited solutions for shelter (make-shift housing, caravans and tents) and stresses in the rental sector, adverse impacts on labour productivity, poor social outcomes and risk of exposure to illegal labour practices. More broadly the lack of housing makes it challenging to attract and retain both skilled and unskilled workers which means that businesses relying on temporary workers operate under avoidable productivity constraints and are deterred from investing in business growth. This, in turn, means that the State's GDP performance falls short of its full potential.

The challenges being faced in Mildura in terms of temporary and seasonal labour supply are not unique to that LGA. Indeed, this is a widespread problem across regional Victoria as well as other parts of regional Australia.

¹ ABS Value of Agricultural Commodities Produced, Australia
<https://www.abs.gov.au/statistics/industry/agriculture/value-agricultural-commodities-produced-australia/latest-release>

² Mallee Regional Economic Development Strategy, p.23
https://www.rdv.vic.gov.au/__data/assets/pdf_file/0006/2063913/Mallee-REDS-2022.pdf

Importantly, Mildura and more broadly the Loddon-Mallee region is seeking solutions that could be readily transferred to other LGAs or regions and / or complement other strategies being applied in those regions.

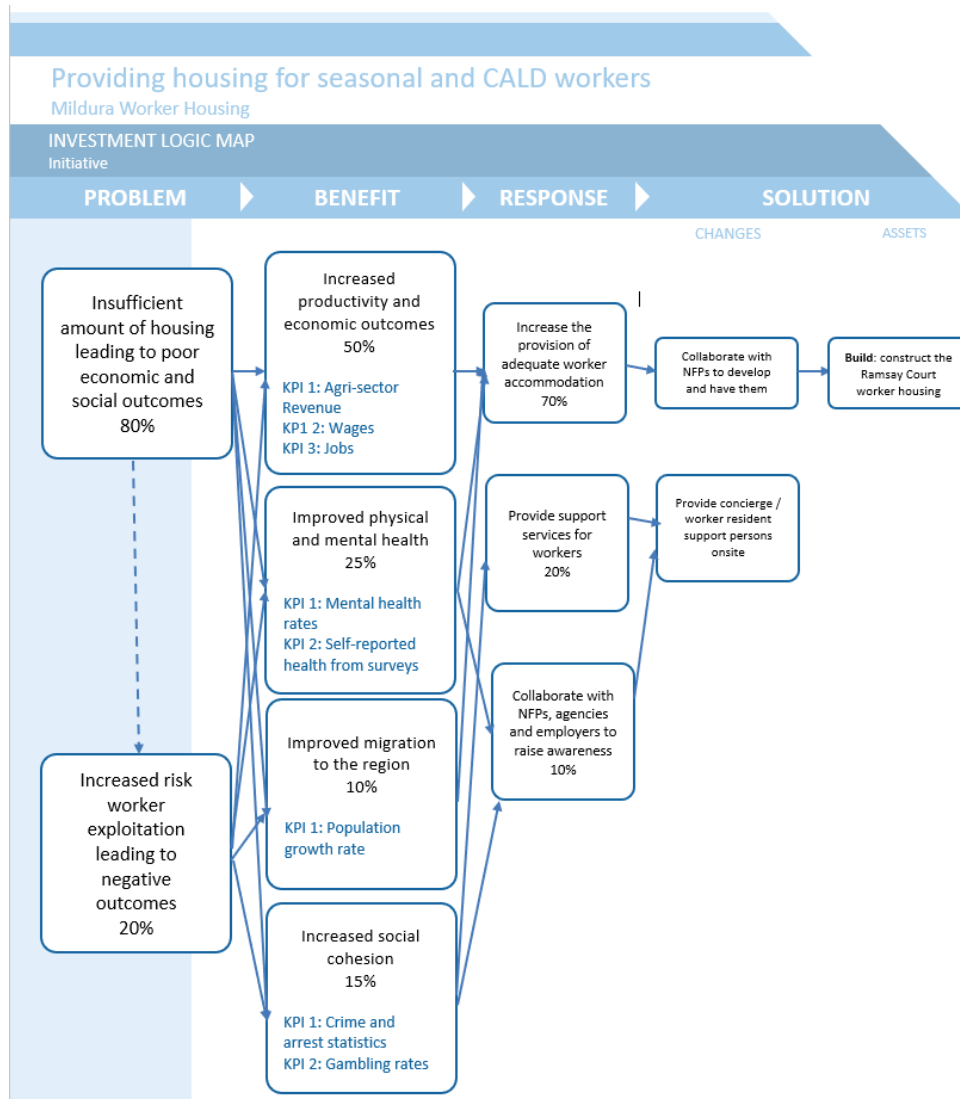
2.2 Investment logic

Investment Logic Mapping is a process used to clearly define the problem and the benefits that are generated by addressing the problem. This process is essential to ensuring an adequate strategic response is defined and to optimising the likelihood of success of a proposed investment.

The process follows a number of steps, and for each step, the relevance of a component and its evidence base is identified. The steps are as follows:

1. Problem definition – at this step the problem is formulated including its key drivers. Consensus is to be reached about the significance of each driver.
2. Benefits – a description of the benefits that are generated if the problem was adequately addressed, and for each benefit, the relative significance. In addition, there is a description of key performance indicators that measure the level of success over time. Please note that the solution definition comes after this to ensure that the solution aims to address all the benefits.
3. Response – a description of the strategic response. In formulating responses once should consider a wider range of possible intervention types including policy changes, asset and non-asset based approaches.
4. Solution – a description of a proposed project that aligns with the response. Our experience in ILM shows us that the steps from Benefits to Response to Solution often adds value and the initially proposed project may be amended or changed to optimise the benefits. The solution describes the changes that are required, including non-asset based changes, while the last category is a description of the required assets investment.

Investment Logic Map



2.3 Definition of the problem

Two key problems are the leading forces behind poor housing outcomes for workers. These are defined below, with further evidence of the drivers provided in following sub-section.

Insufficient amount of housing leading to poor economic and social outcomes

Mildura does not have sufficient suitable housing to house workers and families who are wanting to move to the LGA. Key drivers are the low rental vacancy rates driven by housing supply lagging behind demand. The barriers to housing supply are detailed in the Loddon-Mallee Housing Action Plan Supporting Document. The housing shortage challenge is described in the Loddon Regional Development Strategy:

Limited access to appropriate housing constrains the region's ability to attract workers and sustain population growth. Most communities throughout the Mallee experience housing shortages, where locals and seasonal workers face lower-than average rental vacancy rates, illegal rooming issues and long wait times for building new homes. The lack of land ready for development, difficulty obtaining investment finance, availability of skilled tradespeople and the rising cost of materials all contribute to this complex issue.³

For seasonal workers from overseas, the lack of housing is leading to overcrowding, people resorting to living in unsuitable conditions and exploitation. This has an impact on physical and mental health, on the availability of sufficient workers, and an increased risk of illegal employment operators. This can undermine the economic productivity and prosperity of agricultural businesses in the region. In reaction to the worsening housing situation Mildura council declared a housing crisis⁴. Without government intervention

Increased risk of worker exploitation leading to negative outcomes

International workers are a vulnerable cohort. The lack of housing puts workers in precarious positions that at times leads to exploitation. The high demand for housing but limited stock leads international workers to opt to live in poor-quality housing. Though limited, this may come in the form of high-cost but poor-quality housing and has a flow-on effect on safety. This issue is inextricably linked to the first driver, in that if adequate housing was available this problem would be significantly curtailed. But in addition, for international workers, it is often difficult to access support services and to navigate the system, or they may not want to raise issues for fear of consequences from authorities. As a result, they are sometimes unable to access the services they need not just international workers

³ Mallee Regional Economic Development Strategy, p.35
https://www.rdv.vic.gov.au/__data/assets/pdf_file/0006/2063913/Mallee-REDS-2022.pdf

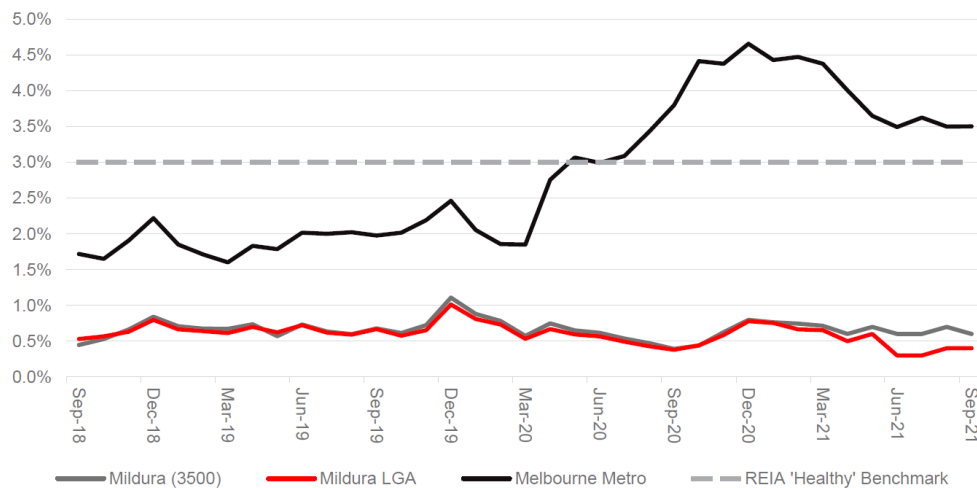
⁴ <https://alga.com.au/mildura-council-calls-for-action-to-ease-regional-housing-crisis/>

2.4 Evidence of drivers

Lack of housing in the region

There is a severe lack of rental accommodation in the region. The rental vacancy rate in Mildura LGA is 0.4% which is below the REIA 'healthy' benchmark rate of 3% as shown in the figure below. In addition, the rate is below REIV's 2.5% benchmark. Rental prices remained stable year on year in quarter three of 2021 at \$350 per week⁵. However, the rent level is quite high for seasonal workers from overseas who tend to get paid close to the minimum wage, noting that according to the ABS workers in the agri-sector get paid \$1,053 per week⁶ (inclusive of all occupation levels) compared to \$812.60 per week⁷. Using the 30 percent rule for rent to household income and the SGS Rental Affordability Index calculation, rental housing is unaffordable for those on low incomes⁸. These two factors push rural workers from overseas into precarious housing that is overcrowded and/or very poor quality that results in poor economic, social and health outcomes.

FIGURE 1: VACANCY RATE MILDURA 2018 TO 2021



Source: PRD Research

Seasonal and social housing providers have collected anecdotal information showing the living conditions of seasonal workers due to lack of housing

⁵ <https://www.prd.com.au/mildura/research-hub/article/mildura-property-market-update-2nd-half-2021/>

⁶ <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/employee-earnings/latest-release#industry>

⁷ <https://www.fairwork.gov.au/pay-and-wages/minimum-wages#:~:text=As%20of%201%20July%202022,in%20their%20award%20or%20agreement.>

⁸ <https://www.sgsep.com.au/projects/rental-affordability-index>

When visiting this client I realised that he is not sleeping in the house shared with others. Because there are too many people in the house, he has made a broken vehicle his sleeping space. It's really not safe.

Workers have resorted to living in cars and make-shift dwellings when they have not been able to secure a sleeping space in a house. These spaces are of poor quality, lacking in hygiene and at times exposed to the elements, as shown in the images below.

FIGURE 2: ACCOMMODATION CAMPSITE WITH SEASONAL WORKERS



Source: Social Housing Providers

FIGURE 3: SEASONAL WORKERS LIVING IN A CAR



Source: Social Housing Providers

Economic impacts

The lack of housing is a handbrake on the economic performance of the Mildura. Agriculture and manufacturing are important contributors to Mildura's and overall Victoria's economic output. As stated earlier the Mildura and the larger Sunraysia area (which includes Mildura) is a nationally significant economic sub-region. Agriculture, horticulture and other sectors in Mildura rely on rural workers from overseas for their production activities as it is difficult to attract locals.

Poor health outcomes

Poor access to suitable accommodation and poor access to support services is leading to poor physical and mental health outcomes and these effects are compounded in low-income households and CALD people. Academic literature shows a link between the lack of privacy and noise levels caused by overcrowding on mental health⁹. High-density living environments have a negative effect on the mental health of both men and women. While women living in crowded homes are more likely to be depressed, men report higher levels of withdrawal, and some males respond with both aggression and withdrawal¹⁰. Declining mental health is shown to lead to reduced worker productivity which leads to lower profits and economic output at a macro-level¹¹.

Though there is no data on the effect of overcrowding on the health and wellbeing of seasonal workers, anecdotal evidence shows they are exposed to conditions that would result in poor health outcomes. The images shown earlier show the poor conditions that rural workers from overseas live in.

Overcrowding increases the risk of infectious disease transmission, and interventions that reduce overcrowding would see a high decrease in the spread of infectious diseases¹². For example, the COVID virus has been shown to spread quicker in overcrowded housing and this is likely to have had a significant impact on workforce productivity of the entire household if one person was positive with the virus¹³.

Social impacts

Overcrowded conditions could lead to harmful behaviours that have a negative social impact. Anecdotal evidence collected by social housing providers is of family breakdowns and people starting a gambling or a drug habit due to wanting an escape or change of environment from where they are

⁹ AHURI, 2001, Do housing conditions impact on health inequalities between Australia's rich and poor?, Positioning Paper 2

https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_Positioning_Paper_No2_Do_housing_conditions_impact_on_health_inequalities_between_Australias_rich_and_poor.pdf

¹⁰ Regoeczi, W.C., 2008. Crowding in context: An examination of the differential responses of men and women to high-density living environments. *Journal of Health and Social Behavior*, 49(3), pp.254-268.

¹¹ Bubonya, M., Cobb-Clark, D.A. and Wooden, M., 2017. Mental health and productivity at work: Does what you do matter?. *Labour Economics*, 46, pp.150-165.

¹² Bansal, R. K., and D. M. Saxena. "Overcrowding and health." *Indian Journal of medical sciences* 56, no. 4 (2002): 177-179.

¹³ Varshney, K., Glodjo, T. and Adalbert, J., 2022. Overcrowded housing increases risk for COVID-19 mortality: an ecological study. *BMC Research Notes*, 15(1), pp.1-4.

residing. Academic literature does show overcrowding increases the risk of being a victim and committing a crime¹⁴, and is associated with the onset of gambling¹⁵. All these behaviours lead to poorer mental health and family breakdown.

2.5 Benefits

Increased productivity and economic outcomes

Were the problem defined in section 2.1 to be successfully addressed, the key benefit would be a significant lift in agricultural turnover levels leading higher State GDP compared to a business-as-usual scenario for worker housing and labour market operations in the Mildura.

This anticipated boost to agricultural turnover will be generated by improved stability and efficiency in the labour market arising from a range of improvements.

Housing targeted at seasonal workers would free up housing for other types of workers and other seasonal workers. The wider community will enjoy better access to services across health, education, recreation and social support. These services will benefit from more reliable supply of specialist skills and unskilled labour. The upshot will be a stronger, more resilient community as it will have the skills and social infrastructure to better withstand shocks.

A further collateral benefit is that with its more productive and resilient economy, the North West would become more attractive and viable as a living option for more Victorians. This expansion of lifestyle/workstyle choices will be a material improvement in aggregate utility in the State.

Improved physical and mental health

Having better housing would reduce the risk of disease spread and prevents the incidence of mental illness. This has the benefit of workers being able to work more productively, which contributes to Mildura's and Victoria's economic performance. In addition, there is reduced need for health services which contributes to a better budget bottom-line for the State government.

Having better access to support services for international workers will support them addressing any health issues.

Improved migration to the region

Providing housing to rural workers creates the opportunity for increased migration to the region. Increased migration would enable other skilled and unskilled workers to live and work in Mildura. As a result, the quantum and quality of goods and services provided would increase, which would improve the utility of all residents in the region.

¹⁴ Friedman, D., 2010. *Social impact of poor housing*. London: Ecotec, pp.597-606.

¹⁵ Fluharty, M., Paul, E. and Fancourt, D., 2022. Predictors and patterns of gambling behaviour across the COVID-19 lockdown: Findings from a UK cohort study. *Journal of affective disorders*, 298, pp.1-8.

Improved social cohesion

Reduced harmful behaviours would have a positive effect on social cohesion. There would likely be a reduced risk of family breakdown due to the reduced incidence of negative social behaviour such as gambling and substance use. Reduced incidence of anti-social behaviour in the community decreases the risk of stigmatisation of seasonal workers.

2.6 Policy alignment

State productivity and economic growth are clearly of strategic importance to the State Government, as is the robustness of regional economies.

The suite of Regional Economic Development Strategies produced by Regional Development Victoria highlight the importance of regional economic development for the government.

Regional Victoria is a driving force behind our state's economic growth and prosperity. Victoria's Regional Economic Development Strategies (REDS) identify strategic directions to further drive growth and prosperity in regional Victoria.¹⁶

The DJPR Strategic Plan highlights the regions as a priority in the organisation's purpose:

Here at the Department of Jobs, Precincts and Regions, we're firmly focused on Victoria's economic recovery and growth, ensuring it benefits all Victorians — by creating more jobs for more people, building thriving places and regions, and supporting inclusive communities.¹⁷

The State Government's Budget Paper #2 'Strategy and Outlook' 2022-23 reaffirms 'a resilient economy' as one of 5 key planks in long term management of Victoria's finances. This is defined to mean 'supporting an innovative and diversified economy that will unlock employment growth, long-term economic growth and productivity in Victoria' (p 7).

Budget Paper #2 also notes that 'Victoria's regional businesses and producers are critical to the state's economic growth and prosperity' (p 16).

¹⁶ <https://www.rdv.vic.gov.au/resources/regional-economic-development-strategies>

¹⁷ DJPR Strategic Plan 2021-25 https://djpr.vic.gov.au/__data/assets/pdf_file/0015/2033151/DJPR-Strategic-Plan-2021-25.pdf

2.7 The project

In the Mildura region the Sunraysia Mallee Ethnic Communities Council (SMECC) is a not-for-profit (NFP) organisation that aims to assist CALD workers in the community. SMECC owns and operates accommodation services and has identified the need to increase its accommodation capacity. To that end, it has developed the Ramsay Court Worker Accommodation project.

The proposed investment aims to develop and provide affordable and secure accommodation for international workers and enable labour flow into Mildura. The site is currently an underutilised carpark within a residential area on Ramsay Court. SMECC leases the land under a college lease arrangement which is when a local school, college or other government entity owns the land but the development proponent owns the improvements. SMECC aim to operate the housing once complete, and to provide onsite concierge services to enable access to health and other support services.

The project comprises 62 rooms and three 2-bedroom apartments that will accommodate seasonal workers from CALD backgrounds. SMECC estimate the capital cost of the project at \$7m. The concept design of the development is shown Figure 4 below.

FIGURE 4: MILDURA WORKER HOUSING DEVELOPMENT



Source: SMECC 2022

The development addresses the two problem statements identified.

- The first problem of insufficient housing leading to poor economic and social outcomes is addressed by the increased availability of housing that will take some people out of overcrowded accommodation into housing that provides adequate space. The increase in housing lifts the

capacity of Mildura to bring in more seasonal workers to relieve the pent-up demand for workers. Adequate housing space reduces the risk of mental health illness and physical illness that is more prevalent in crowded and poor-quality housing.

- The second problem of exploitation risk leading to negative outcomes is addressed through a reputable organisation, SMECC, providing housing at a fair price, which means workers have a greater level of take-home pay. The proposal offers access to a concierge officer (support worker) who can provide workers with easy access to services and assistance. The provision of support services will enable international workers easier access to the knowledge to navigate the system and knowledge of the rights and privileges available to them as international workers in Australia.

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3. Financial evaluation

3.1 Framework

This section presents the project's operational feasibility assessment and the suitable funding structure given its financial operational position. The table below lists the cost and revenue items used in the operational feasibility assessment.

TABLE 1: FINANCIAL EVALUATION FRAMEWORK

Costs	Revenue
Operating expenditures include: <ul style="list-style-type: none"> – College lease – Rates – Insurance – General repairs & maintenance – Air conditioning service – Pest control – Gutter cleaning – Test and Tag – Waste Removal – Utilities (power and natural gas) – Water rates – Water usage 	Rental revenue from the: <ul style="list-style-type: none"> – 62 room twin bed facility – 3 two-bedroom houses
Concierge/support officer who will manage the running of the property and provide support services for the tenants	
Capital renewal which covers significant repair work	

Source: SMECC; SGS Economics and Planning

3.2 Costs

Operating costs

Operating costs were sourced from SMECC and are assumed to be constant across the 15-year evaluation period. The table below shows the dollar values used in the operational feasibility model.

TABLE 2: OPERATING COSTS

	FY24	FY25	FY26	FY27	FY28 and onwards
--	------	------	------	------	------------------

Operating costs (\$000s)	251.9	251.9	251.9	251.9	251.9
Support/concierge worker (\$000s)	59.8	59.8	59.8	59.8	59.8
Capital renewal (\$000s)	70.0	70.0	70.0	70.0	70.0

Source: SGS Economics and Planning; SMECC

Capital renewal

SGS assumes SMECC will use \$70,000 per annum on capital renewal. Capital renewal is assumed to be 1% of the total capital expenditure and is over and above the expenditure on general maintenance and repairs. Anecdotal evidence from SMECC suggests the property may experience substantive wear and tear, this capital renewal amount accounts for periods of high and low capital renewal.

Concierge/support

A staff member of SMECC will be employed to manage the facility. In addition, to management duties, the employee will provide social support to the tenants. One FTE will be employed for this role at an annual cost of \$59,800 per annum (in real dollars) ¹⁸.

Revenues

Rental income will be the only source of operational income for the housing facility. It is assumed the facility will operate year-round and have an occupancy rate of 75%. The occupancy rate accounts for the likely turnover of tenants who will be international workers coming to the region for a specified period. Tenants in the twin-share units will pay \$140 per week (approximately 90% of the market rate) and tenants of the 2 bedroom apartments will pay \$300 per week (approximately 85% of the market rate). The expected rental income is shown in Table 3 below.

TABLE 3: OPERATING INCOME

	FY24	FY25	FY26	FY27	FY28 and onwards
Rental income units (\$000s)	677.0	677.0	677.0	677.0	677.0
Rental income apartments (\$000s)	35.1	35.1	35.1	35.1	35.1
Total (\$000s)	712.1	712.1	712.1	712.1	712.1

Source: SMECC and SGE Economics and Planning

¹⁸ Salary based on SMECC data on organisation wage and salary levels.

3.3 Results

Discounted cashflow assumptions

The operating cashflows were discounted using a rate of 8%, reflecting the weighted average capital cost. The evaluation period was 15 years. The values were kept as real values, that is not scaled over time to reflect inflation.

Operational performance

Based on the assumptions outlined above, the SMECC housing venture is operationally feasible. The SMECC facility will operate with a positive surplus over the 15-year evaluation period, as shown in the table below. There will be a positive surplus from the first year of operation. The key income driver will be rental income from the units. As is typical for cost benefit analysis and mentioned above the dollar figures are shown as real values, that is net of inflation (CPI). Using real values avoids the need to speculate on cost and income escalation in future in the modelling, though the expectation is that SMECC will increase rental prices in line with (or above) operating cost increases, or that rents and costs will increase in concert at rates consist with the CPI rate.

TABLE 4: OPERATIONAL FEASIBILITY DCF

	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue (\$000s)		712.1	712.1	712.1	712.1	712.1	712.1	712.1
Costs (\$000s)		381.7	381.7	381.7	381.7	381.7	381.7	381.7
Net cashflow (\$000s)		330.3	330.3	330.3	330.3	330.3	330.3	330.3
DCF (\$000s)		330.3	305.9	283.2	262.2	242.8	224.8	208.2
	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
Revenue (\$000s)	712.1	712.1	712.1	712.1	712.1	712.1	712.1	712.1
Costs (\$000s)	381.7	381.7	381.7	381.7	381.7	381.7	381.7	381.7
Net cashflow (\$000s)	330.3	330.3	330.3	330.3	330.3	330.3	330.3	330.3
DCF (\$000s)	192.8	178.5	165.3	153.0	141.7	131.2	121.5	112.5

Source: SGS Economics and Planning

SMECC cannot solely finance the \$7m in capital needed to build the facility on its net operational income. Based on the surplus cashflow generated, SMECC can borrow \$1.7m to build the facility. This is based on the parameters of 60% of the operational surplus being used to service debt and a commercial interest rate of 8% over a 15 year term. The remaining share of the operational surplus (40%) is set aside to enable the financing of other SMECC programs and developments and acts as a buffer to cover any additional outlays that could arise.

The modelling therefore suggests that SMECC needs \$5.3m in additional capital grant funding to enable this project to proceed.

3.4 Funding support options

The \$5.3m capital support to enable this project to proceed could come from the following sources.

- A State Government capital grant, effectively covering 76% of the capital cost.
- Alternatively, a low interest loan could be provided to SMECC for all or part of the capital, however a loan for say 90% of the capital cost (\$6.3m) at say 2% interest per annum would take more than 50 years to repay.
- A further alternative then would be for government to be an equity partner though this would require a governance and accountability regime which might be cumbersome.

Council could offer support to reduce the cost and repayment obligations by discounting costs associated with infrastructure or reducing rates or by providing other cash or in-kind support (fast tracked approvals etc). In these and other ways Council could play a role as a co-funder or supporter of the project alongside State government.

The cost-benefit analysis in the next section shows that state provided support for the housing facility will generate a net benefit to Victorians.

4. Cost benefit analysis

4.1 Cost benefit framework

Cost benefit analysis is an economic appraisal of the social, economic and environmental costs and benefits of a proposed projects. If it is found that the benefits of the project outweigh the costs, then there is a net community benefit from the Ramsay Court worker accommodation project, which justifies government support.

As per convention, the cost benefit analysis (CBA) is undertaken at the State level and assesses the costs and benefits to Victoria as a whole.

CBA is an appraisal method that compares the costs and benefits of a project (the project case) to a situation without the project (Business as Usual case, or base case). Under the base case this facility would not be built, assuming that government funding would not be provided. Table 5 lists the costs and benefits of the project.

TABLE 5: COST BENEFIT FRAMEWORK

Incremental costs	Incremental benefits
Capital costs	Enhanced labour productivity - Secure and affordable housing reduces housing stress which enhances the productive potential of an individual (<i>economic benefit</i>)
Operating and maintenance costs	Health cost savings to the public healthcare system - Housing is a crucial element in maintaining and enhancing health. Overcrowded conditions increase the risk of disease, and the lack of adequate privacy can impair mental health. Access to adequate and affordable housing will reduce the public health system expenditure burden (<i>social and economic benefit</i>)
	Enhanced human capital - Adequate and affordable housing allows greater opportunity to undertake activities that improve human capital. Overcrowded and/or poorly quality housing hinders the ability to engage human capital improving activities (<i>economic and social benefit</i>)
	Reduced crime and harmful behaviours - The lack of privacy and overcrowded conditions can lead to deteriorating mental and emotional health. This can lead to engaging in behaviours that negatively impact a community. (<i>social and economic benefit</i>)
	Education benefit - A conducive environment for learning and upskilling increases the potential for human capital formation, resulting in better returns for the employers and higher wages for the employees living in the facility. (<i>economic and social benefit</i>)
	Asset residual value – is the asset value at the end of the evaluation period and represents the intrinsic value of the housing, which is a benefit to Victorians (<i>economic benefit</i>)
	Revenue – rent incomes (<i>economic benefit</i>)

Source: SGS Economics and Planning

Notes: quantification values for each benefit sourced from SGS (2022) report

In the quantification of benefits, the share of public cost savings accruing to the Federal government was excluded

Incremental costs

The incremental costs are the capital costs and the operating costs shown in Table 6

TABLE 6: INCREMENTAL COSTS

	Total	FY23	FY24	FY25	FY26	FY27 and onwards
Capital costs (\$000s)	7000.0	7000				
Operating costs (\$000s)	5726.1		381.7	381.7	381.7	381.7

Source: SGS Economics and Planning

Incremental benefits

Enhanced productivity and reduced health costs will be the most significant benefits generated by the housing project. Providing adequate housing is crucial to enhancing and maintaining health. The lack of housing can create an excess health burden for the public health system. The table below shows the dollar values for each of the benefits.

TABLE 7: INCREMENTAL BENEFITS

	Total	FY24	FY25	FY26	FY27	FY28 and onwards
Enhanced labour productivity (\$000s)	5386.4	359.1	359.1	359.1	359.1	359.1
Health cost savings (\$000s)	4046.2	269.7	269.7	269.7	269.7	269.7
Enhanced human capital (\$000s)	2626.0	175.1	175.1	175.1	175.1	175.1
Reduced crime and harmful behaviours (\$000s)	1205.9	80.4	80.4	80.4	80.4	80.4
Education benefit (\$000s)	256.0	17.1	17.1	17.1	17.1	17.1
Revenue	10681.3	712.1	712.1	712.1	712.1	712.1

Source: SGS Economics and Planning

In addition to the benefits in the table above, the residual asset value at the end of the evaluation period is \$4.1m based on the depreciation rate of 2.5% per annum and disposal costs which are real estate agent fees, marketing and legal costs

Cost Benefit Assessment

Overarching assumptions

Overarching assumptions for the discounted cashflow analysis are as follows:

- Values 2023, real (i.e. no escalation)
- Timeframe 15 years (2023 to 2038)
- Discount rate 7% real.

Table 8 provides a description of the performance measures to understand the results of the cost benefit analysis in the tables that follow.

TABLE 8: CBA PERFORMANCE MEASURES

Performance measure	Estimation method	Decision rule
Net Present Value (NPV)	This is the value in the present of a sum of future net cash flows. It is calculated by deducting the present value of the stream of costs from the present value of the stream of benefits (with the present value of costs and benefits determined by using an appropriate discount rate).	<ul style="list-style-type: none"> - Accept options with a positive NPV - Reject options with a negative NPV - The greater the NPV, the better.-
Benefit Cost Ratio (BCR)	Ratio of discounted present-day benefits over discounted present-day costs.	<ul style="list-style-type: none"> - Accept options with a BCR > 1 - Reject options with a BCR < 1 - The greater the BCR, the better.

Source: SGS Economics and Planning

Results

The economic evaluation supports the case for a government contribution to enable the building of the SMECC run worker housing. The cost-benefit assessment shows the project will provide a net benefit to Victoria with a return of \$1.30 for every dollar invested in the project. Even when the benefits are varied +/-5%, Table 11 shows the project will still generate a net benefit to Victorians with the BCR above 1.

TABLE 9: COST-BENEFIT RESULTS

	Net Present Value
Capital costs	\$7,000,000
Operating costs	\$3,477,000
Total incremental costs	\$10,477,000
Enhanced labour productivity	\$2,289,000
Health cost savings	\$1,474,000
Enhanced human capital	\$1,116,000
Reduced crime and harmful behaviours	\$732,000
Education benefit	\$155,000
Residual asset value	\$1,486,000
Revenue	\$6,486,000
Total incremental benefits	\$13,738,000
Net benefits	\$3,261,000
BCR	1.3

Source: SGS Economics and Planning

TABLE 10: SENSITIVITY TEST ASSUMPTIONS

	Base assumption	Pessimistic	Optimistic
T1: Discount rate	7%	10%	4%
T2: Benefits	-	-5%	+5%

Source: SGS Economics and Planning

TABLE 11: SENSITIVITY RESULTS

	Pessimistic (BCR)	Optimistic (BCR)	Pessimistic (NPV)	Optimistic (NPV)
T1: Discount rate	1.1	1.5	\$1,309,000	\$5,990,000
T2: Benefits	1.3	1.3	\$2,981,000	\$3,543,000

Source: SGS Economics and Planning

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4.2 Guidance for similar projects

Similar shortages of worker accommodation occur in various locations in Victoria. The definition of the strategic need as per the ILM, is transferable to these other instances. The specific solutions may vary. In this case, a NFP organisation with a long term site leasehold and with a track record in providing these services and having well developed plans has been a positive start but there is still a need for financial support to enable the Ramsay Court seasonal worker accommodation project to proceed, and to achieve the wider benefits that the cost benefit analysis identifies. Without capital support the project is not viable.

The ILM shows the importance for 'wrap-around services' to ensure that residents of the workers accommodation have access to support services. This lesson also applies to other areas with similar issues.

The CBA components are also transferable to areas with similar issues. The CBA results for this business case demonstrate there is a wider community benefit to support the development. It provides a justification for Council to collaborate, advocate for government capital funding (or equivalent in loans) and potentially contribute funding or other in-kind support to enable the project to proceed. While the exact results of the CBA may vary from site to site, the components of the CBA will be broadly similar across areas with similar issues.

Though the economic and financial analysis was focused on the SMECC project, this project required some preconditions to enable an organisation like SMECC to reach this stage of the implementation process. The table below shows the broad steps that would need to be undertaken and the responsibilities the Loddon-Mallee Housing Support Officer might initiate to enable a project like the SMECC worker housing project to be replicated in other local government areas.

TABLE 12: GUIDANCE FOR SIMILAR PROJECTS

Key stages	Role of Housing Support Officer
1.Needs assessment to ascertain the type of worker housing needed.	<p>Assessment funding: find the finance for the required needs assessment</p> <p>Needs establishment: procure the consultant/s to conduct the required needs assessment/s including quantitative of the local economy</p> <p>Community consultation: assist the consultant in the community consultation process by securing the key stakeholders pivotal for confirming the aspects of need and developing an appropriate worker housing development proposal</p>
2.Identify and secure suitable land that can be used for worker housing. Undertaking a pre-feasibility assessment to identify preferred site.	<p>Hold land owner summit: A forum to gauge interest from potential landowners who could provide land Or Identify if there is council land suitable for the need identified Or Identify if there is State-owned land that could be declared surplus and able to be devoted to the project</p> <p>Secure potential land: obtain a non-binding option to use the land for housing or an in-principle agreement conditional on agreed terms such as securing a housing provider and finance; ultimately, and once development partners are involved, a project has approval and finance for development has been secured a formal process of land title transfer or land sale would need to occur (for state owned land relevant process and protocols can be found in Victorian Government Landholding Policy and Guidelines and associated documents)</p>
3.Early planning analysis	Address planning issues: Work alongside council to identify and address any statutory planning issues that may affect the worker housing project on identified potential sites. This process will also identify desirable approval pathways from a planning perspective.
4.Seeking a development partner - with social housing, service providers and others such as construction industry contractors, State government departments and parliamentary representatives	Development sector and stakeholder forum: organise and host a targeted forum to advertise and build relationships with potential social housing providers and/or developers in the worker housing space.
5.Consultation with key stakeholders to establish aims and objectives that will guide the expression of interest	Co-design: host a co-design session to develop the aims and objectives to inform the EOI
6.Early concept development to address findings	Concept plan: Working alongside development partners and council to address findings from step 5
7.Development of business plan and financial evaluations	<p>Procurement funding: Find and secure funding for feasibility studies / business cases</p> <p>Consultant Procurement: Procure and engage the relevant consultants to provide the needed inputs.</p>
8.Establish potential funding sources	Engagement with financiers: find potential funding sources and build relationships if needed with financiers, using feasibility analysis and business cases to justify project support
9.Final Expression of Interest	Development of project EOI: with project details, aims and requirements.
10.Tendering project	Tendering: developing the EOI and assessing the appropriate provider

Source: SGS Economics and Planning

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Loddon-Mallee Housing Action Plan: Buloke Worker Housing Strategic Policy Guide

Swan Hill Rural City Council

December 2022



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Executive summary

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan. While each report relates to a particular project or issue, the responses and lessons from each provide recommendations that are mostly replicable and scalable to similar issues elsewhere in the region, if not indeed across regional Victoria.

This 'strategic policy guide' report is focussed on understanding the strategic need for key worker housing in a relatively remote regional local community (the Buloke Shire) and identifying options for providing key worker housing to meet the identified need.

Context

Buloke LGA encompasses a total land area of approximately 8,000 square kilometres and is located in north-western Victoria, between 210 and 360 kilometres north-west of Melbourne. The population of the Shire was 6,178 residents as at 2021. The LGA is bounded by Mildura and Swan Hill Rural Cities in the north, Gannawarra and Loddon Shires in the east, Northern Grampians Shire in the south, and Yarriambiack Shire in the west. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof.

Agriculture contributes about \$277.5 M or 36.22% of total output. In addition, the sector accounts for 32% of total employment making it the largest job generator. Other key industries are Health Care and Social Assistance and Education and Training which employ 13% and 10% of the total workforce respectively.

Buloke's economy can be described as in recovery and growing, however recruiting and retaining rural workers is hampered by the availability of housing. Of particular concern is the availability of rental housing which is the first form of housing workers usually occupy when they move into a region.

Housing need

The analysis included identification of the level of worker housing needs in three key businesses in the Shire (Eatwell, Kookas Country Cookies and East Wimmera Health Services), assessed at between 20 to 30 workers. The worker shortages are across full-time, part-time and casual positions. The need is greatest in the town of Donald where all these businesses have key operations. Their demand for permanent housing is 6 to 10 dwellings which is mostly geared to housing families. The demand for short-term housing is approximately 10 to 15 dwellings if configured as twin-share accommodation.

Potential sites

Four potential sites in Donald were identified for worker housing as shown below.

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POSSIBLE WORKER HOUSING SITES AND INDICATIVE YIELDS

Potential housing site	Site owner	Indicative yield (all subject to concept planning)
Site A – Donald Caravan Park	Council, run by Donald Football Club as Committee of management	Up to 15 twin-share temporary but high-quality dormitory style homes for FIFO and casual workers
Site B – South Street fringe land	Private owner	5-6 attached, low rise dwellings for permanent worker accommodation (or temporary dormitory style homes)
Site C – Catholic Church land (129 Woods Street) and site to rear	Catholic Church and DELWP	14 medium density dwellings across the two sites for permanent worker accommodation
Site D – Victorian Railways Institute site	VicTrack managed by Victorian Railways Institute	Up to 10 low rise medium density dwellings for permanent worker accommodation

The Caravan Park and Site C (adjacent sites owned by the Catholic Church and DELWP) are probably the priorities for initial investigation.

Recommended model*Governance and partnerships*

The Loddon Mallee Housing Action Plan suggests that resources be sought for a **Loddon-Mallee Housing Support Officer** to implement the action plan. Desirably another organisation would accept 'day to day' responsibilities for implementation and relevant relationship brokering. This could be the **Buloke Council**, the **Mallee Regional Partnership** or even the **Wimmera Development Association**. An important implementation partner will be an organisation with development expertise. A **Housing Association** such as Haven Home Safe, Birchip Community Housing Incorporated (or similar) could be approached to assist, once land or site(s) are secured.

General approach

Development of worker housing across the four sites would follow the general pathway way outlined below. Specific aspects, related to each site, vary given site characteristics and potential.

Secure the site: This will require negotiating a sale or lease or gift with the relevant landowners and managers, and in the case of the DELWP and Victrack sites working through the State Government's land management and release of surplus site requirements (see Appendix A).

Identify a development partner and housing manager: A willing development partner, able to receive capital from willing businesses, and with development and housing management expertise, would need to be sought. They would need to agree to be involved as anticipated by this model or approach. An established Housing Association with development expertise such as Haven Home Safe, headquartered in Bendigo, would be a potential candidate.

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Develop ‘essential worker accommodation’ charter: This would document the model identified here, as refined if necessary through negotiation, with participating organisations (governance agent, participating land-owner, housing developer and manager, businesses with key worker needs contributing capital). This would be established upfront by the governance agent (e.g. Mallee Regional Partnership, WDA, Buloke Council).

Obtain capital for development: Capital injections would be sought in the first instance from participating businesses (beginning with Eatwell, Kookas and EWHS), as signatories to the ‘essential worker accommodation’ charter. Participating businesses would provide capital to the development partner and housing manager on the basis of a contractual obligation that the development partner and housing manager would manage the dwellings for the exclusive use of the participating businesses for the duration of the economic life of the dwellings (say 50 years).

Develop and lease the properties:

- The development partner and housing manager would develop the dwellings on a fee for service basis.
- The development partner and housing manager, or land-owner (as determined by the charter) would retain ownership of the buildings.
- The development partner and housing manager would manage and maintain the dwellings according to the ‘essential worker accommodation’ charter.

Participating businesses would have long (e.g. 50 year) leases on the properties in return for the capital investment they make in the development partner and housing manager, noting that they would receive rent from the workers housed therein – net of development partner and housing manager’s management fees. The development partner and housing manager would take care of asset management and tenancy management.

End of lease pathways: Once the period specified in the charter ends, the participants could extend the arrangement. Otherwise, and ultimately, the land owner takes possession of the assets and can use the properties as they see fit.

The main benefit of this general approach is tapping the development expertise of a large Housing Association as development partner and housing manager.

The final chapter offers a strategic guide to enable worker housing development that can be used by other councils facing similar challenges in a similar context.

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1. Introduction

1.1 Housing Action Plan and four associated projects

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan.

While each report relates to a particular project or issue, the strategic responses and lessons from each provide recommendations that are mostly replicable and scalable to similar issues elsewhere in the region. There are two 'business cases' and two 'strategic policy guides' covering the projects. The business cases are quantitative and focus on the economic case for the housing proposal. The strategic guides address good practice processes and steps.

The projects are:

- Mildura worker housing project – expansion of an existing seasonal worker accommodation facility in regional Victoria (quantitative business case report)
- Etty Street housing site opportunity – a potential social and affordable housing development site with multiple titles, including state-owned and Crown land with associated Aboriginal lands rights implications (strategic policy guide report)
- Buloke worker housing project – understanding the strategic need for key worker housing to support the local community and considering options for key worker housing in Donald, in the Buloke Shire (strategic policy guide report)
- Newbridge Water and Sewerage Infrastructure extension – strategic approach to investing in infrastructure supporting new housing development in a small-town context (quantitative business case report).

All documents draw out and summarises replicable and scalable steps. The reports and especially their included "How to guides", are intended to provide housing practitioners with a toolkit to actively address typical barriers to new housing supply found in regional Victoria.

1.2 This report

This report focusses on worker housing in Buloke. The investigation included identification of the level of worker demand for three key businesses, their worker housing needs and identification of potential land for housing. Options and development pathways to address the need are outlined.

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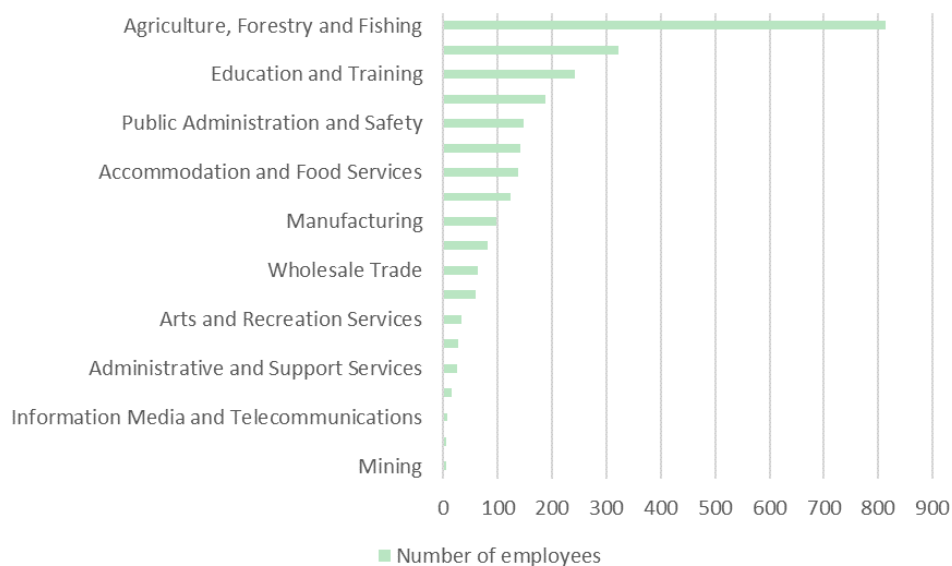
2. Context

2.1 Overview of local economy and challenges

Buloke Shire encompasses a total land area of approximately 8,000 square kilometres and is located in north-western Victoria, between 210 and 360 kilometres north-west of Melbourne. The shire is bounded by Mildura and Swan Hill Rural Cities in the north, Gannawarra and Loddon Shires in the east, Northern Grampians Shire in the south, and Yarriambiack Shire in the west. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof.

Agriculture is Buloke largest industry based on employment as shown in Figure 1. The agri-sector contributes about \$277.5 M or 36.22% of total output¹. In addition, the sector accounts for 32% of total employment making it the largest job generator². Other key industries are Health Care and Social Assistance and Education and Training which employ 13% and 10% of the total workforce respectively.

FIGURE 1: BULOKE EMPLOYMENT BY INDUSTRY 2021



Source: ABS Census 2021; SGS Economics and Planning

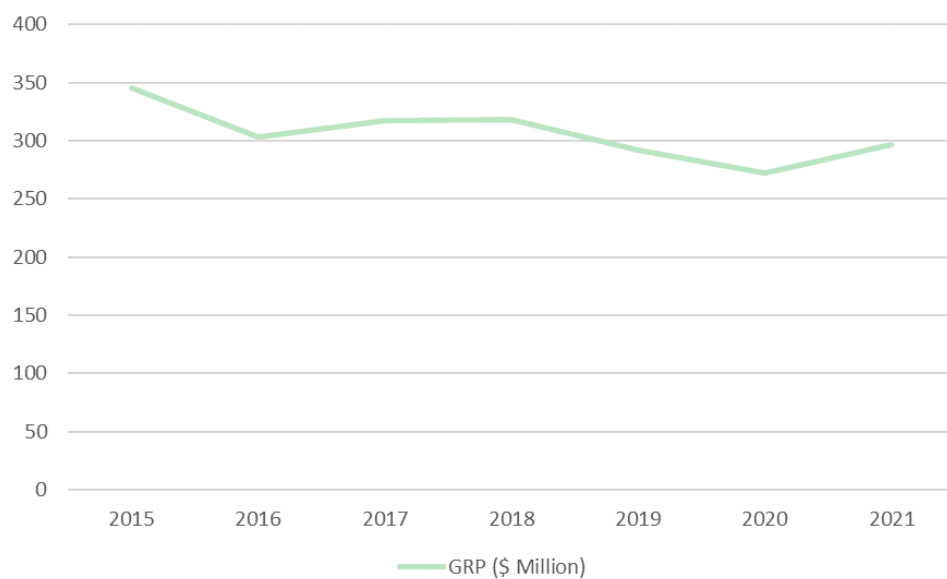
¹ <https://app.remplan.com.au/buloke/economy/summary?state=Vm4RTY2M3TNqIWrwHwQxmnrSRHJHdDa>

² Ibid

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A growing economy

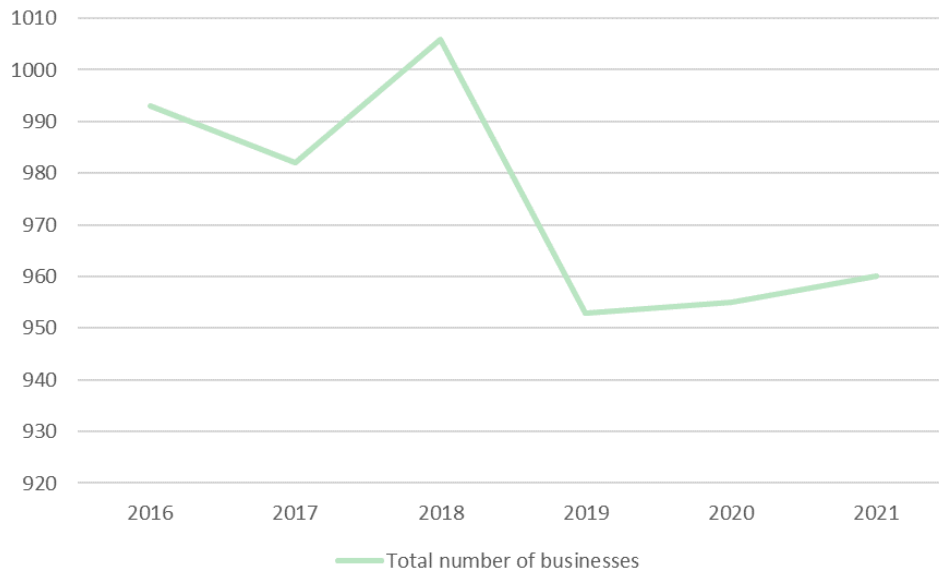
Buloke's economy can be described as in recovery and growing. The shire's Gross Regional Product (GRP) in 2021 rose compared to previous years, as shown in Figure 2. The number of businesses has been growing over the last two years as shown in Figure 3. The metric serves as an indicator of the economic development occurring in the LGA. There is also indicative evidence of further businesses in the renewable energy space coming online in the future that will promote further economic growth and worker demand.³ A lack of suitable and affordable housing is increasingly a 'handbreak' on growth in regional Victoria and is likely a factor in Buloke.

FIGURE 2: BULOKE GROSS REGIONAL PRODUCT 2015-2021 (\$M)

Source: NIEIR 2022

³ WDA, 2021, Wimmera Southern Mallee Jobs, Population and Housing Targets 2022-2036: Report 1

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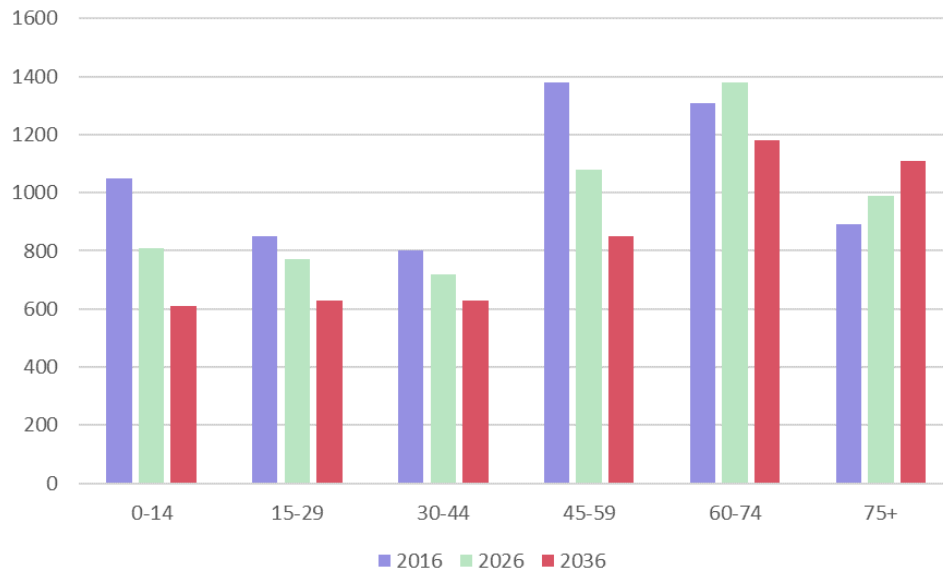
FIGURE 3: BULOKE NUMBER OF BUSINESSES 2016-2021

Source: NIEIR 2022

An ageing workforce

The population of the Buloke Shire is ageing and is projected to continue to age, as shown in Figure 4, according to VIF 2019 projections with increased numbers of people over 75 and much fewer under 60 (further nuanced discussion on projections is outlined in the sub-section below). The ageing population is a national trend, not unique to Buloke and particularly pronounced in parts of regional Australia. The key point is an increasing share of the workforce will need to be replaced to take-up job vacancies and those who will take up those roles will largely be workers from outside the local community, who need to be attracted not only to prospective jobs but good quality housing and lifestyle opportunities.

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FIGURE 4: BULOKE POPULATION BY AGE HISTORIC AND PROJECTED; 2016, 2026, 2036

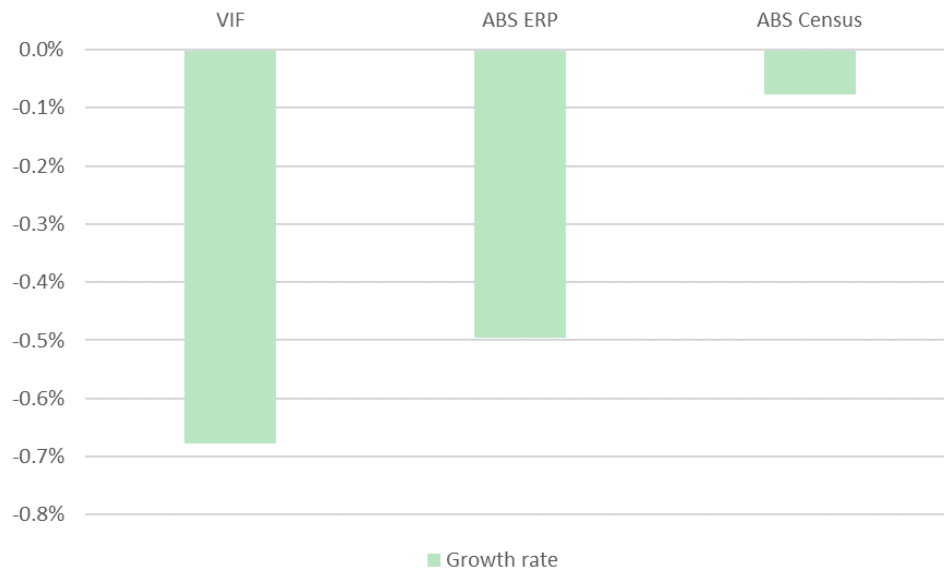
Source: VIF 2019

A stabilising population

Though the population in Buloke is ageing, the total population is not declining as steeply as previously projected. VIF projections (from a 2016 base), ABS Estimated Resident Population (ERPs) and ABS Census average annual growth rates between 2016 and 2021 are compared in Figure 5. VIF projected a steep decline in population with a rate of -0.68%, the ERPs suggested -0.5%, while the ABS Census results (based on adjusted 'actuals', not projections or estimates) revealed an average annual rate of just under -0.1%. The Census data ultimately shows that Buloke's population was relatively stable. The reasons for Buloke not experiencing the projected declines suggested by VIF are

- Those who are entering into retirement are ageing in place
- The vacancies created by retirees are being filled by new workers coming into Buloke and,
- The population is being 'topped up' to a small extent by tree-changers who moved to the region during the Covid pandemic

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FIGURE 5: COMPARISON OF VIF, ABS ERP & CENSUS POPULATION AVERAGE ANNUAL GROWTH RATE (2016-2021)

Source: VIF 2019; ABS Estimated Resident Population; ABS Census 2016 & 2021

Projections of future population may likely be inaccurate due to the above factors, which were not previously in evidence, remembering that projections draw on past trends. Figure 6 shows the variation between three projections for Buloke for the period 2021 to 2036. Wimmera Development Association (WDA) projects an average annual growth rate of 0.0% between 2021 and 2026, VIF projected a growth rate of -1.5% for the same period and REDS has an average annual growth rate of -1.4% between 2021 and 2036.

Variation in projections can come down to methodology, that is bottom-up vs top-down modelling. Top-down modelling uses historical data aggregated at a high-level and modellers use a series of assumptions to make projections at a small area level. The small area or local level projections need to 'add up' to achieve the future projection for Victoria as a whole. The disadvantage of this approach is that in a rapidly changing environment gaps between what is projected and what is observed at a local level can begin to open up. A bottom-up approach to forecasting builds a profile of small area prospects through more intimate and fine grain data analysis and development trends which can lead to more optimistic projections, though not subject to the top-down constraint of needing to necessarily 'make sense' when aggregated across the state.

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FIGURE 6: COMPARISON OF POPULATION PROJECTIONS 2021 TO 2026

	2016-21	2021-26 % pa 5 years		REDS 21-36 15 years
	% pa change	WDA	VIF	% pa change
Horsham RC	0.8%	1.0%	-0.2%	0.1%
Northern Grampians	0.9%	0.8%	-1.8%	-0.9%
Yarriambiack	-0.4%	0.1%	-1.1%	-1.0%
Buloke	-0.1%	0.0%	-1.5%	-1.4%
West Wimmera	0.5%	0.1%	-2.7%	-1.7%
Hindmarsh	-0.1%	0.1%	-1.8%	-1.3%
Total	0.5%	0.55%	-1.1%	-0.7%

Source: Wimmera Development Association

Malfunctioning housing market*Availability of housing*

Despite the need for rural workers, recruiting and retaining rural workers is hampered by the availability of housing. As in other small regional local councils, Buloke is experiencing an undersupply of suitable and affordable housing which is impacting the attraction and retention of workers. Of particular concern is the availability of rental housing which is the first form of housing workers usually dwell in when they move into a region. The Real Estate Institute of Australia posits a rental housing market with a vacancy rate of 2.5 to 3.5 per cent is a healthy rental market. The threshold used is 3% which is reflective of the midpoint. Rental vacancy rates are significantly lower than the ideal benchmark of 3% in FY2021-22. Across Northern Victoria, inclusive of Buloke, vacancy rates sit below one percent in FY2021-22⁴. This is lower than the trend vacancy rate for all of regional Victoria, which was at 1.6% in March 2022⁵.

Affordability

Prices of rental lets have increased to reflect the burgeoning demand for rental accommodation. Rental prices have increased substantively. As of June 2022, quarterly median rent in Buloke was \$240 per

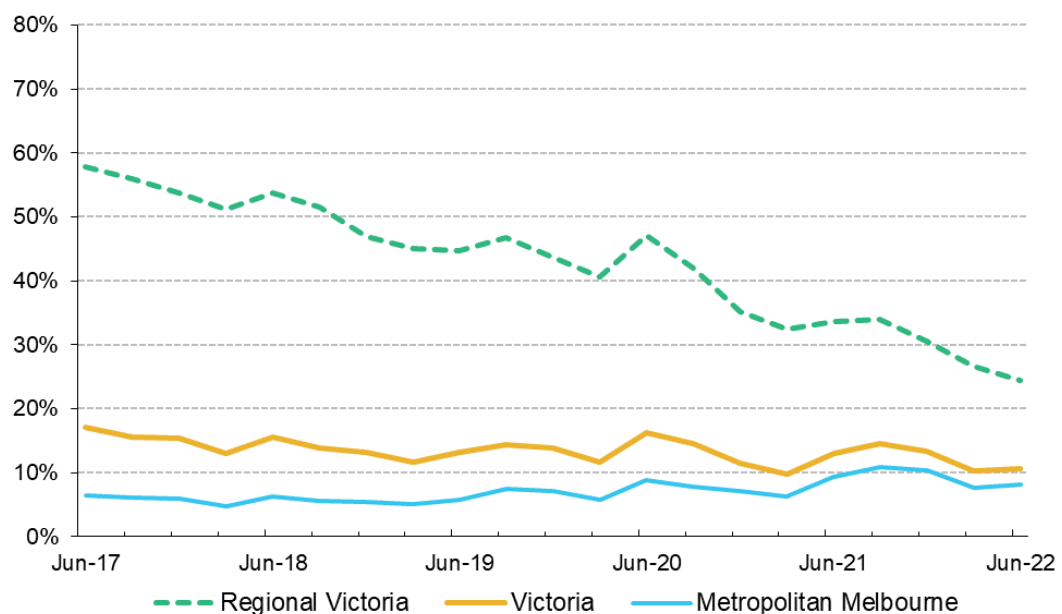
⁴ SQM Research 2022, *Residential Vacancy Rates: Region: Northern Victoria*, accessed 8 September 2022, <https://sqmresearch.com.au/graph_vacancy.php?sfx=®ion=vic%3A%3ANorthern+Victoria&t=1>

⁵ Homes Victoria, 2022.

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week, up from \$200 per week in June 2020⁶. The fall in the availability of affordable rental dwellings was present prior to the pandemic further emphasising the issue is structural rather than a cyclical issue. Figure 7 shows the fall in affordable rentals across Victoria. The affordability threshold (i.e. housing is considered affordable) is where less than 30 per cent of gross income is spent on rent. Regional Victoria is seeing a steady decline in affordability and the fall was present pre-COVID with only partial relief during the first few months of the pandemic.

FIGURE 7: AFFORDABLE RENTALS AS A PERCENTAGE OF ALL RENTALS 2017-2022



Source: Home VIC 2022

Housing quality and diversity

Though housing quality was not measured in a quantitative manner, SGS engagement with stakeholders in Buloke found the limited rental housing stock can also be poor quality, or be both poor-quality and expensive. The lack of diversity of housing product is also a problem in addressing worker housing provision. Like other small regional LGAs, the predominant form of housing is detached separate dwellings.

⁶ Department of Families, Fairness and Housing (DFFH) 2022. *Rental Report statistics – June quarter 2022*. [online], accessed 14 September 2022, <<https://www.dffh.vic.gov.au/publications/rental-report>>

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Housing availability and worker attraction and retention

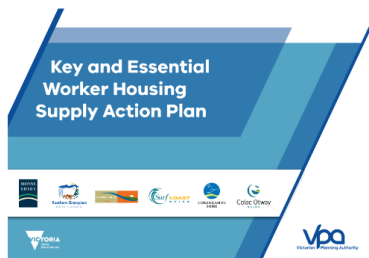
A number of reports have identified housing as a structural barrier to recruiting and retaining workers.

The housing shortage challenge is described in the Mallee Regional Development Strategy:

Limited access to appropriate housing constrains the region's ability to attract workers and sustain population growth. Most communities throughout the Mallee experience housing shortages, where locals and seasonal workers face lower-than average rental vacancy rates, illegal rooming issues and long wait times for building new homes. The lack of land ready for development, difficulty obtaining investment finance, availability of skilled tradespeople and the rising cost of materials all contribute to this complex issue.⁷



The Mallee Regional Skills demand report identifies housing being in critical shortage and a structural barrier to addressing the workforce gap⁸. The document does not delve into the drivers of the rural worker housing shortfall.



The Key and Essential Worker Housing Action Plan prepared by the VPA with Victorian coastal councils⁹ identifies the lack of rural worker housing supply as a handbrake on local and regional economies.

⁷ Mallee Regional Economic Development Strategy, p.35

https://www.rdv.vic.gov.au/__data/assets/pdf_file/0006/2063913/Mallee-REDS-2022.pdf

⁸ Nous Group, 2020, Mallee Regional Skills Demand Pulse Check – 2020,

https://www.rdv.vic.gov.au/__data/assets/pdf_file/0003/2038692/Mallee-Regional-Skills-Demand-Pulse-Check-2020.pdf

⁹ <https://vpa.vic.gov.au/vpa-and-councils-release-key-and-essential-worker-housing-supply-action-plan/>

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2.2 Barriers to housing supply

As in other small regional council areas, Buloke faces barriers to worker housing supply.

As identified in the Loddon-Mallee Housing Action Plan at the core of the issues are **gaps and barriers to strategic planning** which include

- The available data not providing an accurate picture of the actual supply and demand conditions 'on the ground', which leads to a lack of up-to-date planning settings and ability to accommodate even a modest pipeline of development
- Councils having limited capacity to undertake the required strategic planning work (sometimes due to a lack of resources and workforce capacity constraints)
- Insufficient guidance in the Regional Growth Plans to identify where future settlement is desirable.

The VPA's Key and Essential Worker Housing Action Plan identifies the following more specific barriers to the provision of worker housing

- Land banking withholds appropriately located, zoned and serviced land,
- Dwindling rental stock and the quality of stock being poor,
- The lack of trades and costliness of trades impede development,
- Limited diversity of housing impedes older residents from downsizing
- The current On-farm accommodation regulation does not suit the worker needs of farm businesses.

Further discussion of these issues and how to address it is outlined in chapter 4.

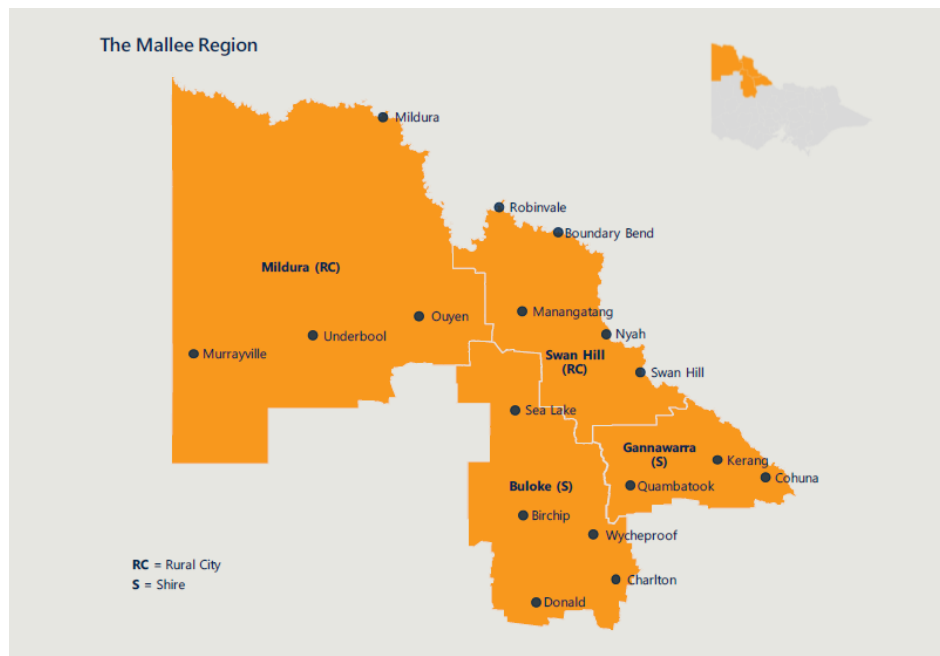
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3. Scale of the problem and effects

3.1 Demand for rural workers and worker housing

Previous work has been done to identify the demand for workers in the Mallee, through the Mallee Regional Skills Demand Pulse Check which includes Buloke. The Mallee region LGAs are shown in Figure 8. The methodology used to derive more specific job numbers and the potential need for worker housing was a bottom-up approach via interviewing local employers to gauge labour demand.

FIGURE 8: THE MALLEE REGION



Source: Nous Group 2020

Based on the Mallee Regional Skills Demand Pulse Check, about 1,000 to 2,500 new jobs would be created in the Mallee region between 2020 and 2022. The expected job shortage due to the inability to recruit was also estimated at 1,000 to 1,500. The share attributable to Buloke is 60 to 150 jobs with the shortfall being 30 to 90 between 2020 and 2022, based on the employment share of Buloke within the Mallee region at 6% using the ABS Census 2021 data. The per annum estimates over this 2020-22 three year period are 20 to 50 new jobs and a shortfall of 10 to 30 jobs.

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FIGURE 9: MALLEE JOB GROWTH OUTLOOK BY INDUSTRY 2020 TO 2022

Industry	Current number of jobs (2019)	Taskforce estimate of 2020-22 workforce CAGR	Expected new jobs	Expected retirements
Horticulture	2,736	2.0% to 3.0%	+150 to +250	~150
Sheep, Grains, Beef, and Dairy Cattle	2,697	-0.8% to 1.3%	-50 to +100	~150
Hospitality and tourism	2,586	-0.5% to 2.0%	-50 to +150	~150
Construction	2,700	1.5% to 3.0%	+100 to +250	~150
Manufacturing	2,383	0.0% to 2.5%	0 to +200	~150
Transport and logistics	1,665	-0.1% to 0.0%	-50 to 0	~100
Retail trade	4,689	-1.2% to -0.5%	-150 to -50	~250
Healthcare and social assistance	5,262	1.0% to 2.0%	+150 to +300	~300
Education and training	3,385	0.6% to 3.5%	+50 to +350	~200
Other industries ¹	9,935	~3.0%	+850 to +950	~500
Total	38,038	1.4% to 1.8%	+1,000 to +2,500	~2,000

Source: Nous Group 2020

The Wimmera Development Association, using a bottom-up approach of interviewing employers, showed 'pent-up' demand for workers. The study estimates un-met demand for 173 workers as at 2021 within the Wimmera Southern Mallee which includes Buloke. Demand over the next one to three years being 895, and 2,835 over the next ten years. Of those jobs, **243 are estimated to be within Buloke, that is about 24 jobs per annum between 2021 and 2031¹⁰**. This estimate lines up with the estimates of the Mallee Regional Skills Demand Pulse Check.

In summary **if housing continues to be a barrier, skills and labour shortages could be equivalent to 10 to 30 jobs per annum** defaulting to the Mallee Pulse Check estimates.

How much housing supply is needed

Most housing projection models rely on population projections from sources like VIF to produce dwelling demand estimates, for example SGS's Housing Demand Model. For the reasons mentioned earlier using 'top-down' estimates based on past trends and having to 'add-up' across Victoria can produce results that appear contrary to the on-the-ground outcomes at a local level.

WDA produced future housing demand projections using an alternative 'bottom-up' approach. Based on that data the estimated housing demand in Buloke between 2021 and 2036 is 14 dwellings per annum.

¹⁰ WDA, 2021, Wimmera Southern Mallee Jobs, Population and Housing Targets 2022-2036: Report 1

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Worker and housing demand for key businesses

SGS collected information from three key businesses in Buloke to assess worker housing needs. Buloke council identified these organisations as key businesses within the LGA. The businesses were Eatwell, Kookas Country Cookies (Kookas) and East Wimmera Health Services; a description of each business is provided in Table 1.

TABLE 1: OVERVIEW OF KEY BUSINESSES IN BULOKE

Overview	
Eatwell	A food manufacturing firm that produces vegan and vegetarian products. The manufacturing facility is located in Donald. The business has had its facility operations in Donald since 2003 and has in the order of 20 to 30 staff
EWHS	A rural health service provider with operations across numerous towns in Buloke (Birchip, Donald, Wycheproof, Charlton and St Arnaud). The organisation had 218 FTEs as at the month of June 2021
Kookas	A producer of cookies within the town of Donald. The firm supplies its products to Donald and surrounding areas. The firm has been located in Buloke since 1991 and has over 25 staff

Source: Eatwell¹¹; Kookas¹²; EWHS¹³

The worker and worker housing needs for the businesses was obtained by contacting the firm representatives and the findings are summarised in Table 2. The data collected showed there is a sizeable need that is reflective of the research shown earlier in this report. In total the three businesses indicated a total need of 20 to 30 workers. The lower bound is more certain than the upper bound..

Indicatively this need could be met by 6 to 10 permanent dwellings and 10 to 15 twin-share temporary but high-quality dormitory style homes as accommodation for FIFO and casual workers, preferably all within Donald.

TABLE 2: WORKER HOUSING NEEDS ASSESSMENT

Business	Workers	Housing Need
Eatwell	– 6 to 8 staff with some food processing experience preferred but not required	– not provided
EWHS	– Skills mixture: Nurses, doctors, administrators and managers – Part-time workers FIFO	– Dormitory style for part-time workers within town limits – Family accommodation within town limits. Indicative need is 2 4-

¹¹ <https://www.australianeatwell.com.au/company>

¹² <https://www.kookas.com.au/about>

¹³ <https://www.ewhs.org.au/index.html>

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		bedroom houses to relieve pressure
Kookas	– 6 full timers, rest are casual (14 workers) no seasonal	– Permanent housing (2 or 3) - With three to four bedrooms to suit workers coming with family required within the town limits..

Source: SGS Economics and Planning

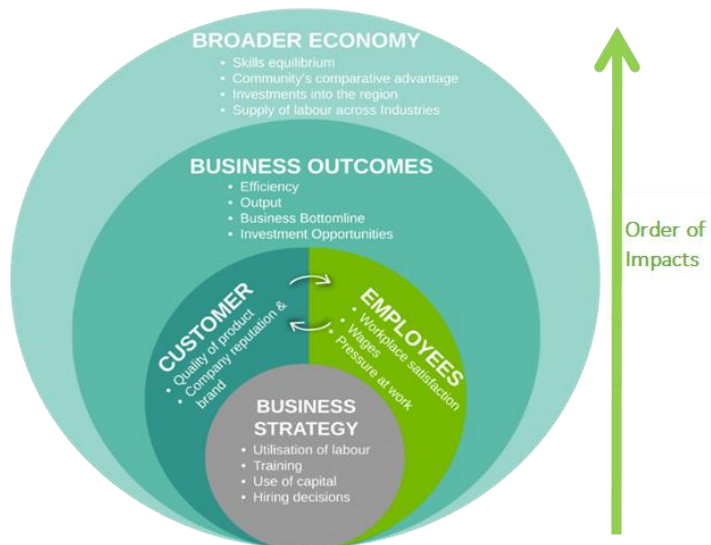
3.2 Consequences of rural worker shortage

Businesses that experience rural worker shortages will utilise a mix of strategies reflecting their unique circumstances. Depending on what methods are implemented and their success, each mix will likely have differing consequences for the wider economy.

The impacts of rural worker shortages begin firstly at the employee/customer level. This flows through to affect business outcomes, regarded as the 'second-order' impacts. As more businesses face worse outcomes due to cross-industry skill shortages, this impedes the broader economy through 'third-order' effects.

Figure 10 provides a framework to illustrate the potential impacts across each dimension of the economy. Following, the impacts have been described in further detail.

FIGURE 10: IMPACT FRAMEWORK OF SKILLS SHORTAGES



Source: SGS Economics and Planning

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First order effects

Skill shortages can affect current employees' level of workplace satisfaction. The first line of defence for businesses that experience skill shortages is to increase their use of existing employees. This limits the cost and uncertainty in hiring labour. The company can benefit through increases in margin profit and production relative to the cost of hiring while retaining managerial control.

In a multiple resource survey conducted by NCVER (2012), 49% of businesses responded that they would extend the hours of their existing workforce. In the same survey, 37% of companies reported using more on-the-job or internal training staff, while 7% of businesses said that they would make greater use of external training for current employees.

Employees may initially benefit as they receive an increase in wages and improved conditions as a result of a labour shortage. This distribution of profit acts as compensation to current employees. However, as these shortages grow and persist, employees may see their quality of life fall due to work pressures.

Due to skill shortages, businesses may lack the ability to hire the 'right person' for the job, as they face increased competition across firms for a limited pool of labour. As a result, firms may be forced to adapt by hiring short-term workers, or by lowering hiring standards. This can result in increased costs through additional time and expense in recruitment and onboarding.

Customers may also be impacted by how the business adapts to rural worker shortages. Companies may continue to grow their operations while in a labour shortage by reducing the quality of their product or service, or by focusing more extensively on the use of capital and/or technology. This may damage the company's reputation and branding and create customer dissatisfaction.

Alternatively, companies may choose to control production quantity by limiting outputs and focussing on existing demand rather than new market opportunities. This is especially likely where the shortage issue is perceived as complex and intractable.

There is also added complexity where the first-order effects have interdependencies with one another. For example, a fall in worker satisfaction may lead to a reduced standard of customer service, increased wait times, and overall reduced output quality. On the other hand, increased customer discontent may illicit increased work stress for existing members of staff thereby damaging morale and productivity.

Second order effects

Second order effects are regarded as any impacts that affect a business's outcomes stemming from first-order effects. Triggered by worker shortages, companies may face increasing pressures to restructure internally and may struggle to maintain customer satisfaction. Ultimately, the quality and quantity of production may be jeopardised thereby squeezing the total pool of wages and profits from enterprise.

Depending on strategies deployed, businesses may face a variety of second-order effects. Firms may hold off from employing additional staff. These firms may gain competitiveness with incremental benefits in the short run due to increased productivity. However, these marginal benefits will diminish as existing staff battle to keep up, and the quality of goods or services drops. The business may look

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towards other methods to minimise these risks to their bottom line, including substituting capital for labour, bringing on inadequately equipped staff and outsourcing.

Companies that seek to outsource operations may put their operational oversight at risk. Businesses that focus on onboarding lower-skilled workers may see a mix of effects, including a fall in production quality, reduced workforce skills, and/or increases in operational costs and time. Companies in these circumstances may find it increasingly challenging to maintain production standards and output levels while keeping operational costs within reasonable bounds. The competitiveness of these businesses may be damaged with adverse consequences for their profitability and capacity for investment. This, in turn, will limit a firm's development or expansion, thereby denying a robust platform for long term and sustainable business development.

Third order effects

A single business experiencing rural worker shortages may have little or next to no impact on the broader economy. However, as more companies face these shortages, a range of interconnecting problems may be set in train leading to wider adverse effects on the host economy.

Due to a restricted labour pool, employers may respond by offering higher wages and salaries which are not aligned to employee skill sets. If higher wages do not match productivity, business sustainability may be eroded. These pressures can also be transmitted from one occupation to other occupations in the same industry, for example, the construction industry.

Hiring standards may also be adjusted across businesses. In a tight labour market, employers may be pushed to hire less experienced and suitable workers. As the economy transitions towards this new normal, operations are forced to move to a less favourable equilibrium in terms of skills and productivity. In time, whole industries may struggle to maintain reasonable performance in terms of quality and quantity of output.

As more companies look to utilise overworked existing labour and/or hire less-skilled workers, labour productivity growth in the economy will be dampened. Mismatched or unfilled jobs can constrain the economy's production ability, leading to an under-utilisation of capacity and a reduction in production. This will inevitably have implications for economic growth in the region.

Left unaddressed, this can lead to negative impacts on a region's comparative advantage thereby limiting its ability to attract external investment as well as retain internal investment. Persisting skill shortages in critical services, especially for regional communities, can affect the long-term viability of some communities and impede their ability to sustain economic growth.

Potential economic loss

Based on the projected indicative levels of skill and worker shortages outlined in section 3.1, the potential economic loss for Buloke, based on 2021 GRP per worker of \$116,339, is \$1.2m to \$3.5m¹⁴. As

¹⁴ DJPR, 2021, Mallee Regional Economic Development Strategy Interactive Dashboard
<https://app.powerbi.com/view?r=eyJrjoiZTNiMzljMTktZTA2My00MTBkLTg0MGQtYWU1YjI3M2NmMTRliiwidCI6IjcyMmVhMGJLTNlMWMtNGIxMS1hZDZmLTk0MDFkNjg1NmUyNCJ9>

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a share of Buloke's total GRP in 2021 of \$395m, the shortfall in rural workers would result in 0.3% to 1% per annum of the GRP being shaved-off per annum. The cumulative GRP losses over time will be compounded as the constraints hamper wider growth in value chains.

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4. Worker housing options in Buloke Shire

4.1 Introduction

As outlined above the un-met demand for workers in the Buloke Shire is a share of an estimated 173 as at 2021 within the Wimmera Southern Mallee. Worker demand is expected to grow by 243 between 2021 and 2031 in Buloke, or about 24 jobs per annum. Broadly speaking skills and labour shortages could be equivalent to 10 to 30 jobs per annum, not including the 'backlog', if housing continues to be a barrier.

Across three local businesses (Eatwell, Kookas Country Cookies and East Wimmera Health Services) there is a need for 20 to 30 additional workers. Indicatively this need could be met by 6 to 10 permanent dwellings and 10 to 15 twin-share temporary but high-quality dormitory style homes as accommodation for FIFO and casual workers, preferably all within Donald.

The rest of this section explores the options for addressing these and general additional worker housing needs in Donald. Potential sites for new housing are identified, followed by a brief implementation plan which includes governance, site by site and general pathways for action to address the housing need. Relevant case studies are included to illustrate the actions.

4.2 Identification of land for permanent and temporary housing

A housing supply and capacity assessment was undertaken by the Wimmera Development Association for the towns of Birchip, Charlton, Donald, Sea Lake and Wycheproof in the Buloke Shire. Of the key land parcels identified, a total of 13.2ha of land was identified for housing, with a total potential of 237 allotments under the assumptions used in the housing capacity and supply modelling. Other smaller plots of land were identified for smaller developments.

Table 3 shows the land supply and potential allotment yield by town for the key parcels identified (assuming roughly 10 dwellings per gross hectare). Allotments were identified within and around the periphery of the town. There is a mixture of land which could be unlocked in the short, medium-and long-term. The land identified within infill areas could be unlocked in the short-term whereas land on the periphery would require more long-term strategic planning. The housing capacity modelling did not delve in depth into the appropriateness of the land in terms of having the required services, nor the feasibility of development, but did consider potential overlays and constraints that could preclude development of identified land. Of the allotments identified, the assessment did not ascertain whether owners were willing to sell the land for redevelopment. These assumptions mean that the assessment likely reflects an 'upside' or maximum capacity calculation.

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TABLE 3: BULOKE TOWNS HOUSING SUPPLY AND CAPACITY 2022

	Available land (ha)	Dwelling potential (short-medium term)	Dwelling potential (medium to long term)
Birchip	2.7	26	10
Charlton	3	24	8
Donald	2		19
Sea Lake	3		32
Wycheproof	2.5		28
Total	13.2	50	187

Source: Wimmera Development Association

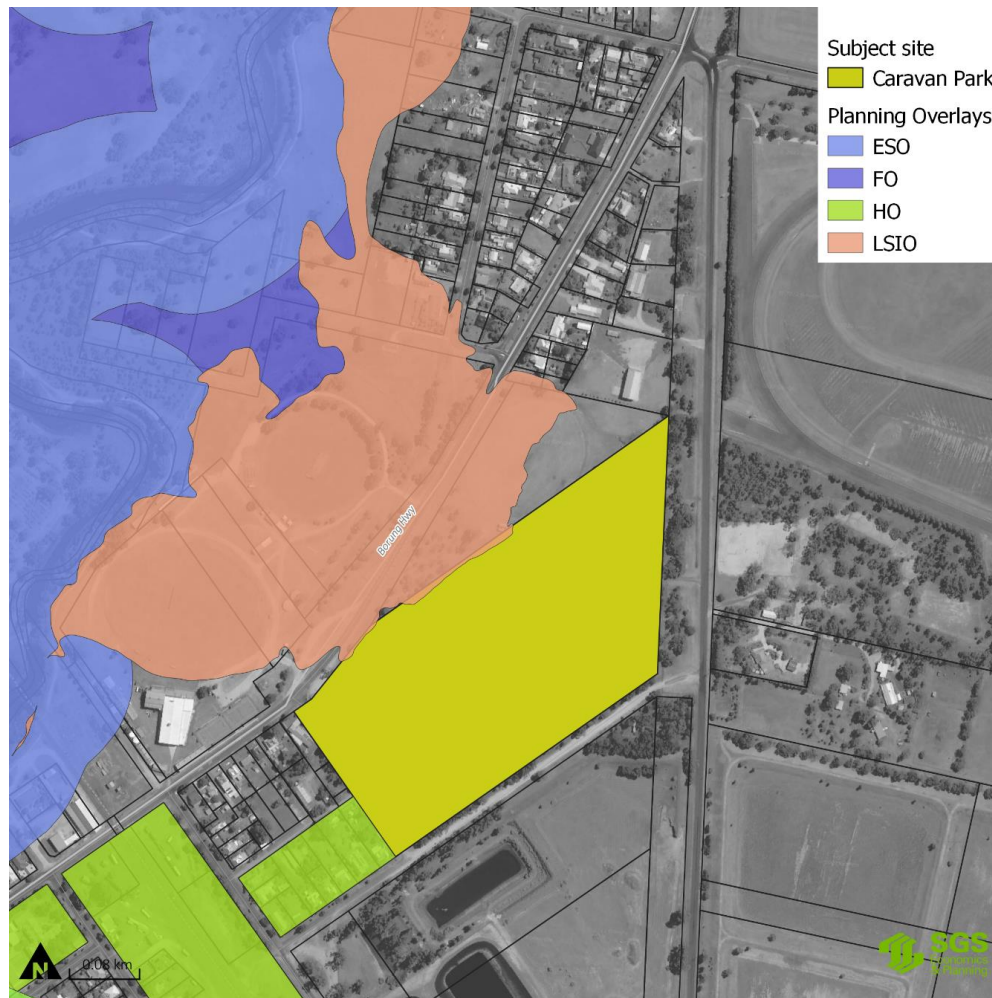
Given the key businesses, Eatwell, Kookas and EWHS, have a strong presence in Donald a more focussed discussion on potential land for worker housing in this town is worthwhile. Amongst the land identified in Donald for future housing, four key sites are identified

Site A – Donald Caravan Park

The 1 hectare site is within the Buloke Caravan Park which is bounded by Corack Road, Moore Street, McCulloch Street and Racecourse Road, as shown in Figure 11.. The Caravan Park is actively used with 4 single unit bedrooms and several powered and unpowered sites for camping and caravans. The land is owned by Council and run by the Donald Football Club as the Committee of Management. The Caravan Park supports the tourism sector, particularly the Silo Art Trail. Two more cabins are being built with funding by DJPR and a local matching contribution. The cabins are intended to accommodate visitors to the region.

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FIGURE 11: SITE A DONALD CARAVAN PARK



Source: Vic Plan

If the 1 ha underutilised site was converted to provide permanent housing, 9 dwellings could be developed (at 'standard' densities of about 10 dwellings per hectare). More likely and desirable is using the site for relocatable structures or tiny homes and thereby achieving a greater yield, for example matching the 10 to 15 twin-share temporary but high-quality dormitory style homes for FIFO and casual workers identified in the needs analysis (noting the density of 18 dwellings per hectare achieved in the Mildura caravan park project described in section 4.3). These dwellings could be exclusively used for worker housing. The site is an attractive option as most of the essential services are already on-site. An example of this being done elsewhere in the region is shown in section 4.3.

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Site B – South street fringe land

Site B is located on South Street facing the Richardson River, as shown in Figure 12. The 1 hectare site is vacant and privately owned. It is within Donald's Township Zone.

FIGURE 12: SITE B LOCATION AND ZONING



Source: Vic Plan

Part of the site is subject to a Land Subject to Inundation Overlay (LSIO) and an Environmental Significance Overlay (ESO), as shown in Figure 12. The maximum potential developable land after accounting for the LSIO and ESO is 0.3 hectares (though land subject to an LSIO can sometimes accommodate dwellings). Based on standard densities of 10 dwellings per hectare, the site could accommodate 3-4 detached dwellings. If built as permanent worker accommodation as attached, low rise dwellings it would be possible for the site to yield 5-6 dwellings comfortably (though subject to further consideration of site constraints).

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Site C – 129 Woods Street

Site C is a vacant 0.4 hectare block of land behind the Catholic church. The site is within Donald's Township Zone as shown in Figure 13. The part fronting Woods Street is privately owned whilst the back portion is owned by DELWP. The following overlays apply on the site:

- Design and Development Overlay
- Heritage Overlay
- Specific Control Overlay

FIGURE 13: SITE C: 129 WOODS STREET (CATHOLIC CHURCH AND DELWP OWNED)

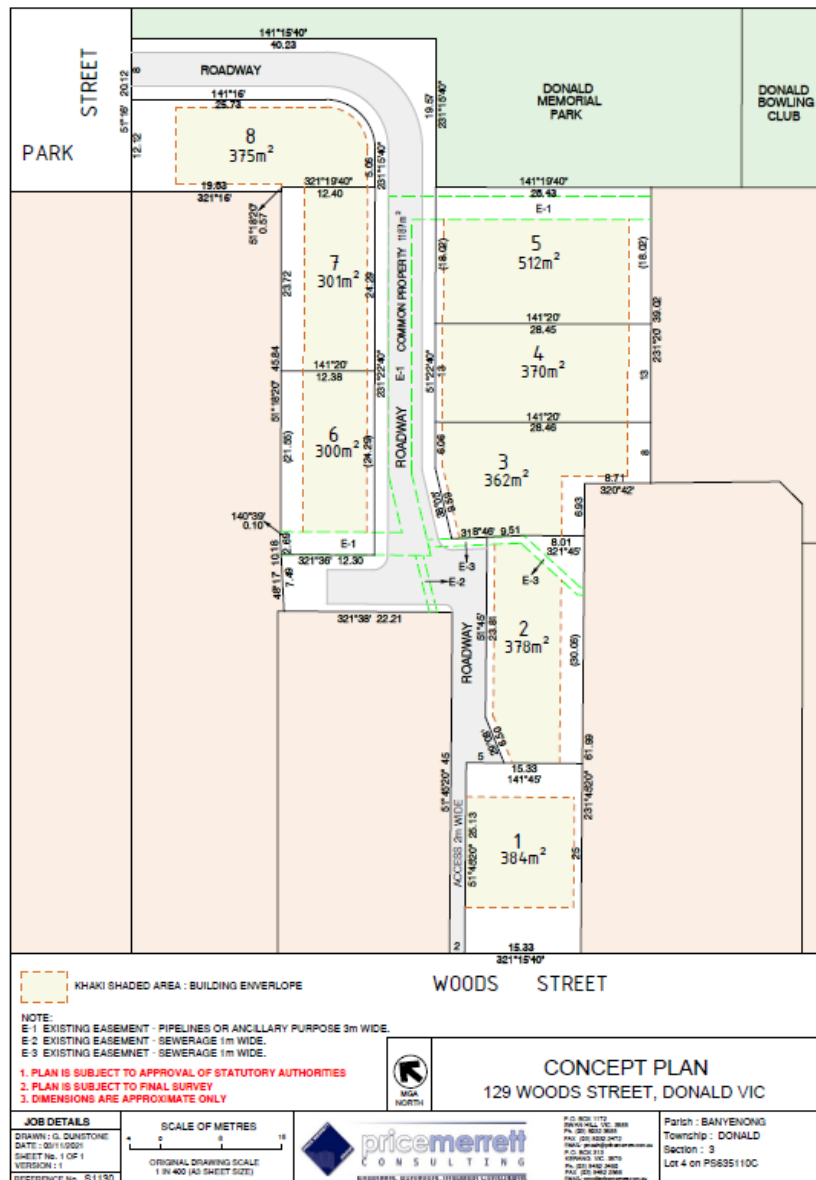


Source: Vic Plan

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Donald 2000 (a community organisation) is seeking to develop 14 medium density dwellings across the two sites to address the worker housing shortage. Figure 14 shows the development concept by Price Merrett Consulting.

FIGURE 14: 129 WOODS STREET DEVELOPMENT CONCEPT



Source: Price Merrett Consulting

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Site D – Victorian Railways Institute site

Site D is an unused bowling green, vacant hall and adjacent land that measures 0.4 hectares with its frontage on Walker Street and backing the Donald Railway Station, as shown in Figure 15. The site is VicTrack land managed by their affiliate organisation, Victorian Railways Institute (VRI). The following planning overlays apply to the site:

- Transport Zone 1
- Design and Development Overlay
- Heritage Overlay
- Specific Controls Overlay

FIGURE 15: SITE D – VICTORIAN RAILWAYS INSTITUTE SITE



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Source: Vic Plan

According to Donald 2000, if the site were to be developed it would yield up to 10 permanent low rise medium density dwellings. It is understood VRI is keen to sell but this has not been approved by the parent organisation (VicTrack/State Government).

Summary

Four potential sites in Donald were identified for worker housing and their indicative dwelling yields, the Donald Caravan Park (up to 15 twin-share cabins), South Street Land (5-6 low-rise dwellings), 129 Woods Street (14 medium density dwellings) and Victorian Railways Institute/Vic Track site (10 low-rise permanent dwellings), as shown in Table 4. Donald Caravan Park has the potential to address the immediate need for temporary worker housing whereas the remaining three sites would appear to be most suited for permanent housing (though the private site might be suited to temporary homes depending on the wishes of the private owner following negotiation). The Caravan Park and Site C (adjacent sites owned by the Catholic Church and DELWP) are probably the priorities for initial investigation.

TABLE 4: POSSIBLE WORKER HOUSING SITES AND INDICATIVE YIELDS

Potential housing site	Site owner	Indicative yield (all subject to concept planning)
Site A – Donald Caravan Park	Council, run by Donald Football Club as Committee of management	Up to 15 twin-share temporary but high-quality dormitory style homes for FIFO and casual workers
Site B – South Street fringe land	Private owner	5-6 attached, low rise dwellings for permanent worker accommodation (or temporary dormitory style homes)
Site C – Catholic Church land (129 Woods Street) and site to rear	Catholic Church and DELWP	14 medium density dwellings across the two sites for permanent worker accommodation
Site D – Victorian Railways Institute site	VicTrack managed by Victorian Railways Institute	Up to 10 low rise medium density dwellings for permanent worker accommodation

4.3 Implementation plan

Governance and partnerships

The Loddon Mallee Housing Action Plan suggests that resources be sought for a **Loddon-Mallee Housing Support Officer** to implement the action plan. The Housing Support Officer, if appointed, would likely have a coordination and assistance role in delivering this implementation plan.

Desirably another organisation would accept 'day to day' responsibilities for implementation and relevant relationship brokering. This could be the **Buloke Council**, the **Mallee Regional Partnership** or even the **Wimmera Development Association**.

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The WDA is the peak economic development organisation for the Wimmera Southern Mallee region – encompassing the Horsham Rural City municipality and Hindmarsh, Northern Grampians, West Wimmera and Yarriambiack shires. Buloke Shire is ‘next door’ to the east but the WDA is well networked and works generally in north western Victoria. The WDA has helpfully engaged in the preparation of this paper.

An important implementation partner will be a partner with development expertise. A **Housing Association** such as Haven Home Safe, Birchip Community Housing Incorporated (BCH) (or similar) could be approached to assist, as relevant, once land or site(s) are secured. BCH’s experience and being a subsidiary of Buloke Council could be a natural fit for some of the site’s considered in Donald. A case study of one of BCH’s current proposals is below.

Case study: Birchip Community Housing Incorporated


Birchip Community Housing Incorporated (BCH) is an Asset Management Committee of Council which over the last 27 years has managed, planned, and added to their current housing stock. The Committee is pursuing a \$1.7m venture that would develop five two-bedroom dwellings to increase the stock of worker housing in Birchip. The site of the development is Council owned land at 56 Cumming Avenue Birchip 3483.

General approach

Development of worker housing across the four sites would follow the general pathway outlined below. Specific aspects, related to each site, follow.

Secure the site: This will require negotiating a sale or lease or gift with the relevant landowners and managers, and in the case of the DELWP and Victrack sites working through the State Government’s land management and release of surplus site requirements (see Appendix A).

Identify a development partner and housing manager: A willing development partner, able to receive capital from willing businesses, and with development and housing management expertise, would need to be sought. They would need to agree to be involved as anticipated by this model or approach. An established Housing Association with development expertise such as Haven Home Safe, headquartered in Bendigo, would be a potential candidate.

Develop ‘essential worker accommodation’ charter: This would document the model identified here, as refined if necessary through negotiation, with participating organisations (governance agent, participating land-owner, housing developer and manager, businesses with key worker needs contributing capital). This would be established upfront by the governance agent (e.g. Mallee Regional Partnership, WDA, Buloke Council).

Obtain capital for development: Capital injections would be sought in the first instance from participating businesses (beginning with Eatwell, Kookas and EWHS), as signatories to the ‘essential worker accommodation’ charter. Participating businesses would provide capital to the development partner and housing manager on the basis of a contractual obligation that the development partner

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and housing manager would manage the dwellings for the exclusive use of the participating businesses for the duration of the economic life of the dwellings (say 50 years).

Develop and lease the properties:

- The development partner and housing manager would develop the dwellings on a fee for service basis.
- The development partner and housing manager, or land-owner (as determined by the charter) would retain ownership of the buildings.
- The development partner and housing manager would manage and maintain the dwellings according to the 'essential worker accommodation' charter.

Participating businesses would have long (e.g. 50 year) leases on the properties in return for the capital investment they make in the development partner and housing manager, noting that they would receive rent from the workers housed therein – net of development partner and housing manager's management fees. The development partner and housing manager would take care of asset management and tenancy management.

End of lease pathways: Once the period specified in the charter ends, the participants could extend the arrangement. Otherwise, and ultimately, the land owner takes possession of the assets and can use the properties as they see fit.

The main benefit of this general approach is tapping the development expertise of a large Housing Association as development partner and housing manager.

Actions for each site

The following actions are proposed to unlock land for worker housing on each of the four sites. Also outlined are some challenges and impacts for each site.

Site A – Buloke Caravan Park

- **Secure the site** – The governance agent (e.g. WDA or Council) should engage the Donald Football Club (DFC) as Committee of Management and establish their willingness to allow part of the Caravan Park site to be used for worker housing, and be a participant in an 'essential worker housing' charter.
- **Identify a development partner and housing manager:** In this case DFC with its caravan park development and management experience could be the development partner and housing manager.
- **Develop 'essential worker accommodation' charter:** This would document the model identified here, refined if necessary, through negotiation with the governance agent, Donald Football Club and participating businesses.
- **Capital for the building:** DFC would obtain the capital for the temporary dormitory style dwellings from participating businesses.
- **Develop and lease the properties:** DFC would build or contract out the building of the dwellings for an agreed development or management fee. The cabins would be exclusively for worker housing over the duration specified in the 'essential worker housing' charter. From the rent paid by tenants

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the participating businesses would pay DFC an access fee (say 35% of the rent, to cover maintenance and management costs but also to provide the football club with additional income) and retain the remainder as an offset to the capital investment.

- **End of lease pathways:** – Once the period specified in the charter ends, the DFC and the participating businesses could extend the arrangement. Otherwise the assets become part of the Caravan Park for use as visitor or other accommodation.

Given the site is already serviced and used to provide visitor housing, development could occur within a short period of time and relieve the immediate demand for worker housing. This solution is likely not ideal for larger families unless a few cabins are built to house larger families.

The key issues to resolve are whether DFC, as the Committee of Management, has the capacity to manage the worker housing and if they are the right vehicle to develop the dwellings. DFC could play a more passive role with a Housing Association undertaking the development and managing the dwellings for an agreed management fee and share of the rent.

Case Study: Caravan Parks as Worker Accommodation



A caravan park measuring 2.2ha¹⁵ in Mildura is being transformed into accommodation for seasonal workers, reflecting a state-wide trend to address labour shortages on farms. The state government is contributing \$1 million to a total budget of \$5.94 million for the construction of 40 cabins within the caravan park.¹⁶ The site measures 2.2 hectares which yields densities of 18 dwellings per hectare. These self-contained cabins will include ensuites, a kitchenette and shared dining and recreation spaces and are expected to accommodate up to 230

seasonal workers.

This model of housing aims to manage the broader issue of housing shortages in regional areas, as well as lower the risk of overcrowding seasonal workers in boarding houses. It is recognised that accommodation is one of the largest expenses experienced by seasonal workers, and there are reports of Pacific workers being placed in substandard and inadequate residential facilities.¹⁷ Therefore, the transformation of caravan parks in regional areas seeks to address these shortages, while providing higher standards of living for workers, which can benefit them and the broader seasonal agricultural economy.

Site B – South Street land

- **Secure the site** – Council or the governance agent would need to engage the landowner about their willingness to have the land used for worker housing. Depending on the landowner's willingness

¹⁵ <https://mapshare.vic.gov.au/mapsharevic/>

¹⁶ Gillian Aeria & Sarah Tomlinson, 2022, Mallee caravan park development to address farm labour shortage, offer seasonal worker accommodation, <https://www.abc.net.au/news/2022-09-20/mallee-caravan-park-development-worker-accommodation-farm-labour/101458894>

¹⁷ Rochelle Bailey, 2018, Suitable accommodation for seasonal worker programs, <https://devpolicy.org/suitable-accommodation-for-seasonal-worker-programs/>

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and intentions a temporary housing or permanent housing might be negotiated. A site assessment of the land needs to be undertaken to determine the housing capacity based on the existing constraints.

- **Capital for the building:** The development partner and housing manager would need to obtain the capital for dwellings to be sourced from participating businesses. A deferred payment or a leasehold arrangement for the land component could be negotiated to reduce the up-front capital required for the project.
- **Develop 'essential worker accommodation' charter:** This would document the model identified here, refined if necessary, through negotiation with the governance agent, land-owner and participating businesses.
- **Lease arrangement** - A housing provider like Haven Home Safe would do the asset and tenancy management for a fee. The participating businesses would keep the proceeds from the rents.
- **Develop and lease the properties:** The development partner and housing manager would build the dwellings. The permanent housing or temporary cabins would be exclusively for worker housing over the duration specified in the 'essential worker housing' charter. From the rent paid by tenants the participating businesses would pay the owner a lease fee (the amount determined by the agreement in relation to land i.e. combination of lease and deferred payment or just a lease for a fixed period with the land and/or buildings reverting to the owner at the end of an agreed period) and retain the remainder as an offset to the capital investment.
- **End of lease pathways:** – Once the period specified in the charter ends, the owner, development and housing manager and the participating businesses could extend the arrangement. Otherwise the assets might revert to the owner likely after a long period in the case of permanent dwellings, or in the case of temporary dwellings are removed with the vacant land reverting to the owner for their future use.

The yield on this site might be modest once all the relevant constraints are considered. The main challenge with using this site is its private ownership status. Negotiating a desirable outcome might be difficult.

Site C – 129 Woods Street

- **Secure the site** – The site fronting Woods Street, owned by the Catholic Churn, appears to be available, though on what terms would need to be determined. The governance agent or Council would need to engage DELWP to determine if the adjacent site could be released or utilised via the government's surplus site requirements (see Appendix A). In addition, confirmation of whether native title rights apply to the DELWP land would need to be determined. Ideally, ownership of the sites would be merged on title.
- **Capital for buildings** – The development partner and housing manager would need to obtain the capital for dwellings to be sourced from participating businesses. A deferred payment or a leasehold arrangement for the land component could be negotiated to reduce the up-front capital required for the project.
- **Develop 'essential worker accommodation' charter:** This would document the model identified here, refined if necessary through negotiation with the governance agent, land-owners and participating businesses.

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- **Develop and lease the properties:**
 - The development partner and housing manager would develop the dwellings on a fee for service basis.
 - The development partner and housing manager would retain ownership of the buildings (not the land which would remain with say the Catholic Church if the landownership was consolidated).
 - The development partner and housing manager would manage and maintain the dwellings according to the 'essential worker accommodation' charter.
 - Participating businesses would have long (e.g. 50 year) leases on the properties in return for the capital investment they make in the development partner and housing manager, noting that they would receive rent from the workers housed therein – net of development partner and housing manager's management fees. The development partner and housing manager would take care of asset management and tenancy management.
- **End of lease pathways** – Once the period specified in the charter ends, the owner, development and housing manager and the participating businesses could extend the arrangement. Otherwise the assets might revert to the owner for uses that align with the social housing and economic needs of Donald.

The sites together appear to offer the best prospect of addressing a significant share of the housing need identified by the businesses engaged by this study. An added benefit is that with the involvement of a 'benevolent' land owner the housing assets could be deployed in perpetuity to support the housing and economic development needs of Donald. A key challenge would be the process of securing the DELWP site as surplus land and integrating it in the development, including its ownership status.

Victorian Railways Institute Site

- **Secure the site** – The governance agent should engage with VRI and VicTrack to determine if the site could be released or utilised via the government's surplus site requirements (see Appendix x). The site could be sold (possibly under a deferred payment arrangement) or preferably leased for worker housing over the economic life of the dwellings (for example, 50 years).
- **Capital for buildings** - The development partner and housing manager would need to obtain the capital for dwellings to be sourced from participating businesses. A deferred payment or a leasehold arrangement for the land component could be negotiated to reduce the up-front capital required for the project.
- **Develop 'essential worker accommodation' charter:** This would document the model identified here, refined if necessary through negotiation with the governance agent, land-owners and participating businesses.
- **Develop and lease the properties:**
 - The development partner and housing manager would develop the dwellings on a fee for service basis.
 - The development partner and housing manager would retain ownership of the buildings (not the land which would remain with VicTrack if leased).

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- The development partner and housing manager would manage and maintain the dwellings according to the 'essential worker accommodation' charter.
- Participating businesses would have long (e.g. 50 year) leases on the properties in return for the capital investment they make in the development partner and housing manager, noting that they would receive rent from the workers housed therein – net of development partner and housing manager's management fees. The development partner and housing manager would take care of asset management and tenancy management.
- **End of lease pathways** – Once the period specified in the charter ends, the owner, development and housing manager and the participating businesses could extend the arrangement. Otherwise the assets might revert to the owner (VicTrack or other depending on the land disposal process and agreement) for uses that align with the social housing and economic needs of Donald.

This land would address some of the long-term need for worker housing. The key challenge is securing the site on appropriate lease or sale terms in a time-effective manner.

4.4 Other options and case studies

Land outside the townships

It may also be possible to activate land for worker housing outside the township limits, particularly farm land, to address rural working shortage within the agricultural and horticultural sector utilising recent planning approval reforms. Below is a case-study regarding on-farm accommodation.

Case Study: On-Farm Accommodation Initiative

The Victorian Government has introduced a new streamlined planning approval process to allow farmers to invest in worker accommodation on their farms.¹⁸ The process takes the form of an amendment to the Victoria Planning Provisions and is applicable only for agricultural workers' accommodation for up to 10 people on at least 40 hectares of Farming Zone land. Accommodation must also meet requirements for connections to electricity, water and wastewater treatment.

Alongside this amendment, Victoria's agricultural workforce has dedicated \$5.2 million in funding for 80 businesses wishing to upgrade or build new worker accommodation.¹⁹

The amendment aims to overcome barriers to regional workforce attraction and housing shortages by reducing the need for seasonal workers to search for accommodation in nearby towns. It is also expected to decrease long-distance travel and expenses, reducing the impact on regional roads.²⁰

¹⁸ Premier of Victoria, 2021, New On-Farm Accommodation Plan to Boost Workforce, <https://www.premier.vic.gov.au/new-farm-accommodation-plan-boost-workforce>

¹⁹ Agriculture Victoria, 2022, Support for your business, <https://agriculture.vic.gov.au/crops-and-horticulture/the-big-victorian-harvest/support-for-your-business>

²⁰ Sheep Central, 2021, Shearing sector welcomes Victorian farm accommodation initiative <https://www.sheepcentral.com/shearing-sector-welcomes-victorian-farm-accommodation-initiative/>

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Differential property rates

To encourage landowners to bring underutilised land to the housing market, the use of differential rates is identified as a strategy in the Loddon-Mallee Housing Action Plan.

An alternative for council to encourage development of underutilised land is to apply differential rates. The Housing Action Plan identifies this as a measure. Action 3L4 – “Prepare consistent guidelines for councils to apply differential rates to encourage development of suitable zoned and in-sequence vacant land.” p.g. VI

Council would need to consider if the local scheme allows it to apply differential rates (if not, whether there is scope to amend the planning scheme) and determine the appropriate rate, once the guidelines are developed.

Improving the development pipeline

The Housing Action Plan identifies a pathway for improved release and development of land with the support of State government, Housing Action Plan Strategy 3L2.

“Establish a process where land-owners and developers of suitable zoned land can partner with Development Victoria (DV) to develop their land and make them equity partners.” Loddon-Mallee Housing Action Plan pg. vi

Buloke council could partner with other small councils in co-ordination with **the Housing Support Officer** to identify a pipeline of opportunity sites to possibly deliver worker housing at a greater scale, which might be a more attractive option for an investor and developer. Development Victoria would be a partner in such a venture as identified above.

Repurposing of Commonwealth Games Relocatable homes for worker housing

Part of the accommodation for athletes and officials participating in the Commonwealth Games will be relocatable units. The Housing Action Plan identifies the potential to repurpose the dwellings for worker housing with the priority regions being small rural LGAs where the traditional development pathway is not possible due to low development feasibility.

Action 5 “Liaise with Commonwealth Games Organising Committee and associated agencies, including Development Victoria, and encourage the relocation of any temporary housing structures/ pods into regional areas for seasonal worker accommodation after the Commonwealth Games.” p.g. VIII

Council should work alongside the Loddon-Mallee Housing Support Officer to identify their worker housing need in the medium-term and begin discussions with the appropriate stakeholders, as identified in the action above.

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5. Guidance for local councils

Addressing the need for rural worker housing requires a strategic approach that involves local stakeholders, council and State government working together to address the problem. The guidance below summarises the process identified in the report and provides high-level steps for councils or others working in collaboration with the Housing Support Officer proposed in the Loddon-Mallee Housing Action Plan to facilitate development of worker housing. The key lessons that are scalable and translatable to other councils is the need to conduct a Needs Assessment, conducting a Housing capacity assessment, identifying potential sites, and engaging with businesses and regional housing associations to determine their willingness to commit capital and expertise in a partnership to address worker housing.

TABLE 5: GUIDANCE FOR DEVELOPING A WORKER HOUSING

Key stages	Approach
Identify the scale of need	Needs assessment: Undertake strategic needs assessment in collaboration with council. Engage with the relevant stakeholders and businesses through the process
Identify potential sites	Housing supply and capacity assessment – Conduct a housing capacity and supply assessment in the region or town to identify underutilised land and owners of those parcels of land, with a focus on state and faith based organisations
Secure the site	Engagement with landowners - Council should engage with landowners about leasing or selling the land for development by an appropriate development partner and housing manager (e.g. local housing association) willing to undertake development and asset and tenancy management.
Capital for buildings	Establishing the financing option – To determine the feasible pathway for obtaining finance, Council should engage the development and housing manager, a regional economic body (they would provide the governance) and local businesses that need worker housing. The aim is to secure capital from businesses in need, not necessarily a government capital subsidy or grant.
Develop and lease the properties	Determining the ideal lease arrangement - The governance body, the housing organisation/developer and local businesses will need to establish the appropriate lease arrangement based on the site ownership and the financing option structure. The general model suggested here is that the development partner and housing manager would develop the dwellings on a fee for service basis, retain ownership of the buildings, and manage and maintain the dwellings according to an 'essential worker accommodation' charter. Participating businesses would have long (e.g. 50 year) leases on the properties in return for their capital investment, noting that they would receive rent net of development partner and housing manager's management fees.
End of lease pathways	Repurposing of assets -- The governance body alongside the housing organisation will determine how the dwellings will be repurposed after the lease term ends. The guiding principle would be repurposing the assets to support regional development and social outcomes. However, in some cases, depending on the model the assets might revert to the land-owner to dispose of or use as they see fit.

Source: SGS Economics and Planning

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Appendix A: Government Land in Victoria

Context

Government land refers to all land held by the Victorian Government, including by departments and agencies.

The Victorian Government currently holds approximately 8.8 million hectares of land across Victoria, representing almost 40% of the total land area in the state.

Of the total government land in Victoria, approximately:

- 7.7 million hectares is reserved Crown land
- 300,000 hectares is unreserved Crown land
- 200,000 hectares is freehold land
- 600,000 hectares is roads (mix of Crown and freehold land).

About one third of Victoria is classified as Crown land.²¹ This comprises about 8 million hectares in over 100,000 parcels of land. Of this land, approximately:

- 50% of Crown land in Victoria is national or state parks
- 39% is State Forest
- 4% is unreserved or Australian Government managed Crown land
- 7% (550,000 hectares) is Crown land reserves.

There are more than 8,000 Crown land reserves in Victoria. They include many public schools, universities and TAFE colleges, public hospitals, mental health and other community services, cemeteries, municipal buildings and land, public roads, government railways, parks, community halls, recreation reserves and racecourses.

Victorian Government Land Policies

Government land in Victoria is administered under a number of different policies and frameworks, which give various roles and responsibilities to different agencies across government and the laws and policies relating to Government land in Victoria are quite complex. It is important to understand that best practice in this area is constantly evolving, and this report provides a very general guide for local councils as to what is entailed in the Victorian government to decide that a particular Allotment(s) is surplus to requirements and can therefore be disposed of.

²¹ Crown land is held by the Crown (the King or Queen) in right of the State of Victoria. Crown land can be reserved for a particular public use, or unreserved. Unreserved Crown Land has not been set aside for a particular public use.

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Government land is an important asset for all Victorians, because it enables government to provide a wide range of services and facilities, protect environmental and cultural values, and facilitate community and recreational uses. While Government land can be used for public benefit countless times, it can only be sold (by government) once. The Victorian Government's policy about unlocking public value from government land requires any decisions about the land's future use are about ensuring its full public value is maximised, that the needs of current and future generations are considered, and that land use decisions are in line with whole-of-government strategic priorities (Government of Victoria, 2015).

The Victorian Government has a suite of policies for the acquisition, use, management and disposal of Government land. The key policy documents and their purpose are listed in **Table 4**.

TABLE 4: VICTORIAN GOVERNMENT LAND MANAGEMENT POLICIES

Policy	What the Policy does
Victorian Government Land Transactions Policy (2022)	<p>This policy exists to ensure agencies act in accordance with the highest standards of behaviour when undertaking land transactions. It does this by creating a consistent framework for the way agencies across the Victorian government are required to undertake land transactions, including:</p> <ul style="list-style-type: none"> a clear set of requirements that agencies must comply with when undertaking land transactions, and establishing the role of VGLM to deliver assurance to the Victorian government and community that agencies are complying with the requirements in the policy.
Victorian Government Land Use Policy and Guidelines. Unlocking public value from government land (land use policy) (2017)	This policy establishes a framework that enables a strategic, whole-of-government approach to land use decision making, with the objective of maximising public land value.
Strategic Crown Land Assessment Policy and Guidelines (SCLA policy) (2016)	This policy sets out the government's responsibilities and obligations when Crown land is declared surplus and requires that the government conduct an assessment to determine whether surplus Crown land can be sold.
Victorian Government Landholding Policy and Guidelines (landholding policy) (2015)	This policy sets out when an agency can purchase and retain land and requires agencies to offer to sell any surplus land to other Victorian government agencies, local councils, or the Commonwealth before it can be sold to the public.

Source: Victorian Government Land Transactions Policy, 2022:05.

Victorian Government Land Transaction Policy

The primary document is the *Victorian Government Land Transactions Policy* (Government of Victoria, 2022). This policy applies to all State government agencies that undertake land transactions in Victoria. The Policy sets out the basic principles, the policy requirements, exemptions to the policy, how transactions apply, glossary and abbreviations and four Appendices providing additional information.

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- Part 1 of the document sets out the basic principles relating to the purpose of the policy and key terms used in the policy.
- Part 2 sets out the Land Transaction requirements, the need for accountability, transparency and the legislation that applies, due diligence requirements, the Victorian Government Land Monitor (VGLM), valuation requirements, land exchange, public sales process, sale of land with a public zone, and conditional sales such as a lease with option to purchase.
- Part 3 deals with exemptions to the policy, how exemptions can be granted, and the how specific exemptions can apply to particular circumstances.
- Part 4 deals with transactions, including sale, purchase, compensation for land acquisition, government to government transactions and leasing.
- Part 5 provides a glossary of terms and abbreviations used in the policy.
- Part 6 includes four Appendices providing additional information.

Victorian Government Land Use Policy and Guidelines

The *Victorian Government's Land Use Policy and Guidelines* (Government of Victoria, 2017) is the key policy document for unlocking public value land from government. The policy document includes five sections

- Section 1 provides an overview of the contents of the policy.
- Section 2 details the principles that should be applied by government agencies when making land use decisions to ensure a public value focussed, whole-of-government approach.
- Section 3 details how Land Use Victoria will apply the public value decision making principles when undertaking Strategic Land Use Assessments.
- Section 4 details how Land Use Victoria will access and provide more accurate information about government land, through regular performance reporting to government and through the development of systems and tools.
- Section 5 details the hierarchy of land-related policies, Land Use Victoria's work plan identification and approval procedures and the roles of various stakeholders.

Victorian Government Strategic Crown Land Assessment Policy and Guidelines

The *Victorian Government Strategic Crown Land Assessment Policy and Guidelines* (SCLA policy) (Government of Victoria, 2016) applies to the assessment of all Crown land identified as surplus to a landholding agency's needs and nominated for a Strategic Crown Land Assessment (SCLA). The Policy details the guidelines for the assessment process, identifying and assessing public land values, protecting public land values, assessing native title and Traditional Owner rights, the land status and management arrangements, and exemptions and responsibilities. An Appendix outlines various means that could protect public land values, the different situations for which each means may be used, and their associated advantages and disadvantages. This details in the Appendix are not exhaustive, and other means of protection may become available or may be developed over time.

Victorian Government Landholding Policy and Guidelines

The Victorian Government Landholding Policy and Guidelines (landholding policy) (Government of Victoria, 2015) details the land holding policy and guidelines that apply to all government agencies and departments in Victoria. The purpose of the policy is to:

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- (a) ensure that land is only purchased or retained by Victorian Government agencies where State ownership of land:
 - (i) contributes directly to current or future service delivery outcomes expected by Government;
 - (ii) is central to the core business of agencies as explained in agency corporate plans;
 - (iii) is financially beneficial to the State when compared to alternative investment of State funds; or
 - (iv) in the case of Crown land, is appropriate on the basis that the protection of public land values make the land unsuitable for divestment;
- (b) promote the highest and best use of land by providing the opportunity for the private and community sectors and other government agencies to further unlock the value inherent in the State's land estate; and
- (c) require active management of land portfolios across Victorian Government agencies which is essential to the good management of the State's balance sheet. This includes reviewing agency land holdings to justify the basis upon which land continues to be held by the agency, and identifying land that is fully utilised, partially utilised or surplus to the agency's requirements.

Unlocking public value land from government

The policy documents of most relevance to unlocking State-owned land are:

- the *Victorian Government Land Use Policy and Guidelines* (Government of Victoria, 2017);
- the *Victorian Government Strategic Crown Land Assessment Policy and Guidelines* (SCLA policy) (Government of Victoria, 2016); and
- the *Victorian Government Land Holding Policy and Guidelines* (Government of Victoria, 2015).

Under the *Victorian Government Land Use Policy and Guidelines* (Government of Victoria, 2017), agencies are required to appreciate that the public land they hold has a value of its own. For example, when government land is used to locate a school, it delivers increased value through education outcomes. Likewise, when government land is used for a national park, it delivers increased value through recreational, public amenity and environmental outcomes. By applying the public value principles, agencies can seek to identify and facilitate opportunities to deliver increased public value from their land use.

Strategic Land Use Assessments (SLUA) are applied whereby land use options are considered and public value is assessed. A SLUA provides a structured process to gather, analyse and assess the relevant evidence to support good land use decision-making. The aim of a SLUA is to make recommendations to the relevant decision-maker on the preferred options that maximise public value from a whole-of-government perspective. The methodology that Land Use Victoria applies is set out in the *Victorian Government's Land Use Policy and Guidelines* (Government of Victoria, 2017:15),

The Policy document also includes an outline of the roles and responsibilities of departments across the land asset lifecycle from strategy, planning, acquisition and delivery, use and disposal. In relation to disposal of land, the policy states:

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The Landholding Policy provides that government agencies must dispose of land if holding the land is not justified under that policy (for example, if the land does not contribute in a cost-effective manner to the current or future service delivery outcomes of the agency). Once an agency has declared land surplus to its service delivery needs, it notifies Land Use Victoria to undertake the First Right of Refusal (FROR) process, which gives other agencies as well as local governments and the Commonwealth the ability to express an interest in acquiring the land. The Landholding Policy provides details about how the FROR process operates. If the FROR process does not result in the land being transferred to another government agency, then the landholding agency (or in some cases the Department of Treasury and Finance) prepares to sell the land on the open market in accordance with the Victorian Government Land Transactions Policy. The Victorian Government Land Monitor oversees the transaction and applies the same requirements as those applied to land acquisition. (Government of Victoria, 2017:17).

Under the *Victorian Government Strategic Crown Land Assessment Policy and Guidelines* (SCLA policy) (Government of Victoria, 2016) A Strategic Crown Land Assessment (SCLA) must be undertaken to enable:

- (i) a landholding Minister to consider:
 - A. whether land should be alienated from the Crown estate;
 - B. whether appropriate protections exist for any public land values if Crown land is to be alienated; and
 - C. the implications of and impacts on the rights of traditional owners and / or native title claimants if Crown land is to be alienated;
- (ii) the Minister for Environment, Climate Change and Water to undertake statutory responsibilities and satisfy policy obligations regarding the Crown estate.

The purpose of the SCLA Policy is to:

- (i) ensure that assessments are undertaken for all Crown land that has been declared surplus to the requirements of a Victorian Government agency by the responsible landholding Minister;
- (ii) inform decision making by relevant landholding Ministers and the Minister for Environment, Climate Change and Water on:
 - A. public land values of Crown land; and
 - B. the protection of public land values;
- (iii) determine the status of traditional owner and / or native title rights for Crown land declared surplus to the requirements of a Victorian Government agency.

Under the SCLA Policy, a SCLA is to be submitted to the landholding Minister and the Minister for Environment, Climate Change and Water or their delegates for consideration prior to any decision being taken on alienation of land from or inclusion of land in the Crown estate.

If in the view of the landholding Minister and the Minister for Environment, Climate Change and Water, after considering a SCLA, a parcel of land is suitable for alienation from the Crown estate the land is to be referred to the Minister for Finance for disposal.

A SCLA can only be undertaken by assessors within the Department of Environment, Land, Water and Planning who are suitably qualified to undertake such assessments, or external assessors who have

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been evaluated by the Department of Environment, Land, Water and Planning as suitably qualified to undertake such assessments.

Unless otherwise agreed, a SCLA is to be undertaken within 90 days from the day on which the assessment was requested and submitted to the assessor in the required format and funded by the landholding agency.

The SCLA Policy is to be implemented in accordance with the SCLA Guidelines attached to the Policy (Government of Victoria, 2016:1-19). While the SCLA Policy and SCLA Guidelines are administered by the Department of Environment, Land, Water and Planning (DELWP) on behalf of the Minister for Environment, Climate Change and Water, they are to be used for the assessment of public land values and determination of all Crown land declared surplus by an agency.

In relation to the declaration of surplus land, the Guidelines state that:

Agencies requesting a SCLA should supply a written declaration that the Crown land to be assessed is surplus to current and future operational requirements with other necessary information as detailed in section 3.1. A SCLA cannot commence without a formal declaration that the land is surplus.

Agencies will undertake their own internal processes to assess whether the Crown land they manage is surplus to their operational requirements.

For Crown land managed by DELWP, an internal agency level assessment will be used to assess whether Crown land may be surplus. If land is determined to be surplus to DELWP's current and future operational requirements, the Minister for Environment, Climate Change and Water or delegate will consider the results of the agency level assessment and formally declare the land to be either surplus or not surplus to DELWP's requirements.

Some Crown land will be determined not to be surplus to agencies' current or future operational requirements, or through the SCLA process as containing significant public land values that require some means of protection into the future. There can also be community, cultural, environmental or strategic considerations that may influence whether or how Crown land could be used for new purposes.

In addition to the inherent public land values of assessed Crown land, the Minister for Environment, Climate Change and Water may also consider past and future community use and benefit of the land in determining whether certain land is surplus and able to be alienated, or whether the land should be retained in the Crown estate. (Government of Victoria, 2016:2)

Under the *Victorian Government Landholding Policy and Guidelines* (Government of Victoria, 2015), upon declaring land surplus to an agency's requirements, Victorian Government agencies must:

- (iii) provide notice of 60 days of the agency's intention to dispose of land during which period other State, Commonwealth or local government agencies may express interest in acquiring the land;
- (iv) if another government agency expresses interest in acquiring the land, negotiate in good faith to attempt to agree on the terms of sale within 30 days after the close of the notice period; and

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- (v) if the terms of sale are agreed, transact the sale of the land at a price equal to the current market value of the land as determined by the Valuer-General Victoria.

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Loddon-Mallee Housing Action Plan: Etty Street Housing Proposal – Strategic Policy Guide

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Executive summary

Overview

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan.

The Etty Street site is in Castlemaine in the Mount Alexander LGA in central Victoria, approximately 132km from Melbourne. The site is State-owned land and includes several Crown land allotments and a portion of the old Castlemaine secondary school site. The project proposes development of the site for social and affordable community housing to address the acute need in the LGA.

This report:

- documents the existing land use and tenure details of the Etty Street site and the broad conceptual plans for social and affordable community housing on the (yet to be determined) 'surplus' land.
- provides an overview of the land release options and delivery models for achieving social and affordable community housing outcomes
- summarises the Victorian Government's land policies and processes for determining whether Crown land may be surplus to requirements and how the State decides to dispose of such land
- identifies how to determine whether Crown land maybe subject Aboriginal Traditional Owner rights or native title rights and interests and includes a step-by-step process for navigating those matters.

Victorian Government Land Management Policies

The Victorian Government has a suite of policies for the acquisition, use, management and disposal of Government land. The key policy documents and their purpose are listed in the table below.

VICTORIAN GOVERNMENT LAND MANAGEMENT POLICIES

Policy	What the Policy does
Victorian Government Land Transactions Policy 2022)	<p>This policy exists to ensure agencies act in accordance with the highest standards of behaviour when undertaking land transactions. It does this by creating a consistent framework for the way agencies across the Victorian government are required to undertake land transactions, including:</p> <ul style="list-style-type: none"> • a clear set of requirements that agencies must comply with when undertaking land transactions, and

	<ul style="list-style-type: none"> establishing the role of VGLM to deliver assurance to the Victorian government and community that agencies are complying with the requirements in the policy.
Victorian Government Land Use Policy and Guidelines. Unlocking public value from government land (land use policy) (2017)	This policy establishes a framework that enables a strategic, whole-of-government approach to land use decision making, with the objective of maximising public land value.
Strategic Crown Land Assessment Policy and Guidelines (SCLA policy) (2016)	This policy sets out the government's responsibilities and obligations when Crown land is declared surplus and requires that the government conduct an assessment to determine whether surplus Crown land can be sold.
Victorian Government Landholding Policy and Guidelines (landholding policy) (2015)	This policy sets out when an agency can purchase and retain land and requires agencies to offer to sell any surplus land to other Victorian government agencies, local councils, or the Commonwealth before it can be sold to the public.

Source: Victorian Government Land Transactions Policy, 2022:05.

A Step-by-Step process for local government

A summary of the step by step process to assist local councils to navigate whether Crown land in Victoria is subject to Aboriginal Traditional Owner rights or native title rights and interests is provided below.

STEPS TO DETERMINING WHETHER CROWN LAND IS SUBJECT TO ABORIGINAL TRADITIONAL OWNER RIGHTS OR NATIVE TITLE RIGHTS AND INTERESTS

STEP	SUMMARY
1	Adopt a precautionary approach.
2	Identify the subject land's legal status.
3	Establish whether subject land is within an area covered by a Recognition and Settlement Agreement under the <i>Traditional Owner Settlement Act 2010</i> (Vic).
4	If not within an area covered by a Recognition and Settlement Agreement, must still ascertain who the relevant Traditional Owner group(s) may be.
5	Conforming with the <i>Native Title Act 1993</i> (Cth) or the <i>Traditional Owner Settlement Act 2010</i> (Vic).
6	Costs of negotiating with the relevant Traditional Owner group(s).
7	Compensation for loss, diminution, impairment or extinguishment of native title rights and interests.
8	State's Land Management Framework, including the Land Transactions Policy, still applies.
9	Compliance with <i>Aboriginal Heritage Act 2006</i> (Vic) still applies.

More detail on these steps is provided in the report. The information in this report is general advice only, and it is advisable for councils to seek independent expert advice on any particular matters.

Our search of the public records shows that the Etty Street site falls within a Recognition and Settlement Agreement and a Land Use Activity Agreement (LUAA) under the *Traditional Owner Settlement Act 2010* (Vic) between the State government and the Dja Dja Wurrung Clans Aboriginal Corporation (DDWCAC). In short, these agreements effectively replace the procedural rights that native title holders would be entitled to under the *Native Title Act 1993* (Cth). The details are discussed in this report.

Summary of 'next steps' for Council

The final chapter discusses the conclusions and recommendations: That Mount Alexander Council:

1. Approaches DET and DWELP requesting they each undertake a SCLA for the specified Allotments in the Etty Street site they currently own and manage.
2. Provides DET and DELWP with copies of the Hansen Partnership Masterplan for the site, requesting the agencies base their SCLA on the Masterplan and Concepts prepared by Hansen Partnership on the feasibility of the site for residential development.
3. Provides DET and DELWP with a copy of this report, as the basis for specifying the Allotments which need to be included in the SCLAs to be undertaken by the respective agencies.
4. Develops a set of objectives for social and affordable housing outcomes for the site, Council's desired land release option(s) and preferred mechanism(s) for the delivery of social and affordable housing outcomes for the site.
5. Discusses the housing proposals for the Etty Street site with DDWCAC to ascertain whether DDWCAC wants to be involved in some way in achieving social and affordable community housing outcomes for local Aboriginal people in this locality.
6. Identifies RHAs that it would be willing to work with and seeks out their willingness to be involved in the development, either with Council support or without Council's direct support.

1. Introduction

1.1 Housing Action Plan and four associated projects

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan.

While each report relates to a particular project or issue, the strategic responses and lessons from each provide recommendations that are mostly replicable and scalable to similar issues elsewhere in the region. There are two 'business cases' and two 'strategic policy guides' covering the projects. The business cases are quantitative and focus on the economic case for the housing proposal. The strategic guides address good practice processes and steps.

The projects are:

- Mildura worker housing project – expansion of an existing seasonal worker accommodation facility in regional Victoria (quantitative business case report)
- Etty Street housing site opportunity – a potential social and affordable housing development site with multiple titles, including state-owned and Crown land with associated Aboriginal lands rights implications (strategic policy guide report)
- Buloke worker housing project – understanding the strategic need for key worker housing to support the local community and considering options for key worker housing in Donald, in the Buloke Shire (strategic policy guide report)
- Newbridge Water and Sewerage Infrastructure extension – strategic approach to investing in infrastructure supporting new housing development in a small-town context (quantitative business case report).

All documents draw out and summarises replicable and scalable steps. The reports and especially their included "How to guides", are intended to provide housing practitioners with a toolkit to actively address typical barriers to new housing supply found in regional Victoria.

1.2 This report

The Etty Street project would address the need for social and affordable community housing in the Mount Alexander local government area. It proposes a mixed social and affordable housing development on Crown and state-owned land, including a portion of the old Castlemaine secondary school site, in Etty Street, Castlemaine. The focus of this report is on the process required to release and deploy these public sites for a social and affordable housing development, including in the context of the regional Land Use Agreement with the Dja Dja Wurrung Aboriginal Owner Corporation.

2. Etty Street project

2.1 Context

The Etty Street site is in Castlemaine in the Mount Alexander LGA in central Victoria, approximately 132km from Melbourne. Given its 'peri-urban' status, Mount Alexander's housing market is influenced by its proximity to Metropolitan Melbourne. The population of the LGA is approximately 20,000 people according to the 2021 ABS Census of Population and Housing and has grown by over 2,000 people since the 2016 ABS Census.

The Etty Street project aims to address the need for social and affordable community housing in the LGA on Crown and state-owned land, including a portion of the old Castlemaine secondary school site.

Like many other regional council areas, Mount Alexander has an acute need for social and affordable community housing. Vacancy rates sit at 0.22% which is significantly below the healthy benchmark of 3%.¹ The growth in rental prices has been significant, with rent prices for houses growing by 5% year-on-year for financial year 2021-22 and 8.8% for units.² **Figure 1** below shows that rising rental prices have put a significant portion of households in rental stress and this problem is pervasive across the Loddon-Mallee group of councils. Without intervention this problem is expected to grow.

Lack of intervention will have a direct impact on the ability of Victoria to perform well economically, as workers will struggle to find housing in the area which dampens business productivity and has a flow-on effect on State GDP. **Figure 2** shows the forgone economic output that would occur due to an undersupply of housing for a selection of LGAs in the region based on economic impact research done by SGS. In addition to lower economic performance, undersupply of housing will lead to poorer health and social outcomes as has been shown by the literature.^{3 4} These poorer outcomes cost the State through the public health system and community safety resources.

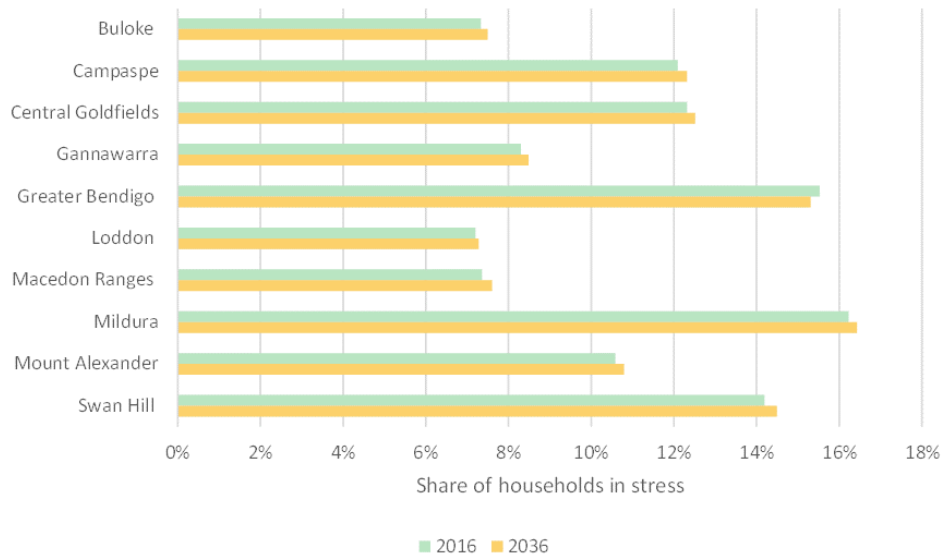
The provision of land is key to enabling an increase in housing supply more generally and for targeting the provision of social and affordable community housing. In some regional LGAs, selected State Government owned sites may be surplus to requirements and are located such as to be suitable for social and affordable housing. One such site is the Etty Street site in Castlemaine.

¹ <https://www.realestateinvestar.com.au/Property/victoria/mount+alexander>

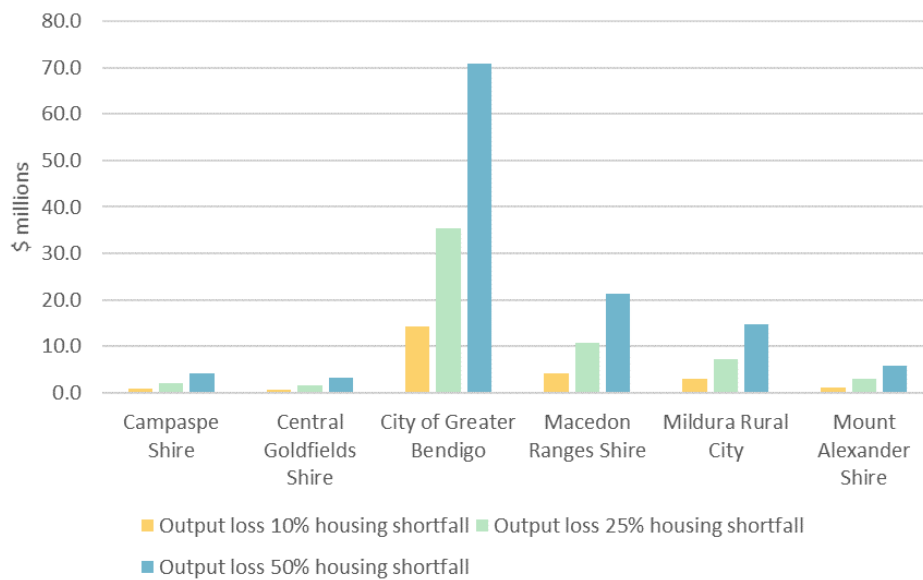
² IBID.

³ Baxter, A.J., Tweed, E.J., Katikireddi, S.V. and Thomson, H., 2019. Effects of Housing First approaches on health and well-being of adults who are homeless or at risk of homelessness: systematic review and meta-analysis of randomised controlled trials. *Journal of Epidemiol Community Health*, 73(5), pp.379-387.

⁴ Bentley, R., Baker, E. and Aitken, Z., 2019. The 'double precarity' of employment insecurity and unaffordable housing and its impact on mental health. *Social Science & Medicine*, 225, pp.9-16.

FIGURE 1: SHARE OF HOUSEHOLDS IN RENTAL STRESS BY LGA: 2016 AND 2036

Source: SGS Economics and Planning

FIGURE 2: GRP FOREGONE DUE TO UNDERSUPPLY OF HOUSING

Source: SGS Economics and Planning

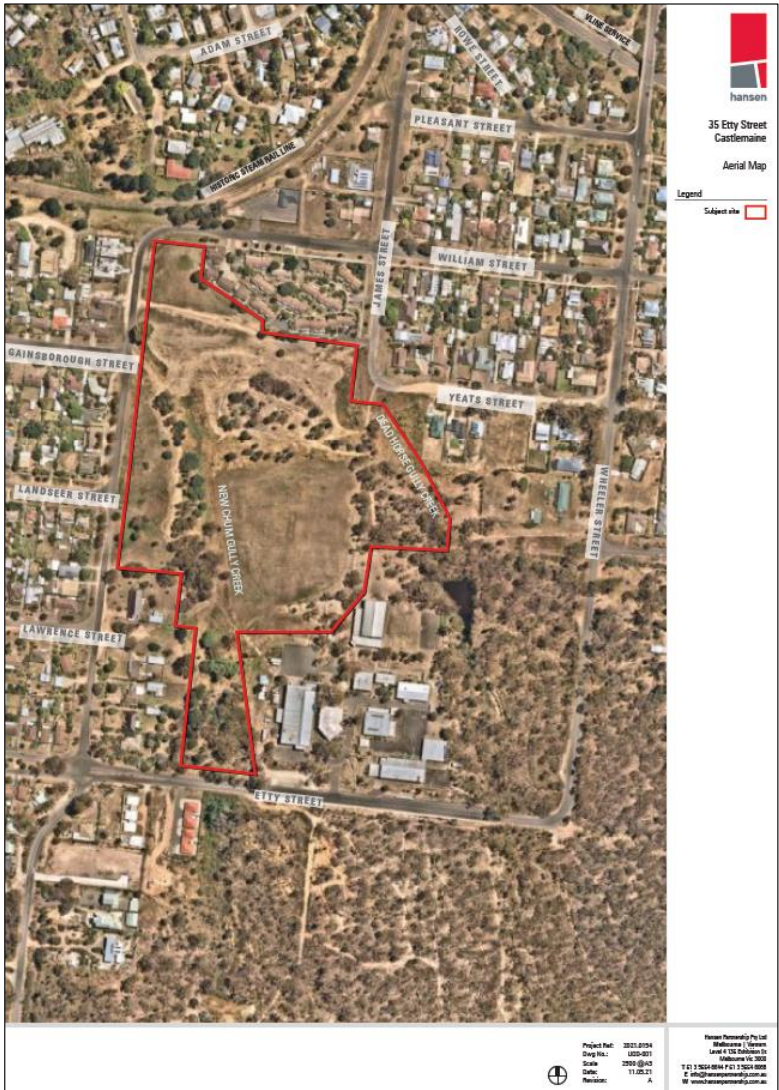
Gaining access to State-owned land can be challenging. The land's current tenure status is important. That is, whether the land is state-owned land for an existing or former public service or facility, or whether it is Crown land for the purposes of a conservation reserve or state or national park, and whether the land can be deemed by the State to surplus to requirements such that it can be disposed of for social and affordable community housing. These matters are explored in this report.

The following guidance aims to provide councils in a similar position to Mount Alexander Council with strategic policy guidance on unlocking State-owned/Crown land for social and affordable community housing. It is important to understand that there are numerous complexities and variables, depending on current land ownership, land tenure history of the site, how social and affordable community housing will be provided and the interplays between various state government stakeholders and prevailing local conditions. If the land is classified as Crown land under specific statutes, then the land in question may also be subject to native title rights and interests under the *Native Title Act 1993* (Cth) or a Recognition and Settlement Agreement area under the *Traditional Owner Settlement Act 2010* (Vic). The information in this strategic policy guide is intended to provide an overall guide to the steps which will need to be taken and the key questions which will need to be addressed if local governments in Victoria are to be successful in engaging with the State about the release of State-owned/Crown land for social and affordable housing in their local communities.

2.2 The subject site

The Etty Street site is located approximately one kilometre south of the Castlemaine town centre. An aerial map of the Etty Street site is shown in **Figure 3**. The site is bounded by Etty Street in the southern side, the former secondary school site off Etty Street in the south-west corner, Wheeler, Yeats and James Streets on the north-eastern side, William Street on the northern side, and Wilkie Street on the western side.

FIGURE 3: AERIAL MAP OF ETTY STREET SITE



Source: Hansen Partnership, 2021:5.

2.3 Existing land tenure and land use

The key land elements of the Etty Street site are shown in Figure 4. The existing land ownership is shown in Figure 5, with more details in Table 1. Table 1 includes details of the Crown Allotment numbers, land tenure, land owner, existing land uses and tenants, street address and access details for each Allotment.

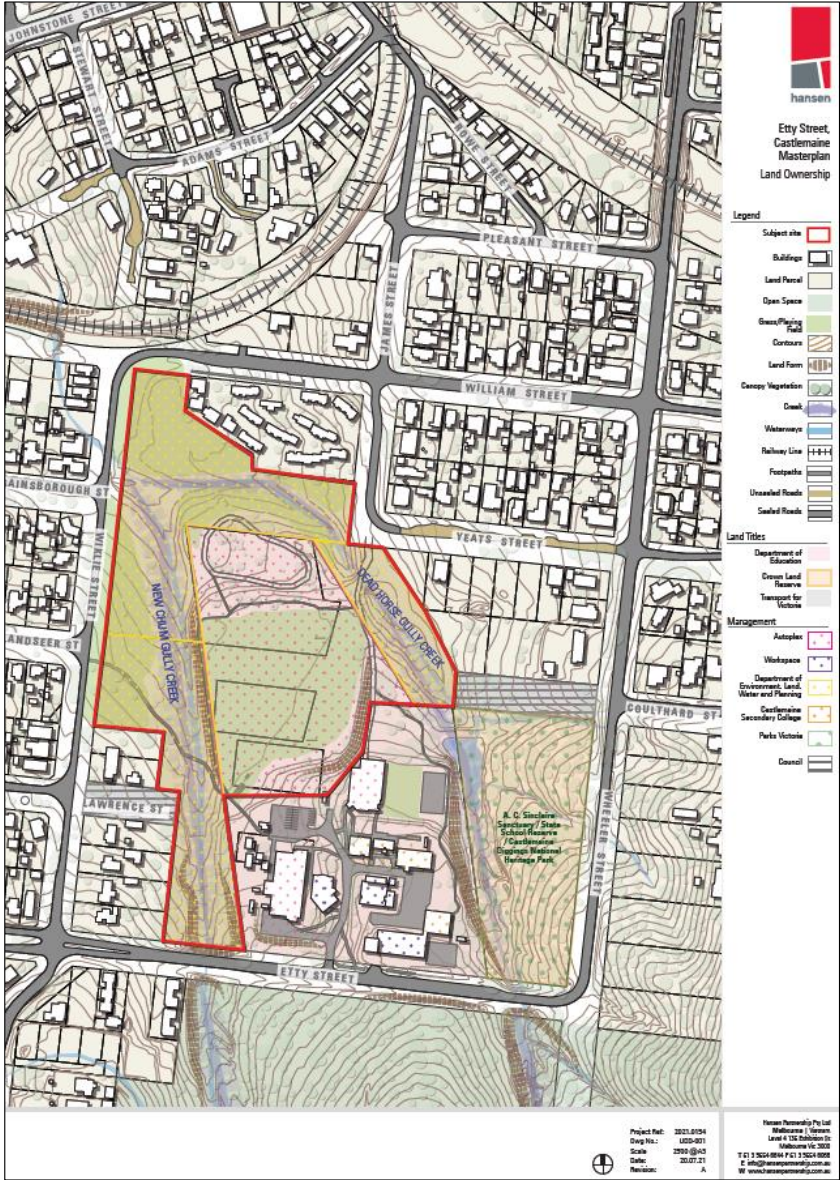
FIGURE 4: KEY LAND ELEMENTS OF THE ETTY STREET SITE



Source: Hansen Partnership, 2021:13.

SGS ECONOMICS AND PLANNING: LODDON-MALLEE HOUSING ACTION PLAN: ETTY STREET HOUSING PROPOSAL – STRATEGIC POLICY GUIDE

FIGURE 5: EXISTING LAND OWNERSHIP OF THE ETTY STREET SITE



Source: Hansen Partnership, 2021:19.

TABLE 1: ETTY STREET SITE: KEY LAND ELEMENTS – EXISTING LAND USE, TENURE, ADDRESS AND ACCESS

(Please note, the numbers and colours in the first column on the left correspond with numbers and colours in **Figure 4** above)

No. (Fig 4)	Allotment and Description	Tenure	Land Owner	Existing land use(s)/Tenants	Address and Access
1	Crown Allotment 2, Section 133?, Township of Castlemaine, Parish of Castlemaine	Crown Land	Minister for Education and Training (DET)	Former Castlemaine Secondary College Campus – Tech Building <ul style="list-style-type: none"> Currently leased to Autoplex Castlemaine. Currently Zoned PUZ2. 	35 ETTY Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from ETTY Street to the south. Car parking provided in existing car park to the northwest.
2				Formerly Castlemaine Secondary College Senior Campus – Gymnasium Building <ul style="list-style-type: none"> Currently leased to Autoplex Castlemaine. Currently Zoned PUZ2. 	35 ETTY Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from ETTY Street to the south. Car parking provided in existing car park to the northwest.
3				Formerly Castlemaine Secondary College Senior Campus - Car Park <ul style="list-style-type: none"> Currently leased to Autoplex Castlemaine. Currently Zoned PUZ2. 	35 ETTY Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from ETTY Street to the south.

					<ul style="list-style-type: none"> Car parking provided in existing car park to the northwest.
4	Crown Allotment 2, Section 132, Township of Castlemaine, Parish of Castlemaine	Crown Land	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus – Gravel Carpark <ul style="list-style-type: none"> Currently leased to Autoplex Castlemaine. Proposed to be utilised by Workspace Australia for car parking. Currently Zoned PUZ2. 	35 Etty Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south.
5				Formerly Castlemaine Secondary College Senior Campus – Former Campus Administration Building / Building A (Workspace Australia) <ul style="list-style-type: none"> DET owned building, leased to Council and sub-leased to Workspace Australia. (Building A). Workspace Australia has a permit application lodged with Council (PA205/2021 for <i>'use of part of the existing buildings as an Employment Training Centre - business incubators and café,</i> 	35 Etty Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south. Car parking to be provided along Etty Street (existing gravel car park) and in a new car park to the southeast of the site (PA205/2021).

				<i>associated buildings and works and a reduction in car parking').</i> <ul style="list-style-type: none"> Currently Zoned PUZ2. 	
6				Formerly Castlemaine Secondary College Senior Campus – Former Campus Science Building / Building B (Workspace Australia) <ul style="list-style-type: none"> Currently leased to Workspace Australia (Building B). Currently Zoned PUZ2. 	35 Etty Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south. Car parking to be provided along Etty Street (existing gravel car park) and in a new car park to the southeast of the site (PA205/2021).
7				Formerly Castlemaine Secondary College Senior Campus – Former Campus Canteen Building / Building C (Workspace Australia) <ul style="list-style-type: none"> Currently leased to Workspace Australia (Building B). Currently Zoned PUZ2. 	35 Etty Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south. Car parking to be provided along Etty Street (existing gravel car park) and in a new car park to the southeast of the site (PA205/2021).
8	Crown Allotment 2, Section 132, Township of Castlemaine, Parish of Castlemaine (Crown Land	Minister for Education and Training (DET)	Retained by Castlemaine Secondary College – Former Campus Library Building). <ul style="list-style-type: none"> Currently used by Victorian Curriculum Assessment Authority (VCAL). 	35 Etty Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south.

				<ul style="list-style-type: none"> Currently Zoned PUZ2. 	
9				Retained by Castlemaine Secondary College – Former Campus Music Building) <ul style="list-style-type: none"> Currently used by Victorian Curriculum Assessment Authority (VCAL). Currently Zoned PUZ2. 	35 Etty Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south.
10				Retained by Castlemaine Secondary College – Former Campus Art Building. <ul style="list-style-type: none"> Currently used by Victorian Curriculum Assessment Authority (VCAL). Currently Zoned PUZ2. 	35 Etty Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south.
11	Crown Allotment 3, Section 132, Township of Castlemaine, Parish of Castlemaine.	Fee Simple	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus – Former Campus Sporting Oval. <ul style="list-style-type: none"> Occasionally used by the Castlemaine Hot Rod Society for car meets. Used as an informal recreation space by community (dog walkers, walkers, runners, etc.) 	<ul style="list-style-type: none"> Main entry to the campus from Etty Street to the south. Car parking provided in the existing car park to the south east.

				<ul style="list-style-type: none"> Currently Zoned PUZ2. 	
	Crown Allotment 4, Section 132, Township of Castlemaine, Parish of Castlemaine	Fee Simple	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus. Currently Zoned PUZ2.	<ul style="list-style-type: none">
	Crown Allotment 5, Section 131, Township of Castlemaine, Parish of Castlemaine	Fee Simple	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus. Currently Zoned PUZ2.	<ul style="list-style-type: none">
12	Crown Allotment 1, Section 133, Township of Castlemaine, Parish of Castlemaine (Former Campus Athletics Track)	Fee Simple	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus – Former Athletics Track . <ul style="list-style-type: none"> Currently unused. 	<ul style="list-style-type: none"> Main entry to the campus from Ety Street to the south.
13	A.C. Sinclair Sanctuary / State School Reserve / Castlemaine Diggings National Park	Crown Land	Parks Victoria as Crown Land Administrator	Nature reserve comprising bushland, Dead Horse Gully Creek and pond. <ul style="list-style-type: none"> Site also forms part of the Castlemaine Diggings National Heritage Park, which is a protected site on the Victorian Heritage Register (Place ID: 12834) and subject to the Heritage Overlay, Schedule 998 (HO998). 	<ul style="list-style-type: none"> Bound by Wheeler Street (east) and Ety Street (south).

14	Crown Allotment 19, Section 124, Township of Castlemaine, Parish of Castlemaine	Crown Land	DELWP as Crown Land Administrator	Currently Zoned as PPRZ. <ul style="list-style-type: none"> Bushland, with informal walking trail. Dead Horse Gully Creek runs through this parcel. 	<ul style="list-style-type: none"> Access through to Campus site via walking track from Coulthard Street. Dead Hose Gully Creek traverses this site.
15	Crown Allotment 7, Section 132, Township of Castlemaine, Parish of Castlemaine	Crown Land	DELWP as Crown Land Administrator	Currently Zoned as PPRZ. <ul style="list-style-type: none"> Bushland, with informal walking trail. New Chum Gully Creek runs through this parcel. 	<ul style="list-style-type: none"> Access to Campus site via walking track from Landseer Street. Dead Hose Gully Creek traverses this site.
16	Crown Allotment 4, Section 134, Township of Castlemaine, Parish of Castlemaine	Crown Land	DELWP as Crown Land Administrator	Currently Zoned as PPRZ. <ul style="list-style-type: none"> Public open space, with informal track connecting Yeats and Gainsborough Streets. Dead Horse Gully Creek and New Chum Gully Creek run through this parcel. 	Open frontage to Wilkie Street (west) and partially to William Street (north).
17	Lawrence Street	Road Reserve	Council managed	Road reserve between Wilkie Street and Crown Allotment 7, Section 132.	Access from Wilkie Street.
18	Road Reserve	Road Reserve	Council managed	Road reserve on the northern boundary of the A.C. Sinclair Reserve.	Access from Wheeler Street.

Sources: Compiled from information in the Hansen Partnership report (2021:10-12), Land Title Searches and information provided by Mount Alexander Council.

- The Allotments zoned PPRZ – Public Park and Recreation Zone;
- The Allotments zoned PUZ2 – Public Use Zone - Education.

Table 1 shows that several parcels are still owned by DET and continue to be used by DET directly, while other parcels are still owned by DET but leased to another party.

In a media release dated 21 November 2019, Mount Alexander Council confirmed that it has leased space from the Department of Education at the Castlemaine Secondary College site under a peppercorn arrangement for 15 years. These arrangements were settled after discussions with the Department of Education over many years. The Media Release also announced that the Mount Alexander Council has signed a lease with Workspace Australia Ltd and Castlemaine Hot Rod Centre to use portions of the site for education and training and the development of a business hub. SGS Economics and Planning has been advised that Workspace Australia has recently received State Government support for the initial redevelopment of buildings it leases from DET. The work is to be completed by August 2023 for Workspace Australia to commence the business incubator operations from the site.

The current Etty Street social and affordable housing development proposal prepared by Hansen Partnership in 2021 does not include any of the existing buildings on the former Secondary College site, it only comprises the land to the north and west of those existing facilities.

The A.C. Sinclair Sanctuary owned by Parks Victoria to the east of the former Secondary College site is a protected site on the Victorian Heritage Register (Place ID: 12834) and subject to the Heritage Overlay, Schedule 998 (HO998), and is also not included in the development site.

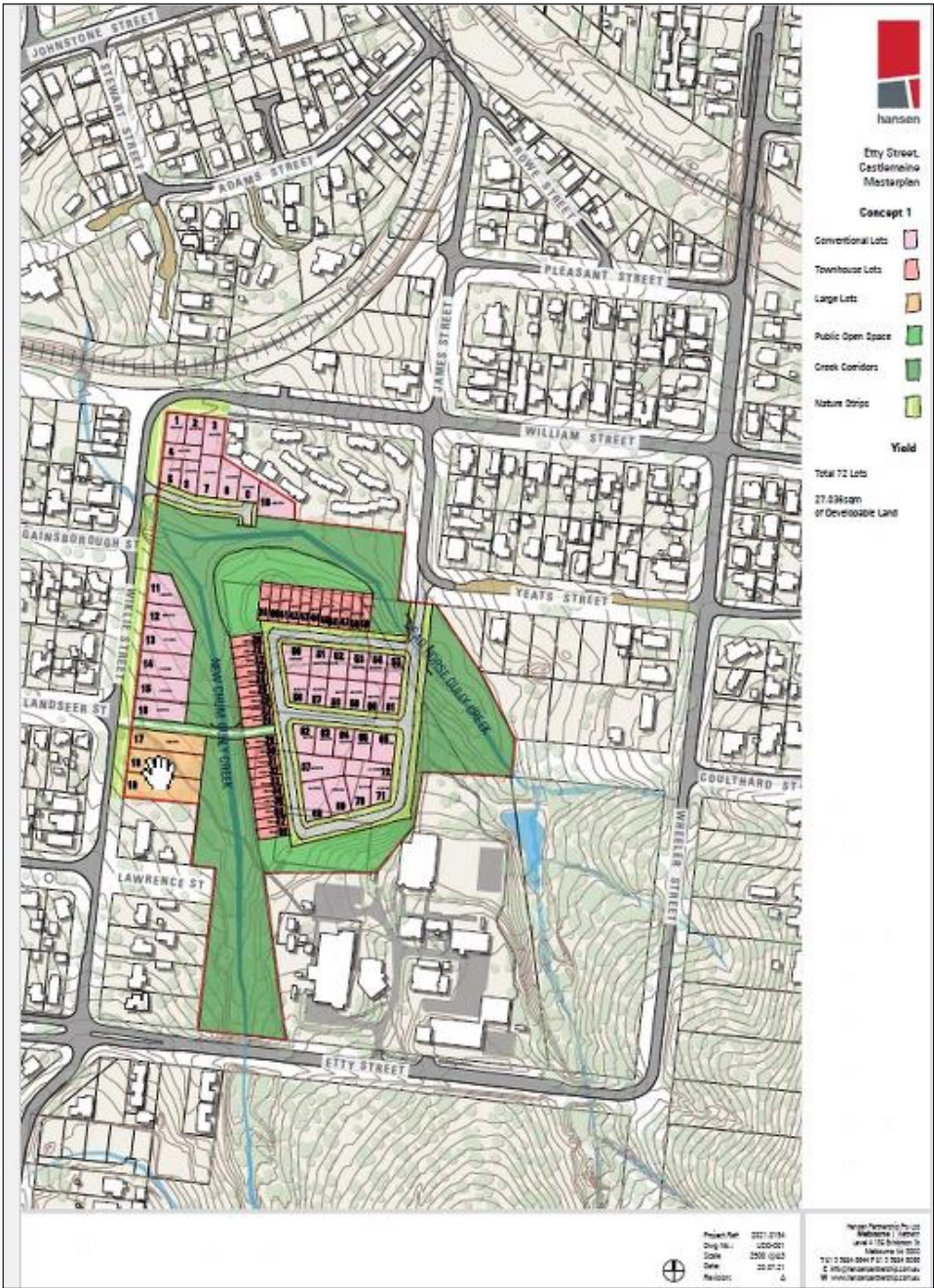
2.4 Hansen Partnership 2021 Concept Plan

Hansen Partnership was commissioned by the Mount Alexander Council in 2021 to prepare a Masterplan for the site and an Issues and Opportunities Discussion Paper about the alternative use of the former Castlemaine Secondary College site.

According to Hansen Partnership, the Etty Street site has the potential to yield approximately 90 lots comprising a mixture of conventional housing and townhouses to be provided as social and affordable community housing.

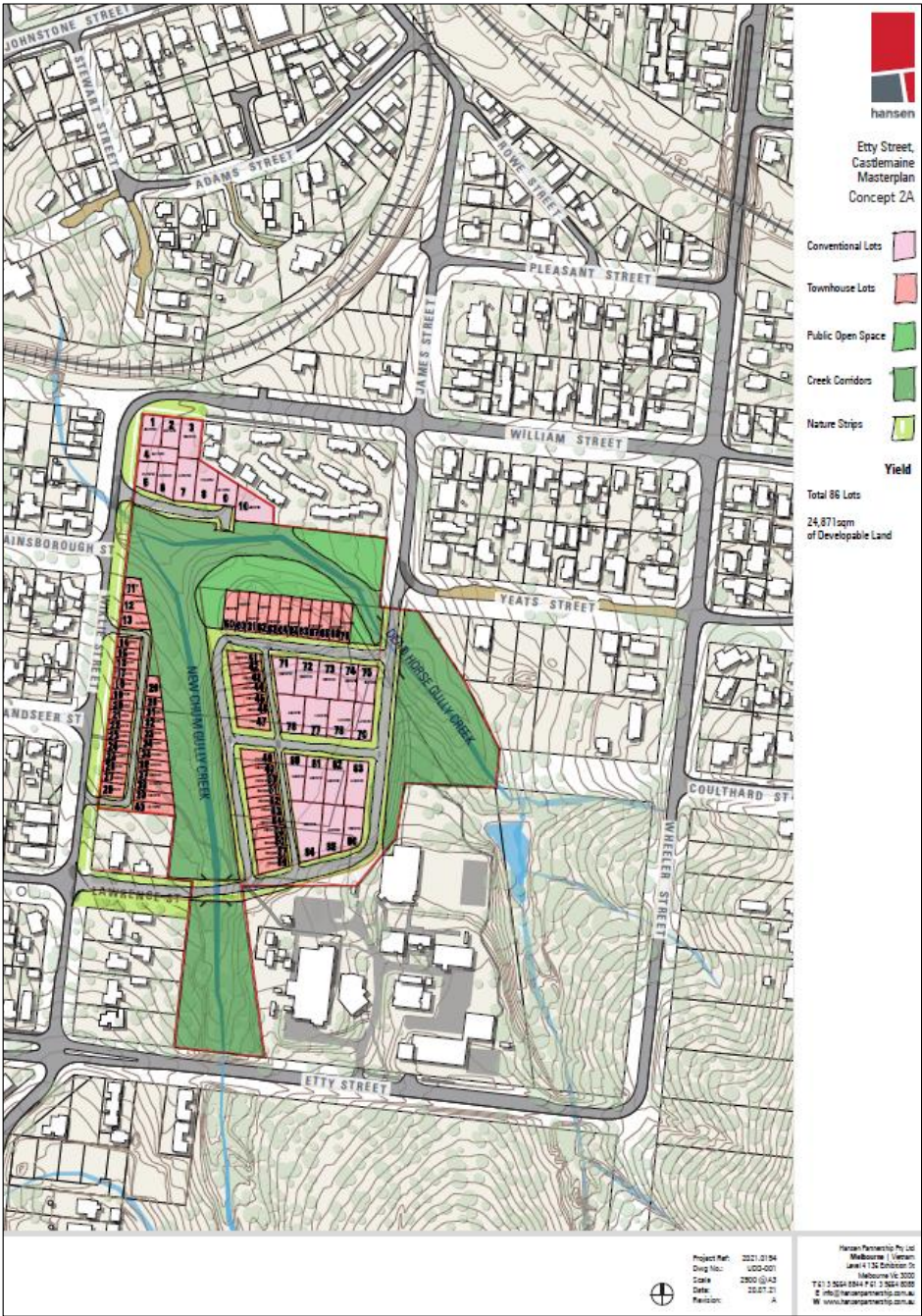
Hansen Partnerships prepared two concepts and they are shown in **Figures 6 and 7**.

FIGURE 6: CONCEPT 1 – ETTY STREET PROJECT CONCEPT PLAN



Source: Hansen Partnership, 2021.

FIGURE 7: CONCEPT 2A – ETTY STREET PROJECT CONCEPT PLAN



Source: Hansen Partnership, 2021.

SGS ECONOMICS AND PLANNING: LODDON-MALLEE HOUSING ACTION PLAN: ETTY STREET HOUSING PROPOSAL – STRATEGIC POLICY GUIDE

2.5 Land Development Issues

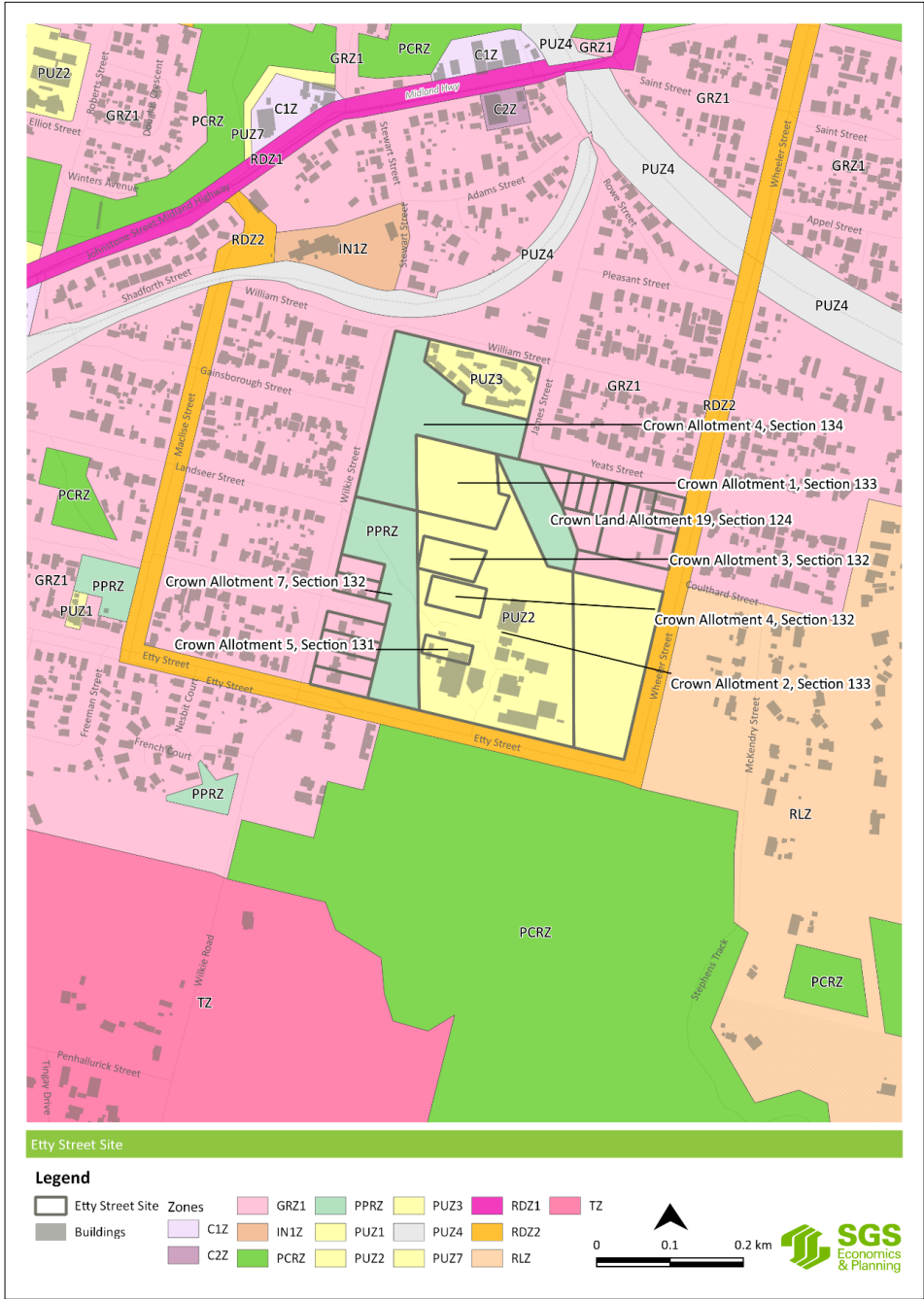
The land tenure analysis above and the concept plans prepared by Hansen Partnership show that only the northern and central parts of the site are mooted for social and affordable community housing development, and that none of the existing buildings on the former Secondary College site will be affected by the proposed development.

The Allotments which will be affected by the proposed social and affordable community housing development are shown in **Figure 8** and **Figure 9**, with more details provided in **Table 2**.

FIGURE 8: ETTY STREET PRECINCT – AFFECTED ALLOTMENT AND SECTION NUMBERS



FIGURE 9: ETTY STREET PRECINCT – CURRENT LAND USE ZONING



Source: Mount Alexander Planning Scheme: [Mount Alexander PS All Ordinance.pdf](#)

SGS ECONOMICS AND PLANNING: LODDON-MALLEE HOUSING ACTION PLAN: ETTY STREET HOUSING PROPOSAL – STRATEGIC POLICY GUIDE

TABLE 2: ETTY STREET SITE: ALLOTMENTS INCLUDED IN THE ETTY STREET DEVELOPMENT ENVELOPE

(Please note, the numbers and colours in the first column on the left correspond with numbers and colours in **Figure 4** above)

No. (Fig 4)	Allotment and Description	Tenure	Land Owner	Existing land use(s)/Tenants	Current Zoning and Portion required for proposed housing development
1	Crown Allotment 2, Section 132, Township of Castlemaine, Parish of Castlemaine	Crown Land	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus.	Currently Zoned PUZ2. The area to the north and west of the existing buildings on this site will be required to assist in compiling a contiguous development site. Some boundary reconfigurations of this Allotment will therefore be required to excise the existing former campus buildings from the portion proposed for housing development.
11	Crown Allotment 3, Section 132, Township of Castlemaine, Parish of Castlemaine (Former Campus Sporting Oval)	Fee Simple	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus. <ul style="list-style-type: none"> Occasionally used by the Castlemaine Hot Rod Society for car meets. Used as an informal recreation space by community (dog walkers, walkers, runners, etc.). 	Currently Zoned PUZ2. The whole of this Allotment.

12	Crown Allotment 1, Section 133, Township of Castlemaine, Parish of Castlemaine	Fee Simple	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus – Former Athletics Track . Currently unused.	Currently Zoned PUZ2. The whole of this Allotment.
	Crown Allotment 4, Section 132, Township of Castlemaine, Parish of Castlemaine	Fee Simple	Minister for Education and Training (DET)	Formerly Castlemaine Secondary College Senior Campus.	Currently Zoned PUZ 2. The whole of this Allotment
14	Crown Allotment 19, Section 124, Township of Castlemaine, Parish of Castlemaine	Crown Land	DELWP as Crown Land Administrator	Bushland, with informal walking trail. Dead Horse Gully Creek runs through this parcel.	Currently Zoned PPRZ. A part of the northern portion of this Allotment will be required to provide road access to the proposed housing development on adjoining Allotments.
15	Crown Allotment 7, Section 132, Township of Castlemaine, Parish of Castlemaine	Crown Land	DELWP as Crown Land Administrator	Bushland, with informal walking trail. New Chum Gully Creek runs through this parcel.	Currently Zoned as PPRZ. Parts of this Allotment will be required, but not where the New Chum Gully Creek flows through the site. .
16	Crown Allotment 4, Section 134, Township of Castlemaine, Parish of Castlemaine	Crown Land	DELWP as Crown Land Administrator	Public open space, with informal track connecting Yeats and Gainsborough Streets.	Currently Zoned as PPRZ. Parts of this Allotment, but not where the Dead Horse Gully Creek and New Chum Gully Creek flow through the site.

				Dead Horse Gully Creek and New Chum Gully Creek run through this parcel.	
17	Lawrence Street	Road Reserve	Council managed	Road reserve between Wilkie Street and Crown Allotment 7, Section 132.	Required for road access from Wilkie Street.

Sources: Compiled from information obtained from the Hansen Partnership report (2021:10-12), Land Title Searches, and information provided by Mount Alexander Council.

Figure 9 shows that:

- The Allotments zoned PPRZ means they are zoned as Public Park and Recreation Zone;
- The Allotments zoned PUZ2 means they are zoned as Education.

If these Allotments (or parts thereof) are to be used for housing development, they will need to be rezoned.

On the basis of the analysis above, the following issues require further consideration:

- Options for delivering social and affordable community housing.
- Getting the State government to assess whether the identified Allotments (or parts thereof) are surplus to State requirements and can therefore be disposed of by the State (and specifically for social and/or affordable community housing).
- Generally, Crown land allotments are either subject to native title rights and interests and therefore the requirements for future acts under the *Native Title Act 1993* (Cth) or a Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic) and therefore the procedural requirements in a Land Use Activity Agreement (LUAA).

These matters are explored in the following Chapters.

3. Options for Delivering Affordable Housing

The following information is drawn largely from the following resource guide developed to support councils and Registered Housing Agencies to progress the delivery of Affordable Housing:

Affordable Development Outcomes & Moores (2021) *Options for Delivering and Securing Affordable Housing on Local Government Land; A Guide for Councils and Registered Housing Agencies*, Commissioned by CHIA Vic and MAV with funding support from Homes Victoria. Available from: <https://chiavvic.com.au/>

3.1 Local Government's role in facilitating local affordable housing

Local Governments play a key role in providing good governance for the benefit and wellbeing of their local communities. Councils undertake several roles to achieve their objectives, including as leader and advocate, as responsible authority, and as an investor and manager of community services.

Local governments are not typically engaged in the development, ownership and/or management of housing directly, but they can play an important facilitation role by supporting others. For example, Community Housing Organisations (CHOs) who are mission-driven, not-for-profit organisations that have a dedicated purpose to reduce housing stress and provide housing for lower income households.

CHOs that are registered under the *Housing Act 1983* (Vic) ('the Housing Act') are defined as a 'Registered Housing Agency' and are regulated by the independent Registrar for Housing Agencies. Registered Housing Agencies are structured and experienced in bringing together land, financing and funding; managing the acquisition and development of dwellings; and managing the resulting Affordable Housing tenancies and assets.

There are opportunities for councils and Registered Housing Agencies to work together and to utilise either council-owned land or other publicly owned land to respond to local Affordable Housing need.

3.2 A few words on Terminology

Affordable Housing is defined under the *Planning and Environment Act 1987* (Vic) as "***housing, including Social Housing, that is appropriate for the housing needs of very low, low, and moderate income households***".

‘Affordable Housing’ therefore encapsulates a range of housing programs that provide targeted affordability outcomes to households that earn within defined very low to moderate income ranges. Delivery of Affordable Housing requires subsidy to address the gap between household income capacity and market prices.

Social housing is the primary form of Affordable Housing in Victoria, defined in the *Housing Act 1983* (Vic) as public housing and housing owned, controlled or managed by a participating registered agency.

A social housing providers’ primary focus is on providing rental housing to households that meet the Victorian Housing Register (VHR) eligibility requirements

A ‘participating registered agency’ is an organisation that is declared and registered as a Registered Housing Agency (RHA) -either a housing provider or housing association - and is regulated by the Registrar of Housing Agencies. A RHA may also apply income eligibility set out under the *Planning and Environment Act 1987* (Vic) where delivery does not depend on Government funding.

The Community Housing Industry Association (CHIA) and the Municipal Association of Victoria (MAV) have developed a very helpful guide to Options for Delivering and Securing Affordable Housing on Local Government Land. The Guide includes a useful definition of terms around social and affordable housing which are included as **Appendix A** to this report (Affordable Development Outcomes in partnership with Moores, November 2021).

3.3 Utilising publicly owned land for affordable housing

Access to safe, secure and affordable housing is recognised as a human right⁵ and concerns the ability of a person to have somewhere to live that is appropriate. This requires consideration of tenure, affordability, accessibility, location, and cultural adequacy. Affordable Housing is also recognised as essential infrastructure, due to its impact on workforce attraction and retention.

A lack of Affordable Housing has direct and indirect economic and social costs for individuals and the community. It is estimated that, across Australia, more than two-thirds of lower income households in private rental experience rental stress, paying more than 30 per cent of their income on rent. Moderate income households are also, increasingly, finding it difficult to find affordably priced housing.

Affordable housing cannot be realised without the availability of appropriately located and priced land. Publicly owned land (either by the State or by local government) can support delivery of affordable housing due to its spatial and locational qualities, potential for uplift in value, and the ability of a council to play a key facilitation role in making it happen, even though council may not necessarily be the end-provider.

The State government, Registered Housing Agencies and local governments also share several strategic objectives to inform decision-making in relation to the use of publicly owned land for affordable housing, including for example:

- Meeting legal and regulatory requirements

⁵ Article 11 of the International Covenant on Economic, Social and Cultural Rights 1966.

- Maximising public/social outcomes in key localities
- Ensuring organisational and project viability
- Delivering value for public investment
- Placing resident (citizens and tenants) interests at the centre of decision-making
- Regulating management of investment and tenancies
- Mitigating risks, and
- Long-term outcomes and reinvestment of subsidies over time.

Land is a key cost input and can help make a significant difference in terms of housing outcomes for particular income households. Investment and/or subsidy are required to meet the costs of Affordable housing development, as the return from rents, after taking into consideration operating costs, is insufficient to support any, or significant borrowing. This is where land as the most important component of any housing development can play a significant role in reducing the up-front costs.

The delivery of affordable housing therefore requires:

- An assessment and determination of the types of households to be supported and an assessment of their financial capacity and dwelling requirements;
- Subsidy to bridge the gap between market prices and below-market revenue;
- Specialised tenancy management;
- Connection to support services for residents where required; and
- Regulation of subsidy to ensure appropriate use and reinvestment over time (Affordable Housing Outcomes and Moores, 2021:15).

Some of these matters are explored below.

3.1 Key considerations in identifying, releasing and developing publicly-owned land for affordable housing

The release and development of publicly owned land is a complex process that requires the relevant organisations (including the State government, local councils and Registered Housing Agencies) to have the resources, skills and time to assess and make decisions in relation to several matters, including:

- Objectives
- Roles
- Legislative and regulatory requirements;
- Land suitability and development potential;
- Social and economic priorities and value;
- Housing demand, priority household cohorts and their housing and support service requirements;
- Development feasibility;
- Planning requirements and process; and
- Risks, responsibilities and mitigations.

Key issues for consideration are outlined in **Table 3**.

TABLE 3: KEY CONSIDERATIONS IN IDENTIFYING, RELEASING AND DEVELOPING PUBLICLY-OWNED LAND FOR AFFORDABLE HOUSING

Focus area	Considerations
Objectives	<ul style="list-style-type: none"> What are Council's primary objectives in wanting to secure the provision of social and affordable community housing in the local area? Are there specific tenant or housing outcomes the council wants to achieve? Are there any Registered Housing Agencies willing to take on a commitment to delivering the same housing objectives?
Roles	<ul style="list-style-type: none"> Which organisations (Registered Housing Agencies) are best placed and regulated for this purpose and willing to play that role in the local Council area? What role is council seeking to play? How does this align with Council's legislative responsibilities and strategic objectives? What role can Registered Housing Agencies fulfil?
Legal and Regulatory Requirements	<ul style="list-style-type: none"> What legal requirements must be met in the release and development of the land? Is the land classified as Crown land? Is it subject to native title rights and interests or Aboriginal Traditional Owner interests? Is the land within a Recognition and Settlement Agreement under the <i>Traditional Owner Settlement Act 2010</i> (Vic)? What processes must be followed to ensure the native title holders or Aboriginal Traditional Owners are appropriately involved in the decision making about the future use of the land? What regulatory requirements must a Housing Agency meet and how do these impact on their ability to support a delivery model or mechanism to secure outcomes?
Land Suitability and Development potential	<ul style="list-style-type: none"> What publicly owned land in the LGA is suitable for Affordable Housing? Where is the land located and what services would residents be able to access? What criteria determines the shortlist for suitable sites? What is the site history and is there a risk the land is contaminated? Have site investigations been undertaken? Are there alternative community uses for the land that also need to be considered? What is the priority use for the council and why? Are there existing uses on the land and will these need to be replaced? How will any costs of replacement be met? Does council need to own the replacement asset? How does this use impact on dwelling yield and potential site use for Affordable Housing? What planning controls apply? Is there a potential for a higher zoning to increase yield? What is the indicative height, type and number of dwellings that could be built?

Land Release Option	<ul style="list-style-type: none"> • What processes must be followed to enable the land to be released / disposed of? • What are the legal requirements? • What are the options for release so as to maximise the potential benefits to the community for social and affordable community housing outcomes for the local area? How is the State proposing to release the land? • What are the benefits and disadvantages of different options? What is the preferred option? • Does the State need to retain ownership of the land and why? How is this weighed up against achievement of social outcomes through the delivery of Affordable Housing? • Is this a 'one-off' disposal, or is there potential for a pipeline of sites?
Development and Operational Feasibility	<ul style="list-style-type: none"> • What is the estimate of site value assuming a highest and best use? • What is the indicative cost of development? Are there demolition or remediation costs? What are the costs of any replacing or including council facilities? • What impact would council priorities in terms of program outcomes, target households, design and/or sustainability have on construction or operating costs? • Would development be feasible if it was delivered as market-priced housing? i.e. would there be sufficient return on land and development (this test helps determine land value and likely financing); • Does the State or council require a financial return on the land? • What are the current and potential funding and financing opportunities that could support construction costs? Who has access to these opportunities and what are the terms and conditions? Does the way the land is provided impact on these options, and is the criteria for funding consistent with the terms of the land release being considered by council? • Does council have other contributions it could potentially make towards development costs?
Risks and Mitigations	<ul style="list-style-type: none"> • What are the risks for council and for the housing agency and how can these be mitigated?
Decision making process	<ul style="list-style-type: none"> • Are there external approval processes that are required? How will these be managed and what is the timing? • What governance arrangements might be required to be put in place between the council and Registered Housing Agency? • What consultation processes does council need to undertake to facilitate the use of the land for social and affordable community housing before the release of land can occur? What approval processes does a Registered Housing Agency need to undertake to apply to receive and develop land?
Priority households	<ul style="list-style-type: none"> • Are there priority households the housing agency or council is seeking to support? • What are the State Government priorities?

	<ul style="list-style-type: none"> • How does a particular priority emphasis influence the project feasibility? • What are the benefits and disadvantages of setting a specific priority household group?
Terms of Use	<ul style="list-style-type: none"> • What is a reasonable term of use, taking into consideration the delivery model and mechanism to secure outcomes? • What impact would an 'in perpetuity' objective have on a housing agency capacity to deliver? • How does 'in perpetuity' take into consideration the lifecycle of a dwelling and the change in value over time?
Mechanism to secure contribution/outcome	<ul style="list-style-type: none"> • Is use of the specific piece of land as Affordable Housing 'in perpetuity' critical, or will council consider allowing a future sale of the land if the investment provided by council was appropriately secured and reinvested in the municipality? • What are the mechanisms for securing a land contribution in an Affordable Housing purpose? • Does council have an existing vehicle or is it considering establishing a special purpose vehicle for the purposes of Affordable Housing? How does this impact on options, process and timing to release land? • What is a reasonable time to require use of a site as Affordable Housing? What factors influence this decision? • What are the potential obligations in relation to the use of land over time?
Reinvestment requirements	<ul style="list-style-type: none"> • What conditions are reasonable to place on a Housing Agency in relation to reinvestment of the State's or Council's contribution? • How do the requirements (and means of securing) impact on delivery model?

Source: Affordable Development Outcomes and Moores, 2021:85-86.

These matters require careful consideration from the outset, as they will have a bearing on the land release option.

3.2 Land Release Options

There are four land release options that the State can apply to release publicly-owned land for social and affordable community housing outcomes. The four options that could apply are:

1. Gifting of land (including 'air rights' for multi-storey developments);
2. Sale of land at a discount;
3. Leasing of land (either for nil return or at a discount);
4. Joint Venture or Partnership Agreement.

Factors to consider in deciding the land release option include the context, policy drivers, strategic objectives, specific site constraints and opportunities, and the nature of the specific outcomes that the State and local council want to see achieved in a particular locality local government area.

Depending on the desired outcomes in terms of target household types, local circumstances and the configuration of a potential site or sites, it may be desirable to apply a different land release option on different parts of the overall site in order to achieve a range of outcomes.

The guide to options for delivering and securing Affordable Housing advises that each land release option should be assessed against Council's primary objectives for Affordable Housing with reference to the rating system shown in **Figure 10** above (Affordable Development Outcomes and Moores, 2021:22). The objectives may be agreed with the State and potential Registered Housing Agencies prior to making these decisions so as to ensure they are appropriate and achievable in the circumstances.

FIGURE 10: RATING SYSTEM FOR ASSESSING LAND RELEASE OPTIONS

High	Option rates highly against criteria. i.e. Provides high-level assurance or likelihood criteria will be realised.
Medium	Option rates moderately against criteria. i.e. Provides degree of assurance or likelihood criteria will be realised with some risks.
Low	Option rates low against criteria. i.e. Limited or no assurance or likelihood criteria will be realised and/or considerable risks.

Source: Affordable Development Outcomes and Moores, 2021:22).

While each of the different land release options have their strengths and weaknesses, the primary consideration is that land is a considerable cost input to affordable housing outcomes, and the selected land release option will make a tangible contribution to project feasibility and outcomes.

The objectives for assessing the land release option may include:

- Maximising the number of Affordable Housing outcomes;
- Targeting priority, very low to low income households;
- Foregoing any financial return on the land in question;
- Development and operational feasibility;
- Reinvestment of the land value over an agreed period of time or the life of the dwellings;
- The RHA can meet regulatory requirements and prudentially manage the assets over an agreed term. (Affordable Development Outcomes and Moores, 2021:22).

3.3 Mechanisms for securing delivery of social and affordable community housing outcomes

There are five options for securing the delivery and subsequent management of social and affordable housing outcomes over time. They include:

1. Public housing owned and operated by the State Government;
2. Ownership by a Registered Housing Agency;
3. Legal Agreement, i.e. Section 173 Agreement, Heads of Agreement, right to lease, contract to sale;
4. Placement of assets in a Special Purpose Vehicle (SPV), e.g. Housing Trust;

5. Mortgage instrument.

Factors to consider in deciding the best mechanism for securing the delivery of Affordable Housing outcomes include how the delivery of agreed outcomes will be assured once the land is transferred out of state or local government ownership, and how the value of the public contribution (whether this be publicly-owned land by the State or council or other contributions in cash or kind) can be secured to ensure agreed and appropriate period of use and any reinvestment of the contribution at the end of dwelling life or if the asset is sold.

The guide to options for delivering and securing Affordable Housing advises that each mechanism should be assessed against Council's primary objectives for Affordable Housing with reference to the rating system shown in **Figure 10** above (Affordable Development Outcomes and Moores (2021:22)). The objectives may be agreed with the State and potential Registered Housing Agencies prior to making these decisions to ensure they are appropriate and achievable in the circumstances.

While each of the different mechanisms have their strengths and weaknesses, the primary consideration is that the outcomes will have benefits for the community for a long time.

The objectives for assessing the mechanism for the delivery of social and affordable housing outcomes may include:

- The land will be developed for specific Affordable Housing outcomes;
- Development of the site will be for an agreed purpose, term and tenant cohort;
- Development and operational feasibility
- Reinvestment of the value of the Council or the State's contribution to Affordable Housing outcome at the end of an agreed term or dwelling life.
- The RHA can meet the regulatory requirements and prudentially manage the asset over an agreed term (Affordable Development Outcomes and Moores, 2021:57).

While the Guide to *Options for Delivering and Securing Affordable Housing on Local Government Land* developed by the Community Housing Industry Association (CHIA) and the Municipal Association of Victoria (MAV) was written for land owned by local government, it nevertheless provides helpful information about each of the land release options and housing delivery mechanisms (Affordable Development Outcomes and Moores, 2021).

4. Government Land in Victoria

4.1 Context

Government land refers to all land held by the Victorian Government, including by departments and agencies.

The Victorian Government currently holds approximately 8.8 million hectares of land across Victoria, representing almost 40% of the total land area in the state.

Of the total government land in Victoria, approximately:

- 7.7 million hectares is reserved Crown land
- 300,000 hectares is unreserved Crown land
- 200,000 hectares is freehold land
- 600,000 hectares is roads (mix of Crown and freehold land).

About one third of Victoria is classified as Crown land.⁶ This comprises about 8 million hectares in over 100,000 parcels of land. Of this land, approximately:

- 50% of Crown land in Victoria is national or state parks
- 39% is State Forest
- 4% is unreserved or Australian Government managed Crown land
- 7% (550,000 hectares) is Crown land reserves.

There are more than 8,000 Crown land reserves in Victoria. They include many public schools, universities and TAFE colleges, public hospitals, mental health and other community services, cemeteries, municipal buildings and land, public roads, government railways, parks, community halls, recreation reserves and racecourses.

4.2 Victorian Government Land Policies

Government land in Victoria is administered under a number of different policies and frameworks, which give various roles and responsibilities to different agencies across government and the laws and policies relating to Government land in Victoria are quite complex. It is important to understand that best practice in this area is constantly evolving, and this report provides a very general guide for local councils as to what is entailed in the Victorian government to decide that a particular Allotment(s) is surplus to requirements and can therefore be disposed of.

Government land is an important asset for all Victorians, because it enables government to provide a wide range of services and facilities, protect environmental and cultural values, and facilitate community and recreational uses. While Government land can be used for public benefit countless

⁶ Crown land is held by the Crown (the King or Queen) in right of the State of Victoria. Crown land can be reserved for a particular public use, or unreserved. Unreserved Crown Land has not been set aside for a particular public use.

times, it can only be sold (by government) once. The Victorian Government's policy about unlocking public value from government land requires any decisions about the land's future use are about ensuring its full public value is maximised, that the needs of current and future generations are considered, and that land use decisions are in line with whole-of-government strategic priorities (Government of Victoria, 2015).

The Victorian Government has a suite of policies for the acquisition, use, management and disposal of Government land. The key policy documents and their purpose are listed in **Table 4**.

TABLE 4: VICTORIAN GOVERNMENT LAND MANAGEMENT POLICIES

Policy	What the Policy does
Victorian Government Land Transactions Policy (2022)	This policy exists to ensure agencies act in accordance with the highest standards of behaviour when undertaking land transactions. It does this by creating a consistent framework for the way agencies across the Victorian government are required to undertake land transactions, including: <ul style="list-style-type: none"> a clear set of requirements that agencies must comply with when undertaking land transactions, and establishing the role of VGLM to deliver assurance to the Victorian government and community that agencies are complying with the requirements in the policy.
Victorian Government Land Use Policy and Guidelines. Unlocking public value from government land (land use policy) (2017)	This policy establishes a framework that enables a strategic, whole-of-government approach to land use decision making, with the objective of maximising public land value.
Strategic Crown Land Assessment Policy and Guidelines (SCLA policy) (2016)	This policy sets out the government's responsibilities and obligations when Crown land is declared surplus and requires that the government conduct an assessment to determine whether surplus Crown land can be sold.
Victorian Government Landholding Policy and Guidelines (landholding policy) (2015)	This policy sets out when an agency can purchase and retain land and requires agencies to offer to sell any surplus land to other Victorian government agencies, local councils, or the Commonwealth before it can be sold to the public.

Source: Victorian Government Land Transactions Policy, 2022:05.

Victorian Government Land Transaction Policy

The primary document is the *Victorian Government Land Transactions Policy* (Government of Victoria, 2022). This policy applies to all State government agencies that undertake land transactions in Victoria. The Policy sets out the basic principles, the policy requirements, exemptions to the policy, how transactions apply, glossary and abbreviations and four Appendices providing additional information.

- Part 1 of the document sets out the basic principles relating to the purpose of the policy and key terms used in the policy.

- Part 2 sets out the Land Transaction requirements, the need for accountability, transparency and the legislation that applies, due diligence requirements, the Victorian Government Land Monitor (VGLM), valuation requirements, land exchange, public sales process, sale of land with a public zone, and conditional sales such as a lease with option to purchase.
- Part 3 deals with exemptions to the policy, how exemptions can be granted, and the how specific exemptions can apply to particular circumstances.
- Part 4 deals with transactions, including sale, purchase, compensation for land acquisition, government to government transactions and leasing.
- Part 5 provides a glossary of terms and abbreviations used in the policy.
- Part 6 includes four Appendices providing additional information.

Victorian Government Land Use Policy and Guidelines

The *Victorian Government's Land Use Policy and Guidelines* (Government of Victoria, 2017) is the key policy document for unlocking public value land from government. The policy document includes five sections

- Section 1 provides an overview of the contents of the policy.
- Section 2 details the principles that should be applied by government agencies when making land use decisions to ensure a public value focussed, whole-of-government approach.
- Section 3 details how Land Use Victoria will apply the public value decision making principles when undertaking Strategic Land Use Assessments.
- Section 4 details how Land Use Victoria will access and provide more accurate information about government land, through regular performance reporting to government and through the development of systems and tools.
- Section 5 details the hierarchy of land-related policies, Land Use Victoria's work plan identification and approval procedures and the roles of various stakeholders.

Victorian Government Strategic Crown Land Assessment Policy and Guidelines

The *Victorian Government Strategic Crown Land Assessment Policy and Guidelines* (SCLA policy) (Government of Victoria, 2016) applies to the assessment of all Crown land identified as surplus to a landholding agency's needs and nominated for a Strategic Crown Land Assessment (SCLA). The Policy details the guidelines for the assessment process, identifying and assessing public land values, protecting public land values, assessing native title and Traditional Owner rights, the land status and management arrangements, and exemptions and responsibilities. An Appendix outlines various means that could protect public land values, the different situations for which each means may be used, and their associated advantages and disadvantages. This details in the Appendix are not exhaustive, and other means of protection may become available or may be developed over time.

Victorian Government Landholding Policy and Guidelines

The Victorian Government Landholding Policy and Guidelines (landholding policy) (Government of Victoria, 2015) details the land holding policy and guidelines that apply to all government agencies and departments in Victoria. The purpose of the policy is to:

- (a) ensure that land is only purchased or retained by Victorian Government agencies where State ownership of land:
 - (i) contributes directly to current or future service delivery outcomes expected by Government;
 - (ii) is central to the core business of agencies as explained in agency corporate plans;
 - (iii) is financially beneficial to the State when compared to alternative investment of State funds; or
 - (iv) in the case of Crown land, is appropriate on the basis that the protection of public land values make the land unsuitable for divestment;
- (b) promote the highest and best use of land by providing the opportunity for the private and community sectors and other government agencies to further unlock the value inherent in the State's land estate; and
- (c) require active management of land portfolios across Victorian Government agencies which is essential to the good management of the State's balance sheet. This includes reviewing agency land holdings to justify the basis upon which land continues to be held by the agency, and identifying land that is fully utilised, partially utilised or surplus to the agency's requirements.

4.3 Unlocking public value land from government – the Etty Street Case

The policy documents of most relevance to the Etty Street site are:

- the *Victorian Government Land Use Policy and Guidelines* (Government of Victoria, 2017);
- the *Victorian Government Strategic Crown Land Assessment Policy and Guidelines* (SCLA policy) (Government of Victoria, 2016); and
- the *Victorian Government Land Holding Policy and Guidelines* (Government of Victoria, 2015);

Under the *Victorian Government Land Use Policy and Guidelines* (Government of Victoria, 2017), agencies are required to appreciate that the public land they hold has a value of its own. For example, when government land is used to locate a school it delivers increased value through education outcomes. Likewise, when government land is used for a national park it delivers increased value through recreational, public amenity and environmental outcomes. By applying the public value principles, agencies can seek to identify and facilitate opportunities to deliver increased public value from their land use.

Strategic Land Use Assessments (SLUA) are applied whereby land use options are considered and public value is assessed. A SLUA provides a structured process to gather, analyse and assess the relevant evidence to support good land use decision-making. The aim of a SLUA is to make recommendations to the relevant decision-maker on the preferred options that maximise public value from a whole-of-government perspective. The methodology that Land Use Victoria applies is set out in the *Victorian Government's Land Use Policy and Guidelines* (Government of Victoria, 2017:15),

The Policy document also includes an outline of the roles and responsibilities of departments across the land asset lifecycle from strategy, planning, acquisition and delivery, use and disposal. In relation to disposal of land, the policy states:

The Landholding Policy provides that government agencies must dispose of land if holding the land is not justified under that policy (for example, if the land does not contribute in a cost-effective manner to the current or future service delivery outcomes of the agency). Once an agency has declared land surplus to its service delivery needs, it notifies Land Use Victoria to undertake the First Right of Refusal (FROR) process, which gives other agencies as well as local governments and the Commonwealth the ability to express an interest in acquiring the land. The Landholding Policy provides details about how the FROR process operates. If the FROR process does not result in the land being transferred to another government agency, then the landholding agency (or in some cases the Department of Treasury and Finance) prepares to sell the land on the open market in accordance with the Victorian Government Land Transactions Policy. The Victorian Government Land Monitor oversees the transaction and applies the same requirements as those applied to land acquisition. (Government of Victoria, 2017:17).

Under the *Victorian Government Strategic Crown Land Assessment Policy and Guidelines* (SCLA policy) (Government of Victoria, 2016) A Strategic Crown Land Assessment (SCLA) must be undertaken to enable:

- (i) a landholding Minister to consider:
 - A. whether land should be alienated from the Crown estate;
 - B. whether appropriate protections exist for any public land values if Crown land is to be alienated; and
 - C. the implications of and impacts on the rights of traditional owners and / or native title claimants if Crown land is to be alienated;
- (ii) the Minister for Environment, Climate Change and Water to undertake statutory responsibilities and satisfy policy obligations regarding the Crown estate.

The purpose of the SCLA Policy is to:

- (i) ensure that assessments are undertaken for all Crown land that has been declared surplus to the requirements of a Victorian Government agency by the responsible landholding Minister;
- (ii) inform decision making by relevant landholding Ministers and the Minister for Environment, Climate Change and Water on:
 - A. public land values of Crown land; and
 - B. the protection of public land values;
- (iii) determine the status of traditional owner and / or native title rights for Crown land declared surplus to the requirements of a Victorian Government agency.

Under the SCLA Policy, a SCLA is to be submitted to the landholding Minister and the Minister for Environment, Climate Change and Water or their delegates for consideration prior to any decision being taken on alienation of land from or inclusion of land in the Crown estate.

If in the view of the landholding Minister and the Minister for Environment, Climate Change and Water, after considering a SCLA, a parcel of land is suitable for alienation from the Crown estate the land is to be referred to the Minister for Finance for disposal.

A SCLA can only be undertaken by assessors within the Department of Environment, Land, Water and Planning who are suitably qualified to undertake such assessments, or external assessors who have

been evaluated by the Department of Environment, Land, Water and Planning as suitably qualified to undertake such assessments.

Unless otherwise agreed, a SCLA is to be undertaken within 90 days from the day on which the assessment was requested and submitted to the assessor in the required format and funded by the landholding agency.

The SCLA Policy is to be implemented in accordance with the SCLA Guidelines attached to the Policy (Government of Victoria, 2016:1-19). While the SCLA Policy and SCLA Guidelines are administered by the Department of Environment, Land, Water and Planning (DELWP) on behalf of the Minister for Environment, Climate Change and Water, they are to be used for the assessment of public land values and determination of all Crown land declared surplus by an agency.

In relation to the declaration of surplus land, the Guidelines state that:

Agencies requesting a SCLA should supply a written declaration that the Crown land to be assessed is surplus to current and future operational requirements with other necessary information as detailed in section 3.1. A SCLA cannot commence without a formal declaration that the land is surplus.

Agencies will undertake their own internal processes to assess whether the Crown land they manage is surplus to their operational requirements.

For Crown land managed by DELWP, an internal agency level assessment will be used to assess whether Crown land may be surplus. If land is determined to be surplus to DELWP's current and future operational requirements, the Minister for Environment, Climate Change and Water or delegate will consider the results of the agency level assessment and formally declare the land to be either surplus or not surplus to DELWP's requirements.

Some Crown land will be determined not to be surplus to agencies' current or future operational requirements, or through the SCLA process as containing significant public land values that require some means of protection into the future. There can also be community, cultural, environmental or strategic considerations that may influence whether or how Crown land could be used for new purposes.

In addition to the inherent public land values of assessed Crown land, the Minister for Environment, Climate Change and Water may also consider past and future community use and benefit of the land in determining whether certain land is surplus and able to be alienated, or whether the land should be retained in the Crown estate. (Government of Victoria, 2016:2)

Under the *Victorian Government Landholding Policy and Guidelines* (Government of Victoria, 2015), upon declaring land surplus to an agency's requirements, Victorian Government agencies must:

- (iii) provide notice of 60 days of the agency's intention to dispose of land during which period other State, Commonwealth or local government agencies may express interest in acquiring the land;
- (iv) if another government agency expresses interest in acquiring the land, negotiate in good faith to attempt to agree on the terms of sale within 30 days after the close of the notice period; and

- (v) if the terms of sale are agreed, transact the sale of the land at a price equal to the current market value of the land as determined by the Valuer-General Victoria.

4.4 The Etty Street circumstances

In accordance with the State Government's land policies discussed above, the Department of Education will be required to undertake a SCLA for the following Allotments:

- Crown Allotment 2, Section 132
- Crown Allotment 3, Section 132
- Crown Allotment 1, Section 133, and
- Crown Allotment 4, Section 132.

The purpose of the SCLA will be to ascertain which Allotments (or parts thereof) are surplus to requirements and which parts of some of the Allotments will need to be retained because the land is continuing to be used for a public benefit.

Once the SCLA has been undertaken and assessed by the DELWP, the land that is deemed to be surplus to requirements will need to be referred to the Treasury for disposal.

Similarly, the DELWP will also need to undertake an SCLA of the following three Allotments:

- Crown Allotment 19, Section 124
- Crown Allotment 7, Section 132, and
- Crown Allotment 4, Section 132.

The purpose of the SCLA will be to ascertain which parts of Allotments are surplus to requirements and which parts may need to be retained as Crown land for drainage and informal public recreation purposes.

Once the SCLA has been completed by DELWP, the land that is deemed surplus to requirements will need to be referred to the Treasury for disposal.

These processes have not yet been initiated for the Etty Street site.

While the decision on the method of disposal will be made by the Treasury, the local Council will have the opportunity to apply for the first right of refusal. It is at this point that Mount Alexander Council should make the case for a method of disposal that will provide the best possible outcomes for the provision of social and affordable community housing.

5. Aboriginal Traditional Owner rights and Native Title rights and interests in Crown land in Victoria

5.1 Recognition of Aboriginal Traditional Owners in Victoria

In Victoria, there are currently three different processes for Aboriginal groups to become formally recognised as Traditional Owners of Country. The Three processes are:

- Registered Aboriginal Party (RAP) under the *Aboriginal Heritage Act 2006* (Vic);
- Native title determination under the *Native Title Act 1993* (Cth); and
- Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic).

Traditional Owners seeking formal recognition can pursue any or all of these processes. Each of these processes has different outcomes for the Traditional Owner groups concerned as well as for third parties, such as local governments.

These three processes have been in place for some time now, and quite a lot of work has been undertaken across Victoria in identifying the Traditional Owner groups and in developing a framework for respectful engagement with Traditional Owner groups. Any engagement with Traditional Owner groups must therefore be cognisant of the wider context, including Treaty developments in Victoria as well as nationally. More details are provided in **Appendix B**.

It must be noted that regardless of the steps outlined in this report, it will still be necessary to ensure compliance with the *Aboriginal Heritage Act 2006* (Vic).

5.2 Assessing Traditional Owner rights and Native Title rights and interests

Victorian Crown land is subject to compliance with either the Land Use Activity Regime (LUAR) under the *Traditional Owner Settlement Act 2010* (Vic) or the future act regime of the *Native Title Act 1993* (Cth). Assessors completing a SCLA will identify whether native title or traditional owner rights exist over the land. This part of a SCLA is mandatory irrespective of the assessor's final recommendations.

While negotiation of consent from the holders of native title or traditional owner rights, or addressing any other procedural rights relating to native title or traditional owner rights, are outside the scope of a SCLA, the SCLA process is designed to identify whether these matters need to be taken into consideration (Government of Victoria, 2016:10).

The following information is drawn from the Victorian Government Strategic Crown Land Assessment Policy and Guidelines (Government of Victoria, 2016:10).

Traditional owner rights under the *Traditional Owner Settlement Act 2010* (Vic)

First, ascertain whether the land is within an area subject to a Recognition and Settlement Agreement (RSA) and a Land Use Activity Agreement (LUAA) under the *Traditional Owner Settlement Act 2010* (Vic).

Agreements under the *Traditional Owner Settlement Act 2010* (Vic) are made between the State and a traditional owner group and may include a LUAA which replaces the future act regime of the NT Act.

If an Allotment of Crown land is within a Land Use Activity Agreement (LUAA) area, then the LUAA assessment process applies. The LUAA effectively provides alternative processes for specified rights to be extended to traditional owner groups regarding activities proposed to be undertaken on Crown land. The procedural rights extended under the LUAA for proposed activities on Crown Land differ from those under the *Native Title Act 1993* (Cth). It is important to note that different procedural rights may apply to specific types of activities, depending on the specific LUAA that applies to the land in question.

More information about settlement of native title matters under the *Traditional Owner Settlement Act 2010* (Vic) are provided in **Appendix C**.

Native title rights and interests under the *Native Title Act 1993* (Cth)

If the subject Crown land is not covered by a LUAA, the future act regime under the *Native Title Act 1993* (Cth) applies.

The next step is to evaluate whether native title rights and interests continue to exist over a particular parcel of Crown land.

As part of the SCLA process, it is important to ascertain whether native title rights and interests:

- have been determined to exist by way of Orders in the Federal Court of Australia;
- have been determined not to exist by way of Orders in the Federal Court;
- do not exist because there is primary documentary evidence of an act of the Crown that clearly will have fully extinguished any native title in accordance with the *Native Title Act 1993* (Cth);
- may exist in the absence of identified extinguishment evidence; or
- are subject to a pre-existing right that may allow the sale of the land to proceed without an Indigenous Land Use Agreement (ILUA).

If the land is outside a determination area under the *Native Title Act 1993* (Cth), it is required that an extinguishment assessment be undertaken in accordance with DELWP's Native Title Future Act Assessment Manual.

The findings must be documented in the SCLA report. Copies of the primary documentary evidence that proves extinguishment must be provided with the SCLA report.

Agencies should be aware that even if land is retained in the Crown estate but a change in land status is sought, procedural rights in a LUAA under the *Traditional Owner Settlement Act 2010* (Vic) or the future act regime of the *Native Title Act 1993* (Cth) may apply.

Agencies should also be aware that even if native title rights are assessed as having been extinguished, the status may be reversed in certain circumstances if the land becomes part of a native title determination under section 47B or 47C of the *Native Title Act 1993* (Cth).

More information about the *Native Title Act 1993* (Cth) is provided in **Appendix D**.

5.3 A Step-by-Step process for local government

What follows is a step-by-step process to assist local government councils with navigating whether Crown land in Victoria is subject to Aboriginal Traditional Owner rights or native title rights and interests. This guide is not meant to be exhaustive, but rather to provide general guidance so local government councils have an understanding of the key steps involved.

There is a distinction between Aboriginal Traditional Owners and Native Title holders or registered claimants because a Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic) effectively replaces the native title settlement and future act processes under the *Native Title Act 1993* (Cth). Therefore, the term Aboriginal Traditional Owner is applicable in areas where there is a Recognition and Settlement Agreement in place, and the term native title holder or registered native title claimant is applicable in areas where a Recognition and Settlement Agreement is yet to be negotiated and native title rights and interests have been determined to exist or may exist and are yet to be determined.

STEP 1: Adopt a precautionary approach. The best approach that a local government council can take is to adopt a precautionary approach, recognising that the Aboriginal peoples of Victoria never ceded their sovereignty and that their rights and interests may still exist. To avoid any risks of inadvertently or otherwise affecting Aboriginal peoples' rights and interests and in the interests of reconciliation and maintaining harmonious relations with the local Aboriginal peoples, engage with the relevant Traditional Owner group(s) in good faith. Adopting a precautionary approach means that council can be inclusive of Aboriginal peoples' rights and interests from the outset and avoid complications by not having engaged with the Aboriginal people to begin with.

STEP 2: Identify the subject land's legal status. It is first necessary to ascertain whether the land in question is:

- unreserved Crown land (managed under the *Land Act 1958* (Vic);
- Crown land temporarily or permanently reserved under the *Crown Land (Reserves) Act 1978*
- (Vic) or other act such as the *National Parks Act 1975* (Vic) or *Forests Act 1958* (Vic);
- a government road or contains a government road, managed under a variety of legislation; or
- freehold land.

If land is reserved the assessment must identify the reserving act, the purpose for which it is reserved, and whether the reservation is permanent or temporary.

It is also important to identify the agency that is holding and managing the Crown land, as the land holding agency is responsible for initiating a request for a SCLA.

If the land is held as Crown land under the *Land Act 1958* (Vic) or the *Crown Land (Reserves) Act 1978* (Vic) then it will be subject to native title rights and interests and may be included within a Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic). Go to **STEP 3**.

If the site is not held as Crown land under the two statutes mentioned above, it may be held by a department or agency of the State as Government land. Generally, native title rights and interests have been extinguished on Government land (but not Crown land) by valid past acts under the *Native Title Act 1993* (Cth) and complementary state legislation. Government land is therefore generally not included in a Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic). Recognition and Settlement Agreements and Land Use Activity Agreements (LUAA) only apply to land that is classified as Crown land.

If the land is not subject to native title rights and interests under the *Native Title Act 1993* (Cth) and is also not subject to a Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic), then no further action in relation to native title or Aboriginal Traditional Owner rights and interests is required (apart from Aboriginal heritage). However, at the very least, this needs to be ascertained by searching the appropriate Registers held by the National Native Title Tribunal and/or the State Government and by engaging with the relevant native title holding group(s) and/or Aboriginal Traditional Owner group(s) and the State Government.

STEP 3: Establish whether the subject land is subject to Aboriginal Traditional Owner rights or native title rights and interests. If the land is held under either the *Land Act 1958* (Vic) or the *Crown Land (Reserves) Act 1978* (Vic), then it will be necessary to check the State's Register of Recognition and Settlement Agreements (RSA) under the *Traditional Owner Settlement Act 2010* (Vic) [<https://www.justice.vic.gov.au/your-rights/native-title>]:

- If a Recognition and Settlement Agreement is in place, then it will be necessary to engage with the Traditional Owner group entity that signed that Agreement. Go to **Step 5**.
- If a Recognition and Settlement Agreement is not in place, then it will be necessary to ascertain who the formally recognised Aboriginal Traditional Owners are and/or the who native title holders are for the land in question. Go to **STEP 4**.

STEP 4: If the site is not within an area covered by a Recognition and Settlement Agreement, then it will be necessary to ascertain who the Traditional Owners are for the site in question. This can be done in a number of different ways:

- Search the State's Register of Aboriginal Parties (RAPs) under the Aboriginal Heritage Act 2006 (Vic): <https://www.aboriginalheritagecouncil.vic.gov.au/victorias-current-registered-aboriginal-parties>
- Search the various registers held by the National Native Title Tribunal to ascertain whether a native title determination has been made by the Federal or High Courts of Australia, whether there is a registered native title determination application awaiting

determination, or whether there is a registered Indigenous Land Use Agreement (ILUA) already in place and which applies to the subject land, or any other applications or determinations on the registers held by the National Native Title Tribunal:

<http://www.nntt.gov.au/searchRegApps/Pages/default.aspx>

- Contact First Nations Legal and Research Services and ask them to help council identify the relevant Traditional Owner group(s) may be for the site in question.
<https://www.fnls.com.au/what-we-do>

It may be necessary to try all of these options and see what information they yield. In any event, in areas where there are no formally recognised Traditional Owners (shown in yellow and orange in **Figure 9** above), it will be necessary to engage with First Nations Legal and Research Services as it is their role to assist third parties with working out who the Traditional Owners and/or native title holders are in any particular locality.

Once the relevant Aboriginal Traditional Owner group(s) or native title holder group(s) have been identified, then they are who council will have to engage with. The procedural rights that Aboriginal Traditional owners and/or native title holders will be entitled to are set out briefly in **STEP 5**.

STEP 5: The development of Crown land for housing would constitute a future act under the *Native Title Act 1993* (Cth). A future act is an act that affects native title rights and interests. An act 'affects' native title if it extinguishes native title rights and interests or if it impairs native title rights and interests because it is wholly or partly inconsistent with their continued existence, enjoyment or exercise (s.227 of the NTA).

It is not the development of the land that affects the native title rights and interests, but rather the conversion of the land from Crown land to another form of land tenure which affects the native title rights and interests by extinguishing them. For a future act to be valid, it must be done in accordance with the future act provisions in Division 3 of Part 2 of the *Native Title Act 1993* (Cth) or in accordance with the provisions in a Land Use Activity Agreement struck under a Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic).

- A. If the site is not subject to a Land Use Activity Agreement (LUAA) under the *Traditional Owner Settlement Act 2010* (Vic), then the future act provisions in Division 3, Part 2 of the *Native Title Act 1993* (Cth) will apply if the future act is to be valid in so far as native title is concerned. Validity for a future act can be obtained by either developing an Indigenous Land Use Agreement (ILUA) or complying with the relevant future act process in Division 3, Part 2 of the *Native Title Act 1993* (Cth). More information about the future act provisions in the *Native Title Act 1993* (Cth) is provided in **Appendix D**.
- B. If the site is in an area which is subject to a Recognition and Settlement Agreement, it will be necessary to search the register of LUAs: Register of Land Use Activity Agreements, Department of Justice and Community Safety Victoria. A Land Use Activity Agreement (LUAA) under the *Traditional Owner Settlement Act 2010* (Vic), effectively replaces the future acts regime in the *Native Title Act 1993* (Cth). The LUAA will instead set out the procedural rights that will apply to activities listed in the LUAA. The LUAA will include a list of activities and will classify the activities into one of four categories

(i.e. routine, advisory, negotiation [Class A or Class B] and agreement activities). Some agreement activities will require the negotiation of an Indigenous Land Use Agreement or ILUA which will then need to be registered in accordance with the registration provisions in the *Native Title Act 1993* (Cth). More information about the Land Use Activity Regime and land Use Activity Agreements (LUAAs) under the *Traditional Owner Settlement Act 2010* (Vic) is provided in **Appendix C**.

At the very least, the nature of the proposed development must be discussed with the relevant Aboriginal Traditional Owner group entity to ascertain which procedural rights council must comply with.

STEP 6: There will be costs involved in conducting the negotiations under a LUA. Section 50 of the *Traditional Owner Settlement Act 2010* (Vic) requires a person seeking to undertake a negotiation or agreement activity on land which is subject to an LUA to reach a further agreement with the Traditional Owner group entity as to whether the activity can proceed. According to section 52(2) of the Act, the reasonable cost of negotiations under a LUA is to be "...calculated as prescribed by the regulations".

On 29 September 2015, the Governor in Council made the *Traditional Owner Settlement (Negotiation Costs) Regulations 2015* (the Regulations) ([External link](#)). The Regulation provides that the Traditional Owner group entity is to calculate the reasonable cost of negotiating by specifying any decision-making costs, professional services costs and travel costs in Form 1 of the Regulations. Download Form 1 of the Traditional Owner Settlement (Negotiation Costs) Regulations 2015.

There will also be costs involved in developing an ILUA under the *Native Title Act 1993* (Cth). However, while a similar costs arrangement as exists under the *Traditional Owner Settlement Act 2010* (Vic) does not apply to ILUAs negotiated under the *Native Title Act 1993* (Cth), it would be good manners to apply the same approach as exists under the Victorian legislation.

STEP 7: The *Native Title Act 1993* (Cth) includes provisions for compensation for the loss, diminution, impairment or extinguishment of native title rights and interests after 31 October 1975. Therefore, there may also be compensation payable for the loss, diminution or extinguishment of native title rights and interests arising from the proposed future act.

The only judicial consideration of compensation for the loss, diminution, impairment or extinguishment of native title is the Timber Creek case in the Northern Territory. (*Northern Territory v Griffiths* (2019) 269 CLR 1). In very simple terms, the High Court of Australia characterised s.51(1) of the *Native Title Act 1993* (Cth) as recognising two aspects of native title rights and interests identified in s.223(1) of the Act as the 'physical or material aspect' (the right to do something in relation to the land), and the 'cultural or spiritual aspect' (the connection with the land). Compensation for the loss, diminution or extinguishment of native title rights and interests therefore involves both of those aspects. The compensation must quantify the economic loss as a result of being deprived of the right to do something in relation to the land

and quantify the non-economic or spiritual loss, diminution or impairment. The Court also included an amount of interest to reflect the loss of the value of money over time.

The matter of compensation for the loss, diminution, impairment or extinguishment of native title rights and interests will need to be negotiated between the Traditional Owner group entity, the Victorian Government and council.

STEP 8: As discussed in Part 3.2 of this report and in STEP 1 above, any dealings by the State with Crown land or Government land will still be subject to the State's Land Transactions Policy Framework. Government land sales, Department of Treasury and Finance Victoria (dtf.vic.gov.au)

STEP 9: Also, regardless of the steps outlined above, it will still be necessary to ensure compliance with the *Aboriginal Heritage Act 2006* (Vic).

The Steps outlined above provide only general advice. It is advisable for council to seek independent expert advice on any particular matters.

6. Housing Development Considerations

Ultimately and subject to the outcomes of the negotiations, the land transaction process and reaching agreements, Mount Alexander Council, the DDWCAC and the State Government might form a common view as to the types of social and affordable community housing outcomes that would be suitable and desirable for the Etty Street site.

Broad issues to be resolved (beyond the design and housing yield and planning issues) would be:

- Whether the land continues to be held in some form of public or communal ownership, or subject to the agreement reached, what continuing stake the DDWCAC might have in the land. Continuing community ownership would minimise the costs of land acquisition and enable the future asset value improvement to be captured for public benefit. On the other hand, Community Housing Providers, where involved, may need an ownership stake for capital raising or other purposes.
- Who will own and deliver the social and affordable community housing on the site and more importantly, who would be retaining the properties? Again, a continuing stake by DDWCAC may be of some relevance here. Determining potential future development and management responsibilities will affect the procurement approaches.
- Understanding the land and asset value (or 'opportunity cost') implications of disposing of or dedicating state-owned land for social and affordable housing projects. It is typical to obtain two valuations: an unrestricted and a restricted valuation of the site. A restricted valuation considers the land value to be conditional in that it will be used only for housing developed and retained by a community housing provider. An unrestricted valuation considers the land value within the private market (thereby not restricted to social and affordable community housing developed and/or owned by a community housing provider). The departments or agencies that currently owns the land needs to be approached to conduct both types of valuations.
- The valuations will enable Council and the State to determine the financial difference between a restricted value reflecting the conditional use of the land to achieve particular social housing outcomes in that location, compared to an unrestricted valuation reflecting the 'highest and best use' for the site for privately owned housing for sale through the open market. The 'difference' is the effective value contribution by the land-owner to the project, were it to be developed for social and affordable housing. Once the land valuations are completed, there will be a clearer picture of the options and implications of the release of the land for social and affordable housing purposes.
- Depending on the LUAA, a decision on whether the land will be transferred directly to a social housing provider or released to the market via a restricted or open tender process will be required.

Subject to the agreement reached with DDWCAC and as implied by the above there is also an opportunity here – if not an obligation - to include the recognised Aboriginal Traditional Owner group entity as part - and potential beneficiaries - of the development. Given the need to integrate the existing Crown Land likely subject to the existing LUAA between the State and DDWCAC and because the site is being considered for social and affordable community housing, the recognised Aboriginal Traditional Owner group entity (in this case DDWCAC) or another local Aboriginal community-controlled organisation may be interested in participating in the development in some way such that local

Aboriginal people will be among the beneficiaries of the proposed development. To that end, and to enable buy-in from the traditional owners, it is advisable that Council and/or the State Government begin communications with DDWCAC as soon as possible. Early engagement with DDWCAC will enable the plans for the site to be tweaked and revised in a way that provides the best outcome for the council, community and Aboriginal people in and around Castlemaine.

7. Conclusions and Recommendations

7.1 Conclusions

This report documents:

- the existing land uses, land tenure details and social and affordable community housing development proposals of the Etty Street site in Castlemaine;
- the broad options for delivering social and affordable housing outcomes on publicly-owned land;
- the Victorian Government's land transaction policies with a particular focus on the policies and processes governing decisions around the disposal of publicly-owned land that is surplus to requirements;
- whether Crown land and Government land may be subject to Aboriginal Traditional owner rights or native title rights and interests, and what the processes are for dealing with such circumstances.

At a glance the whole process appears complicated and the initial temptation may be to abandon the proposition, and put effort into other options for social and affordable housing outcomes. Having analysed the details, it is not really as complex as it looks.

The following dot points seek to simply the next steps.

1. The Etty Street site comprises two categories of publicly-owned land.
 - Government land held by the Minister for Education and Training; and
 - Crown Land held by the DELWP.
2. Several Allotments are owned by the Minister for Education but held by the Department of Education and Training on the Minister's behalf. There are three Allotments held in Fee Simple and therefore not subject to Aboriginal Traditional Owner rights or native title rights and interests. There is one Crown land Allotment held as Government land for public purposes and therefore also may not be subject to Aboriginal Traditional Owner rights or native title rights and interests, although this is a matter that DELWP can provide more information about.
3. Not all of these Allotments are wholly required for the proposed social and affordable community housing proposed for the site. In particular, Lot 2, Section 132 will require some reconfiguration to separate the parts required for public purposes and the parts that can be deemed as surplus to the Department of Education's requirements.
4. Given the work that Mount Alexander Council has done on the site in terms of master planning and land use feasibility of some of the site for housing, it should be possible to approach the Department of Education and Training, if this has not already occurred, and request that the Department initiates a Strategic Crown Land Assessment (SCLA) to ascertain which portions of the various Allotments are still required for public purposes, and which portions could be deemed as surplus to requirements. DET needs to undertake this task in collaboration with DELWP as the Crown Land Administrator for the Victorian Government.

5. Similarly, Mount Alexander Shire should also approach the Department of Environment, Land, Water and Planning (DELWP) and request that the Department initiates a SCLA on the specified portions of Crown land in the Etty Street site to determine which parts of those Allotments can be released for disposal for social and affordable community housing.
6. The SCLA process by both Departments will ascertain whether any of the land held by DET or DELWP will be subject to Aboriginal Traditional Owner rights and/or native title rights and interests.
7. Once the SCLAs are completed, Mount Alexander Council should commence the process of rezoning the land deemed as surplus to its public purpose requirements to residential, bearing in mind that some of the land will need to be zoned as open space for passive or informal recreation, particularly adjacent to the existing creeks running through the site.
8. When the SCLAs have been completed the relevant agencies can declare the land to be surplus to their requirements and the agencies must notify the Land Use Victoria to undertake a First Right of Refusal (FROR) process. The FROR process will give other agencies as well as local governments and the Commonwealth the ability to express an interest in acquiring the land.
9. Land Use Victoria will undertake a filtering process. A site or issue's strategic significance, public value opportunity and Land Use Victoria capacity will inform the level of assessment. There are three levels of assessment, as follows::
 - **Full Strategic Land Use Assessment.** Undertaken on highly significant and complex sites or issues. These assessments are authorised by the Premier, the Special Minister of State or Cabinet, and require a report back to Cabinet.
 - **Basic Strategic Land Use Assessment.** Undertaken on less significant or complex sites or issues. These assessments are authorised by a landholding Minister or Secretary. Land Use Victoria also has a standing authorisation to undertake Basic Strategic Land Use Assessments on surplus land going through the First Right of Refusal (FROR) process where it meets the thresholds outlined in the Victorian Government Land Use Policy and Guidelines (Government of Victoria, 2017:3-4). Where interest is expressed across multiple departments, Land Use Victoria will facilitate a process post-FROR to ensure conversations are had across government departments to determine a future use which delivers public value.
 - **Ongoing advice and assistance.** Provided for low significance and complexity sites or issues. This advice and assistance is provided directly to the landholding agency.
10. It is at this point that Council will need to be prepared with submissions outlining its case for developing the site for social and affordable community housing, consistent with the objectives and outcomes that Council wishes to achieve for this site. This means that Council will have worked through the process outlined in Chapter 3 above and settled on its objectives, the options for release of the land, mechanisms for securing the development and delivery of social and affordable community housing on the site. Council will need a clear decision on whether it bids for the land and then works with a RHA to deliver the outcomes or whether Council will assist a RHA (or more than one RHA, depending on the objectives, outcomes and delivery model) to negotiate a land release arrangement with the State that will deliver the best possible outcomes in terms of well-targeted social and affordable community housing outcomes.

11. If the FROR process does not result in the land being transferred to another government agency, then the landholding agency (or in some cases the Department of Treasury and Finance) prepares to sell the land on the open market in accordance with the Victorian Government Land Transactions Policy. The Victorian Government Land Monitor oversees the transaction and applies the same requirements as those applied to land acquisition.
12. Our analysis of the public record shows that the Crown land Allotments held by DELWP will be subject to Aboriginal Traditional Owner rights given the site is within the area covered by the Recognition and Settlement Agreement between the State government and the Dja Dja Wurrung Clans Aboriginal Corporation (DDWCAC) under the *Traditional Owner Settlement Act 2010* (Vic). Therefore, the proposed activity on the subject Crown land will be deemed a negotiation activity under the LUAA between the State and DDWCAC. There will be costs involved, as per the details discussed in Step 6 in Part 5.3 of Chapter 5 above.
13. Given the subject site in Castlemaine is within the Recognition and Settlement Agreement between the State government and the Dja Dja Wurrung Clans Aboriginal Corporation (DDWCAC) under the *Traditional Owner Settlement Act 2010* (Vic), it is suggested that Mount Alexander Council has a conversation with them about whether they may want to play a role in being a housing provider in this locality, if Council has not already done so.

7.2 Recommendations

In light of the analysis and conclusions reached above, it is recommended that Mount Alexander Council:

1. Approaches DET and DWELP with a request that they both undertake a SCLA for the specified Allotments they currently own and manage.
2. Provides DET and DELWP with copies of the Hansen Partnership Masterplan for the site, requesting the agencies base their SCLA on the Masterplan and Concepts prepared by Hansen Partnership on the feasibility of the site for residential development.
3. Provides DET and DELWP with a copy of this report, as the basis for specifying the Allotments which need to be included in the SCLAs to be undertaken by the respective agencies.
4. Develops a set of objectives for social and affordable housing outcomes for the site, Council's desired land release option(s) and preferred mechanism(s) for the delivery of social and affordable housing outcomes for the site.
5. Has discussions with DDWCAC to ascertain whether DDWCAC wants to be involved in some way in achieving social and affordable community housing outcomes for local Aboriginal people in this locality.
6. Identifies RHAs that it would be willing to work with and seeks out their willingness to be involved, either with Council support or without Council's direct support.

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Appendix A: Definitions

Affordable Home Ownership	Affordable Housing, where a household that meets defined income eligibility requirements purchases a property at a rate that is affordable for their household, and where a subsidy provided to support the housing outcome is appropriately secured to ensure future repayment and reinvestment.
Affordable Housing	Defined in the Planning and Environment Act 1987 as housing, including social housing, that is appropriate for the housing needs of very low, low and moderate income households.
Affordable Housing Agreement	The parameters agreed between a council and a developer through the planning system to deliver an <i>Affordable Housing Contribution</i> .
Affordable Housing Contribution	A contribution made by a landowner or developer towards an Affordable Housing outcome.
Affordable Rental Housing	Housing that is provided at a discount to rent to households that meet the PE Act or Victorian Housing Register income eligibility requirements.
Community Housing	Affordable Housing managed by not-for-profit organisations.
Community Housing Organisations	Not-for-profit organisations that manage Affordable Housing. Community Housing Organisations include but are not limited to Registered Housing Agencies.
Commonwealth Rent Assistance (CRA)	A non-taxable income supplement, payable to people who receive a government support payment and rent in the private rental market or community housing.
Eligible Household	A household that meets the income threshold set out in a Governor in Council Order (for Affordable Housing), or as set by the Director of Housing for the Victorian Housing Register, and that meets any other eligibility requirements (residency, asset threshold).
Housing Act	<i>Housing Act 1983</i> (Vic)
LG Act	<i>Local Government Act 1993</i> (Vic) and replacement <i>Local Government Act 2020</i> (Vic)
PE Act	<i>Victorian Planning and Environment Act 1987</i>
Public Housing	Social Housing that is owned and/or managed by the Victorian Government.

Registered Housing Agency	A Community Housing Organisation registered under Part VIII of the <i>Housing Act 1983</i> (Vic) and subject to regulation overseen by the Victorian Housing Registrar. Organisations are registered as a Housing Association or a Housing Provider.
Registrar of Housing Agencies	The Registrar of Housing Agencies, supported by the Office of the Housing Registrar, is responsible for regulatory oversight of the community housing sector in Victoria under the <i>Housing Act 1983</i> (Vic).
Residual Land Value	A method for calculating the value of development land. This is done by subtracting all costs associated with the development, including profit but excluding the cost of the land from the total value of the development.
Section 173 Agreement	A legally binding agreement between council and a landowner under s.173 of the <i>Planning and Environment Act 1987</i> (Vic). The agreement remains with the land, regardless of any change of ownership.
Social Housing	Defined in the Housing Act as <i>public housing</i> (owned and managed by the State Government) and housing owned, controlled or managed by a participating registered agency (a <i>Registered Housing Agency</i>).
Special Purpose Vehicle	A subsidiary company formed to undertake a specific business purpose or activity, such as Affordable Housing.
Victorian Housing Registrar	The register for households that apply for and are determined to be eligible for <i>Social Housing</i> in Victoria.

Source: Affordable Development Outcomes & Moores (2021) *Options for Delivering and Securing Affordable Housing on Local Government Land; A Guide for Councils and Registered Housing Agencies*, Commissioned by CHIA Vic and MAV with funding support from Homes Victoria, www.chiavic.com.au

Appendix B: Recognition of Traditional Owners in Victoria

Recognition of Aboriginal Traditional Owners in Victoria

In Victoria, there are currently three different processes for Aboriginal groups to become formally recognised as Traditional Owners of Country (**Figure B1**). Traditional Owners seeking formal recognition can pursue any or all of these processes.

The Three processes are:

- Registered Aboriginal Party (RAP) under the *Aboriginal Heritage Act 2006* (Vic);
- Native title determination under the *Native Title Act 1993* (Cth); and
- Recognition and Settlement Agreement under the *Traditional Owner Settlement Act 2010* (Vic).

Specific outcomes that may arise from each of the three formal recognition processes are set out below.

Formally recognised groups under any of these three schemes have rights and responsibilities as recognised Traditional Owners of Country. This means that they are entitled to certain procedural rights when their rights and responsibilities may be affected by the actions of third parties, including local governments, businesses, community organisations and private individuals.

FIGURE B1: THREE PROCESSES FOR FORMAL TRADITIONAL OWNER RECOGNITION IN VICTORIA



Source: <https://content.vic.gov.au/sites/default/files/2019-10/Traditional-Owner-Formal-Recognition-in-Victoria.pdf>

Registered Aboriginal Party

Registered Aboriginal Parties have cultural heritage responsibilities under the Aboriginal Heritage Act 2006. These include the evaluation of cultural heritage management plans and decisions about cultural heritage permit applications.

RAPs also: provide advice to government and to the Victorian Aboriginal Heritage Council about Aboriginal places and objects; negotiate the return of Aboriginal cultural heritage and Ancestral Remains; participate in cultural heritage agreements, protection declarations and intangible heritage processes; consult with sponsors and heritage advisors; undertake cultural heritage assessments and engage in compliance and enforcement activities.

There are currently 11 Registered Aboriginal Parties (RAPs), covering approximately 75% of Victoria. The list of RAPs, including an online map to find a RAP for an area of Victoria, can be accessed here: <https://www.aboriginalheritagecouncil.vic.gov.au/victorias-current-registered-aboriginal-parties>

Native Title Determination

A positive native title determination involves recognition by the Federal or High Court of Australia that a groups' rights continue from before European colonisation to the present day. It also lists the native title rights determined; for example, to camp, hunt, fish, gather food, and teach law and custom on Country. Native title holders and registered native title claimants have rights under the Future Acts regime (such as the right to comment on or negotiate agreements) in relation to activities on Country that affect native title rights and interests.

Five agreements between the State and Traditional Owner groups have arisen out of, or complemented native title determinations. The five agreements are:⁷

- Gunaikurnai Settlement Agreement
- Yorta Yorta Co-operative Management Agreement
- Wimmera Settlement Agreement
- Gunditjmara Settlement Agreement
- Dja Dja Warrung Recognition and Settlement Agreement

Recognition and Settlement Agreement

The *Traditional Owner Settlement Act 2010* (Vic) allows the government and traditional owner groups to make agreements that recognise traditional owners' relationship to land and provide them with certain rights on Crown land. The *Traditional Owner Settlement Act 2010* (Vic) provides a framework for the State and a Traditional Owner group to agree to a comprehensive settlement package in lieu of progressing with a native title claim under the *Native Title Act 1993* (Cth). The settlement package can include:

- A Recognition and Settlement Agreement (RSA) recognising the named Traditional Owner group and their traditional rights over Country.
- A joint Recognition Statement that acknowledges the depth of the Traditional Owner group's relationships to Country and their survival, as well as the disruptions and harms of European colonisation, and that also commits the State and the group to a mutual partnership going forward.
- A binding Indigenous Land Use Agreement that 'settles' all native title claims and opts into the *Traditional Owner Settlement Act 2010* (Vic). A Settlement Agreement does not extinguish native title rights and interests but involves an agreement to exercise similar rights and interests under this agreement, and not under the native title regime.
- A Land Agreement providing land transfers and grants of Aboriginal title.
- A Land Use Activity Agreement (LUAA) providing rights for Traditional Owner groups to be consulted on, compensated for and to consent to certain activities on public land within their Country.

⁷ <https://www.forestsandreserves.vic.gov.au/land-management/what-we-do/agreements-with-traditional-owners>

- A Natural Resource Agreement (NRA) providing rights to use certain natural resources, including for commercial purposes, and participate in natural resource management.
- A Funding Agreement, providing payments into the Victorian Traditional Owners Trust and/or payments to the Traditional Owner Group Entity.
- A Traditional Owner Land Management Agreement (TOLMA), regarding joint management of parks and reserves granted as Aboriginal title.
- Compensation that may be owed by the State for extinguishment.

There are currently two Recognition and Settlement Agreements under the *Traditional Owner Settlement Act 2010* (Vic) in place in Victoria. They are:

- Dja Dja Warrung Clans Aboriginal Corporation (DDWCAC) which commenced on 24 October 2013. (<https://www.justice.vic.gov.au/your-rights/native-title/dja-dja-wurrung-settlement>)
- Taungurung Land and Waters Council Aboriginal Corporation (TLWCAC), which commenced on 26 October 2018. (<https://www.justice.vic.gov.au/your-rights/native-title/taungurung-recognition-and-settlement-agreement>).

And two Recognition and Settlement Agreement negotiations are currently under way, with:

- The Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk Peoples (<https://www.justice.vic.gov.au/your-rights/native-title/proposed-recognition-and-settlement-agreement-with-the-wotjobaluk-jaadwa>) and the
- The Eastern Maar traditional owner group (<https://www.justice.vic.gov.au/your-rights/native-title/proposed-eastern-maar-recognition-and-settlement-agreement>).

Engagement with Traditional Owner Voices in Victoria

As part of its commitment to enabling self-determination, the Victorian Government wanted to engage more effectively with Traditional Owners of areas where there is no formal recognition under the three schemes discussed above.

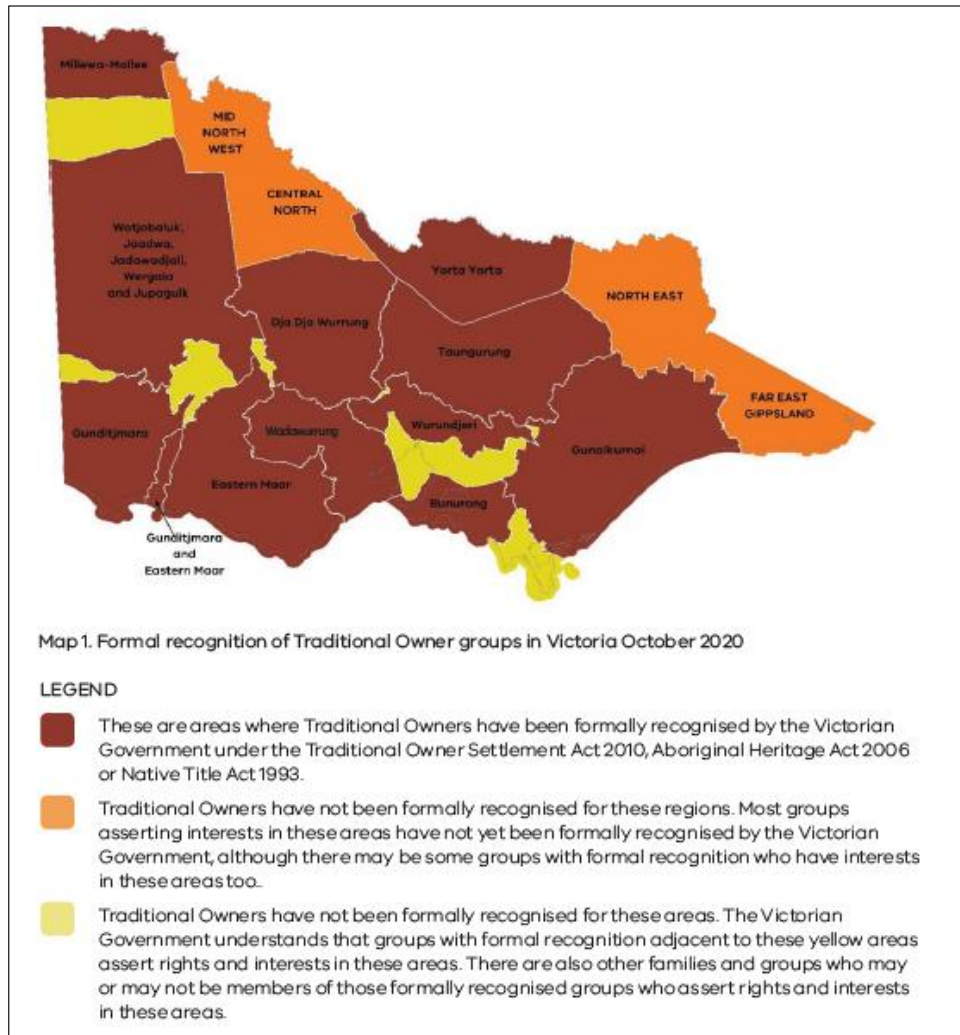
Through the Victorian Government Traditional Owner Engagement Project, a small team of staff at Aboriginal Victoria (Project Team) and an independent Indigenous Facilitator held extensive discussions with Traditional Owners, government staff and non-government bodies between December 2018 - July 2019.

The consultation had a primary focus on Victorian Traditional Owner groups that are not recognised under the Aboriginal Heritage Act 2006, Native Title Act 1993 or Traditional Owner Settlement Act 2010, located in four key regions of the State: Mid North West, Central North, North East and Far East Gippsland (regions). These areas are shown in orange and described in **Figure 9** below.

The Project Team also invited feedback from the 11 Traditional Owner groups with formal recognition across Victoria (shown in brown and described in **Figure B2**), acknowledging that some of these groups may have interests in the four regions and other areas without formal recognition (shown in yellow and described in **Figure B2**).

Feedback from over 120 Traditional Owners of regions without formal recognition has been published in the report, *“To be heard and for the words to have actions” Traditional Owner voices: Improving government relationships and supporting strong foundations* (Traditional Owner Voices Report).

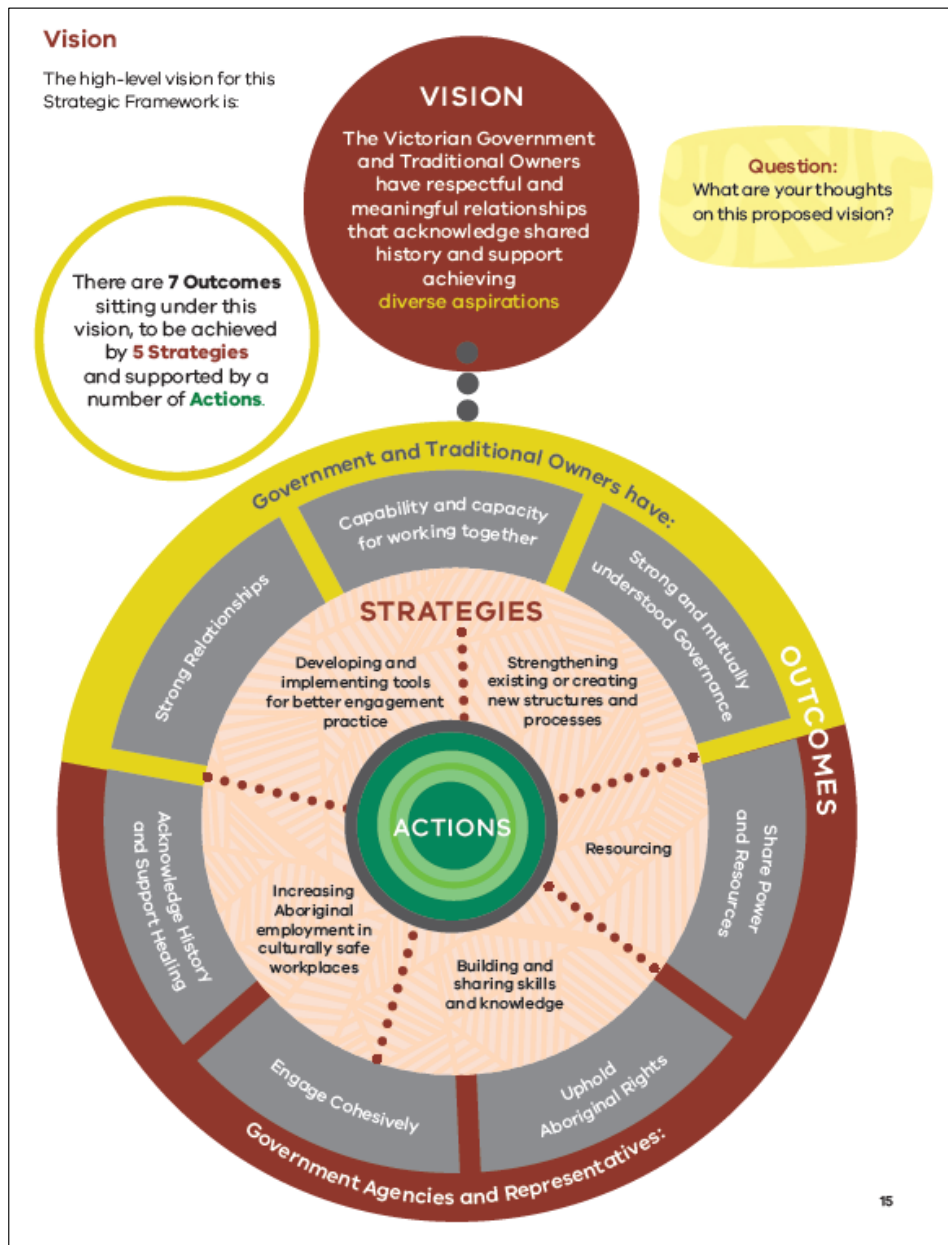
FIGURE B2: FORMAL RECOGNITION OF TRADITIONAL OWNER GROUPS IN VICTORIA, AUGUST 2019



Source: Aboriginal Victoria, *Consultation Draft Strategic Framework for strong relationships and engagement between the Victorian Government and Traditional Owners of areas without formal recognition*. (2020:10)

Following that report, a draft Framework for strong relationships and engagement between the Victorian Government and Traditional Owners of areas without formal recognition (Framework) was developed. The draft Framework (**Figure B3**) envisaged a whole-of-government approach to improve the way in which government engages with Traditional Owners of these areas, to better enable self-determination. The draft Framework has a primary focus on engagement regarding Country, in its fullest sense, but it also has relevance to government activities across domains including health, education, justice, social spheres and land use planning and land and natural resource management.

FIGURE B3: STRATEGIC FRAMEWORK FOR STRONGER RELATIONSHIPS AND ENGAGEMENT BETWEEN THE VICTORIAN GOVERNMENT AND TRADITIONAL OWNERS WITHOUT FORMAL RECOGNITION



Source: Aboriginal Victoria, *Consultation Draft Strategic Framework for strong relationships and engagement between the Victorian Government and Traditional Owners of areas without formal recognition*. (2020:15)

The draft Framework and the Traditional Owner Voices Report identified a need to improve engagement in the areas identified in yellow in **Figure B2**, as well as in the regions. The consultation process sought to develop a better understanding of this need through an open approach and willingness to hear from all families and groups asserting interests in these areas.

A report on the consultations was produced, titled: CONSULTATION REPORT A summary of feedback regarding Draft Strategic Framework for strong relationships and engagement between the Victorian Government and Traditional Owners of areas without formal recognition (Consultation Period: April to July 2020).

Feedback from the Consultations indicated that while there were some clear areas for improvement, there was also general support for the development and finalisation of the Framework among Traditional Owners, government agencies, staff, other bodies and stakeholders. The Traditional Owner groups in the areas without formal recognition expressed some cautious optimism around the direction in which things were heading. The Consultation Report concluded the challenges and opportunities ahead lie not only in revising the framework to account for the feedback from the process, but also in “walking together” to successfully implement the Framework.

Treaty Developments in Victoria

For generations, the Aboriginal and Torres Strait Islander communities and leaders of Australia have been calling for Treaty to acknowledge the sovereignty of First Nations and to improve the lives of First Peoples. Victorian Traditional Owners have been maintaining that their sovereignty has never been ceded and they have been calling for a Treaty process that delivers self-determination for Victoria’s First Peoples.

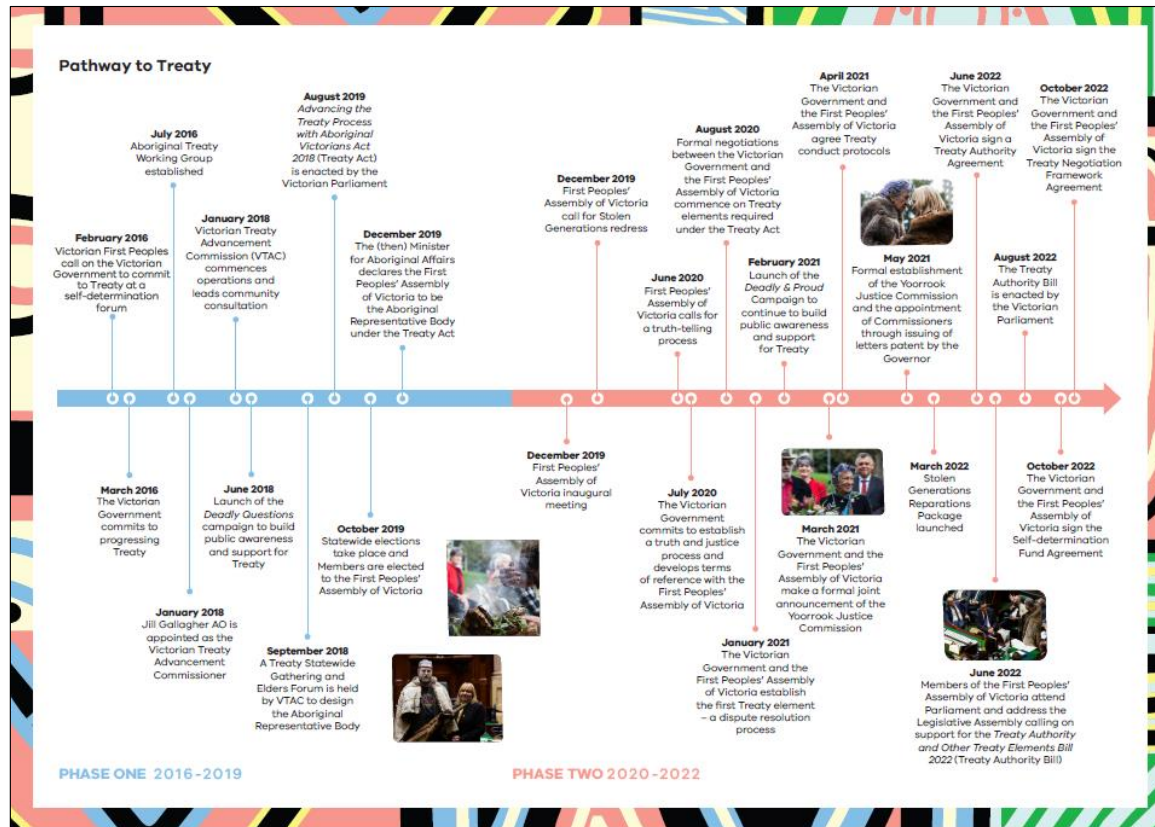
In early 2016, the Victorian Government entered into discussions with the Aboriginal peoples of Victoria, with more than 400 people attending a state-wide forum and hundreds more attending forums across regional Victoria. At the conclusion of these forums, the Victorian Government committed to advancing self-determination for Aboriginal Victorians by establishing a Treaty Interim Working Group.

Since that time, several steps have been taken, as depicted in **Figure B4**, including the following key elements:

- An Aboriginal Treaty Working Group was established (2016)
- The Victorian Treaty Advancement Commission was established under *the Advancing the Treaty Process with Aboriginal Victorians Act 2018* (Vic) (Treaty Act), as Australia’s first ever Treaty legislation (2018).
- A Statewide election was held to establish the First Peoples’ Assembly of Victoria to represent the voice of First Peoples in the Treaty process. (2019)
- A truth and justice commission (the Yoo-Rrook Commission) has been established (2021)
- A Treaty Authority is in the process of being established under the *Treaty Authority and Other Treaty Elements Act 2022* (Vic).

Whether treaty negotiations will extend to matters relating to land, is yet to be determined in the context of such negotiations.

FIGURE B4: PATHWAY TO TREATY – TIMELINE FROM 2016 TO 2022



Source: <https://www.firstpeoplesrelations.vic.gov.au/treaty>

Appendix C: Settlement of native title under the *Traditional Owner Settlement Act 2010* (Vic)

The Victorian *Traditional Owner Settlement Act 2010* (the Act) provides for an out-of-court settlement of native title. The Act allows the Victorian Government to recognise Traditional Owners and certain rights in Crown land. In return for entering into a settlement, Traditional Owners must agree to withdraw any native title claim, pursuant to the *Native Title Act 1993* (Cth) and not to make any future native title claims.

Legal agreements, under the *Traditional Owner Settlement Act 2010* (Vic) embed Traditional Owners in government decision making and creating system and structural changes in public land and natural resource management. These legal agreements recognise Traditional Owners' inherent rights and interests in Country; their rights to access, own and manage public land; their right to be involved in decision making; and the excise of other rights in the use and development of public land and natural resources.

Settlement package

Under the Act, a settlement package can include:

- a Recognition and Settlement Agreement to recognise a Traditional Owner group and certain traditional owner rights over Crown land;
- a Land Agreement which provides for grants of land in freehold title for cultural or economic purposes, or as Aboriginal title to be jointly managed in partnership with the state;
- a Land Use Activity Agreement (LUAA) which allows Traditional Owners to comment on or consent to certain activities on public land;
- a Funding Agreement to enable traditional owner corporations to manage their obligations and undertake economic development activities;
- a Natural Resource Agreement to recognise Traditional Owners' rights to take and use specific natural resources and provide input into the management of land and natural resources.

Under the Act, the State Government decides whether to enter into a settlement with a particular group. The group must meet the definition of 'traditional owner group' under the Act.

Aboriginal cultural heritage

While the Traditional Owners that enter into a settlement with the State under the *Traditional Owner Settlement Act 2010* (Vic) are the same Traditional Owners that have cultural heritage responsibilities under the *Aboriginal Heritage Act 2006* (Vic), it is important to note that all issues relating to Aboriginal cultural heritage are subject to separate processes under the *Aboriginal Heritage Act 2006* (Vic)

Land Use Activity Regime

The Land Use Activity Regime is a simplified alternative to the future acts⁸ regime in the *Native Title Act 1993* (Cth) and a more streamlined approach to procedural rights over activities on Crown land that may affect the rights of Traditional Owners. It provides procedural rights for recognised Traditional Owner groups over certain activities that occur on public land. The objective is to enable these activities to proceed, while accommodating third party interests and respecting the rights of Traditional Owners attached to the public land.

The Land Use Activity Regime is enabled by Part 4 of the *Traditional Owner Settlement Act 2010* (Vic) and is given effect through a Land Use Activity Agreement (LUAA). A LUAA is a sub-agreement of the Recognition and Settlement Agreement. A LUAA can be entered into by the Attorney-General (on behalf of the state) and a Traditional Owner group entity or corporation (on behalf of a Traditional Owner group). A LUAA must be accompanied by an Indigenous Land Use Agreement, which provides for the 'contracting out' of Native Title Act processes.

Land Use Activity Regime Policy

The State's policy and regulations governing the Land Use Activity Regime can be downloaded from the following link: [Land Use Activity Regime Policy and Regulations](#)

Under the Land Use Activity Regime:

- land use activities are separated into four categories, whereas there are 10 categories under the future acts regime in the *Native Title Act 1993* (Cth);
- no assessment is required to determine what category an activity falls into (and, consequently, what procedural rights apply to it);
- the procedural rights for an activity are not affected by the tenure of the land;
- there is no need to assess whether or not native title has been extinguished;

⁸ A future act is an act in relation to land or waters that either:

- consists of the making, amendment or repeal of legislation and takes place after 1 July 1993; or
 - is any other act that takes place after 1 January 1994;
- and
- is not a past act nor an intermediate period act; and
 - either validly or invalidly affects native title.

To be a future act the act must affect native title. That is, the act must either validly or invalidly occur in an area where native title exists and it must affect native title in that area. For example, native title may exist in relation to unallocated Crown land or a National Park, even where there are no native title holders or registered native title claimants. An act affects native title if it extinguishes native title rights and interests or impairs native title rights and interests because it is wholly or partly inconsistent with their continued existence, enjoyment or exercise (s.233(1) *Native Title Act 1993* (Cth)).

- the Traditional Owners and their representative organisation are clearly identified and resourced to provide responses to notifications and other requests;
- standard terms and conditions are available for low impact earth resource activities (i.e. exploration), removing, in some instances, the need for industry to negotiate;
- the state is responsible for negotiating agreement for the sale of Crown land and for paying community benefits for those sales;
- the state is responsible for the leasing of Crown land and for some land use activities;
- Aboriginal cultural heritage obligations will be dealt with under the *Aboriginal Heritage Act 2006* (Vic), and there will be no duplication or inconsistency;
- parties to a 'negotiation activity' can seek a determination from the Victorian Civil and Administrative Tribunal, and the minister has powers to require a decision by a certain time, or, in some circumstances, to make a determination.

Land Use Activity Agreement (LUAA)

The LUAA effectively replaces the future acts regime outlined in the *Native Title Act 1993* (Cth). The LUAA will set out how public land managers and businesses should negotiate with Traditional Owners about activities that may have a substantial impact on Traditional Owner rights as recognised in a settlement. Each LUAA will specify exactly which activities will trigger its application.

The procedural rights under the Land Use Activity Regime will only apply to those activities that are listed in a LUAA. The LUAA Template provides this list and classifies activities into one of four categories (routine, advisory, negotiation [class A or class B], and agreement activities). The final listing and classification is subject to negotiation.

To be listed in a LUAA, an activity must be defined as a land use activity in section 28 of the *Traditional Owner Settlement Act 2010* (Vic). Some subsets of these land use activities are excluded from the operation of the regime as a matter of policy. These are listed in the LUAA Template, and include:

- commercial Crown land leases in the alpine resorts;
- activities or classes of activities that are consistent with a joint management plan; and
- activities that are undertaken pursuant to an existing authorisation (e.g. Crown land lease, mining licence), or pursuant to an authorisation that has been carried out in accordance with the requirements of a LUAA.

Existing interests will not be affected by a LUAA, for example, an existing Crown land lease, or the state's right to harvest native timber from State Forests.

Activities requiring notifying the Traditional Owners

Activities that have little or no impact on the land and Traditional Owner rights are categorised under a LUAA as 'advisory activities'. Decision-makers or public land managers will need to notify the relevant Traditional Owner group about any advisory activity before it commences, but there is no obligation for them to negotiate.

Advisory activities include applications for:

- licences for forest produce;

- new community leases for 21 years or less;
- new commercial leases for 10 years or less;
- licences for extractive materials (e.g. gravel, limestone, sand or salt);
- new agricultural leases of 40 hectares or less;
- prescribed fire burning and non-emergency fire prevention works;
- regeneration works;
- bee farming licences;
- changes to the status of Crown land;
- construction of sports facilities, car parks, jetties and walking tracks.

Activities requiring negotiation with Traditional Owners

Activities that will substantially change the use of land in which Traditional Owners have a significant interest, or which will impact significantly on Traditional Owner rights, must be negotiated with Traditional Owners. These activities are categorised under a LUAA as 'negotiation activities'.

If an agreement cannot be reached through negotiation, either the Traditional Owner group or the activity's sponsor can appeal to the Victorian Civil and Administrative Tribunal (VCAT). VCAT will then determine if the activity should proceed and, if so, under what conditions.

Negotiation activities include:

- major activities that affect Crown land (such as new gravel reserves declared by a council under a planning scheme);
- new commercial leases for more than 10 but less than 21 years (excluding major public works and public-private partnerships); and
- earth resource or infrastructure authorisations.

There are certain types of negotiation activity that VCAT does not have the authority to stop, but upon which it may place conditions. These activities include new agricultural leases of more than 40 hectares and the construction of:

- major public works that will benefit all Victorians;
- new roads, railway track or bridges;
- major public recreation facilities; and
- infrastructure by private utility companies.

Activities requiring the agreement of Traditional Owners

Some activities that have a significant impact on Traditional Owner rights cannot go ahead without the consent of the Traditional Owner group. These are equivalent to those activities that the state could not do on freehold land without the consent of the owner.

Activities which cannot proceed without the consent of the relevant Traditional Owner group are termed 'agreement activities'. Such activities include:

- the sale of Crown land for private purposes;
- new commercial leases for more than 21 years (excluding major public works and utilities and Public Private Partnerships);

- major works or clearing of land for commercial purposes.

Requirements for notifying a Negotiation or Agreement activity; and for enforcement orders

The Traditional Owner Settlement Regulations 2017 (External link) prescribe the matters which must be addressed by the Responsible Person in notification of a Negotiation land use activity or an Agreement land use activity.

They also specify that an objection to an application for an enforcement order may be made within 15 business days.

Register of Land Use Activity Agreements

The Victorian Government keeps a record of Land Use Activity Agreements:

<https://www.justice.vic.gov.au/your-rights/native-title/register-of-land-use-activity-agreements>

The Register of Land Use Activity Agreements is an online tool to assist activity proponents to understand and meet their Land Use Activity Agreement (LUAA) obligations under the *Traditional Owner Settlement Act 2010* (Vic).

The LUAA Register provides the following information:

- a description of the land to which the agreement applies
- maps of the agreement area
- the date and a copy of the initial registration of the agreement
- the date and a copy of any variations to the agreement.

It is important to make sure that you are using the most updated version of the LUAA.

If assistance is required, please contact the Registrar of the Register of Land Use Activity Agreements, which is a position held by the Director of the Native Title Unit in the Department of Justice and Community Safety. The Registrar can help you to understand the basic contents of the LUAA and, if required, refer your enquiry to other government departments or agencies. The Registrar cannot give legal advice about rights and obligations arising under the LUAA.

Contact details for the registrar:

Registrar, Register of Land Use Activity Agreements
Level 24, 121 Exhibition Street
MELBOURNE VIC 3000
Tel: 03 8684 7523
Email: nativetitle@justice.vic.gov.au (External link)

The Register of Land Use Activity Agreements currently comprises the following agreements that commenced on the dates given:

- Land Use Activity Agreement – Dja Dja Wurrung – 25 October 2013
- Land Use Activity Agreement - Taungurung - 11 August 2020

Working out if a proposal is subject to a Land Use Activity Agreement

Each LUAA is published on a public register – the Register of Land Use Activity Agreements. Currently, the Dja Dja Wurrung LUAA and the Taungurung LUAA are the only LAAAs entered on the Register. Key information on the Register includes:

- the area of land to which the agreement applies ('agreement land', as defined in section 27 of the Act);
- the list of land use activities to which the LUAA applies, and their classification;
- contact details for the traditional owner group entity (corporation) for the purpose of notification, consultation or negotiation (as applicable).

The requirements for the negotiation and agreement categories of land use activities are detailed in Division 3 of Part 4 of the Act. The requirements for advisory activities are detailed in ministerial directions.

Ministerial directions as to advisory activities for the Dja Dja Wurrung LUAA were issued by the Attorney-General on 24 October 2013 and are available at Dja Dja Wurrung Land Use Activity Agreement

Appendix D: The *Native Title Act 1993* (Cth)

The High Court of Australia's landmark judgment in *Mabo (No. 2)*

In 1992, the High Court of Australia (HCA) delivered its judgement in the matter of *Eddie Mabo & Ors v The State of Queensland [No. 2]* (1992) 175 CLR1. In this case, the High Court:

- (a) rejected the doctrine that Australia was *terra nullius* (land belonging to no-one) at the time of European settlement; and
- (b) held that the common law of Australia recognises a form of native title that reflects the entitlement of the indigenous inhabitants of Australia, in accordance with their laws and customs, to their traditional lands; and
- (c) held that native title is extinguished by valid government acts that are inconsistent with the continued existence of native title rights and interests, such as the grant of freehold or leasehold estates.

The objects of the *Native Title Act 1993* (Cth)

The Commonwealth subsequently negotiated and enacted the *Native Title Act 1993* (Cth) (NTA). The main objects of this Act are:

- (a) to provide for the recognition and protection of native title; and
- (b) to establish ways in which future dealings affecting native title may proceed and to set standards for those dealings; and
- (c) to establish a mechanism for determining claims to native title; and
- (d) to provide for, or permit, the validation of past acts, and intermediate period acts, invalidated because of the existence of native title. (s.3)

The native title system is not a simple system because it had to deal with over 230 years of neglecting these realities, as well as creating a system for working with native title rights and interests into the future.

Native title is not a grant, it already exists

Native title is not a grant or right that is created by government, nor is it dependent upon the government for its existence. Native title is the recognition in Australian law that the Aboriginal and Torres Strait Islander peoples had, and may still have, a system of law and custom relating to land that existed prior to the colonisation of Australia by the British.

Definition of native title rights and interests

Section 223(1) of the *Native Title Act 1993* (Cth) defines ‘native title or native title rights and interests’ as the communal, group or individual rights and interests of Aboriginal peoples or Torres Strait Islanders in relation to land or waters, where:

- the rights and interests are possessed under the traditional laws acknowledged, and the traditional customs observed, by the Aboriginal peoples or Torres Strait Islanders; and
- the Aboriginal peoples or Torres Strait Islanders, by those laws and customs, have a connection with the land or waters; and
- the rights and interests are recognised by the common law of Australia.

This provision in the NTA is crucial to the success of any native title determination application.

Where native title may continue to exist

An application for a determination of native title can only be made in areas where native title has not been extinguished. Native title may exist on:

- unallocated (vacant) crown land
- some state forests, national parks and public reserves depending on the effect of state or territory legislation establishing those parks and reserves
- beaches, oceans, seas, reefs, lakes, rivers, creeks, swamps and other inland waters that are not privately owned
- some leases, such as non-exclusive pastoral and agricultural leases, depending on the State or Territory legislation they were issued under, and
- some land held by or for Aboriginal people or Torres Strait Islanders.

As at 17 August 2022, 585 native title determinations have been made, 449 of which have been made by consent between the parties, and 1,422 Indigenous Land Use Agreements (ILUAs) have been entered on the Register of ILUAs.

Generally speaking, full native title rights resembling something like freehold ownership will only be available over some unallocated (vacant) crown land, certain Aboriginal reserves and some pastoral leases held by native title holders. This means that, for most of the areas where native title is successfully claimed, the country will be shared by the native title holders and other people with rights and interests in the same area. This sharing is sometimes called coexistence.

Native title rights can co-exist with other rights and interests over the same area, but the native title rights cannot interfere with the rights of other interest holders.

Where native title has been extinguished

The Australian legal system does not recognise native title rights and interests in some areas where actions have been taken that extinguish native title. In those areas, native title may be partly or wholly extinguished.

‘Extinguish’ means to permanently not recognise native title rights and interest in an area (s. 237A of the NTA). Except in very limited circumstances, there is no possibility for extinguished rights to be recognised after extinguishment occurs, even if the extinguishing act ceases to have effect.

Native title has been wholly extinguished on areas such as:

- privately owned freehold land (including family homes and privately owned freehold farms)
- pastoral or agricultural leases that grant exclusive possession
- residential, commercial, community purposes and certain other leases, and
- in areas where governments have built roads, airports, railways, schools and other public works on or before 23 December 1996.

These areas cannot be included in a native title determination application and are generally excluded from such applications.

Where extinguishment can be disregarded

There are limited provisions in the NTA for disregarding prior extinguishment of native title. These include:

- Claimant held pastoral leases (s.47)
- Claimant-occupied Aboriginal land or reserve (s.47A)
- Claimant-occupied vacant Crown land (s.47B), and
- A claimant application or revised native title determination application can be made over onshore park area (meaning a national, State or Territory park) that is set aside for the purpose of preserving the natural environment) by agreement with the relevant Commonwealth, State or Territory government (s.47C).

Where native title rights and interests may have been lost

In addition to extinguishment as outlined above, Aboriginal and Torres Strait Islander people’s rights and interests in relation to land and waters may have been lost, as far as Australian law is concerned, in several ways. The Federal Court may decide for a variety of reasons that native title no longer continues to exist for an area. Factors that may influence such a determination include:

- the native title holders ceasing to exist
- the Aboriginal or Torres Strait Islander people ceasing to observe their customary laws and traditions on which their title is based
- loss of continuing connection with an area, or
- the Aboriginal or Torres Strait Islander people surrendering their native title to the Crown, possibly in exchange for other benefits.

Native title is not fixed for all time. The ways in which native title rights and interests are exercised can change and evolve according to traditional laws and customs.

Aboriginal and Torres Strait Islander people may have native title rights to Crown land if they can establish an ongoing customary law connection to the land.

Native title determination applications or claims

Native title determination applications must be made to the Federal Court of Australia. Each claim is assessed by the Federal Court to determine the rights and interests and to identify the rights holders. If the Federal Court determines that native title rights and interests continue to exist in an area, the holders of those rights and interests may be entitled to use or access of the land for a range of activities including for example, to care for Country and to undertake cultural practices. In some cases, they may be entitled to exclusive possession.

Native title rights typically include the right to access land, hunt, gather, take resources for bush medicine and other a wide range of other traditional uses. Where native title is recognised, the native title holders' rights and interests will continue to exist over Crown land for all future generations.

There are also some cases where native title rights have been extinguished by specific government actions, such as conversion of land to freehold, or by the granting of perpetual leases (for example in the Western Division of NSW) or by public works. In most cases, such actions will have permanently extinguished all native title rights and interests.

In other cases, the status of native title rights on Crown land has not yet been determined by the Federal Court of Australia or it may have been determined by agreement between the native title claimants and the State Government (and endorsed by the Federal Court). In such circumstances, the government entity responsible for managing Crown land will have to consider native title rights and interests when making decisions about the use and/or management of that Crown land.

Future activities on land where native title exists or may exist

The other immediate implication arising from the HCA's decision in *Mabo (No. 2)* was how activities could be carried out on land subject to native title rights and interests. Acts or activities affecting native title rights and interests are known as 'future acts' under the *Native Title Act 1993* (Cth). A future act affects native title if it extinguishes the native title rights and interests or if it is otherwise wholly or partly inconsistent with their continued existence, enjoyment or exercise.⁹

The future act regime was considerably amended in 1998 to include a hierarchy of different procedures for dealing with situations where native title holders are known (by way of an Indigenous land use agreement), or if they are not known (by way of a non-claimant application) and differing procedural rights for various specified types of future acts. The hierarchy of future act provisions, their order of application and the procedural rights of registered native title holders/claimants are shown in **Figure D1**.

Any activities affecting native title rights and interests needs to be carried out in accordance with the relevant future act provisions in the *Native Title Act 1993* (Cth).

The term 'future act' is defined in s.233(1) NTA 1993 (Cth). A future act is an act in relation to land or waters that either:

⁹ S.227 *Native Title Act 1993* (Cth).

- consists of the making, amendment or repeal of legislation and takes place after 1 July 1993; or
- is any other act that takes place after 1 January 1994; and
- is not a past act nor an intermediate period act; and
- either validly or invalidly affects native title.

To be a future act the act must affect native title. That is, the act must either validly or invalidly occur in an area where native title exists and it must affect native title in that area. For example, native title may exist in relation to unallocated Crown land or a National Park, even where there are no native title holders or registered native title claimants. An act affects native title if it extinguishes native title rights and interests or impairs native title rights and interests because it is wholly or partly inconsistent with their continued existence, enjoyment or exercise.

The term 'affects' is defined in s.227 NTA 1993 (Cth). All acts can affect or be affected by native title. An act 'affects' native title if it extinguishes native title rights and interests. An act also affects native title if it impairs native title rights and interests because it is wholly or partly inconsistent with their continued existence, enjoyment or exercise.

Some acts that affect native title are classified according to certain dates that correspond with particular High Court judgments or the enactment of native title legislation.

The *Native Title Act 1993* (Cth) sets out a future act hierarchy (**Figure B1**). The hierarchy is shown in the left column, and the attendant procedural rights of registered native title holders or claimants are shown in the right column.

To the extent that a future act is covered by a particular provision in the future act hierarchy in the *Native Title Act 1993* (Cth), it will be made valid by that particular provision and will not be covered by any provisions relating to a category lower in the list. By checking the hierarchy and following the correct processes for the relevant category set out in the *Native Title Act 1993* (Cth), third parties can ensure that a proposed future act will be valid in so far as it affects native title rights and interests. It is also relevant to note that where a future act is covered by a registered ILUA, the other procedures for dealing with future acts lower in the hierarchy do not have to be considered.

If a particular future act is not covered by any of the provisions in the future act hierarchy, it can only be validly done by way of an Indigenous Land Use Agreement or ILUA, or in some cases, following compulsory acquisition of the native title rights and interests.

An ILUA is a voluntary agreement made under the *Native Title Act 1993* (Cth) between people who hold, or claim to hold, native title in an area and other people who have, or wish to gain, an interest in that area. An ILUA can be negotiated over areas where native title has been, or has yet to be, determined to exist. They can be part of a native title determination, or they can be settled separately from a native title claim. ILUAs may be made about any native title matters the parties want to have an agreement about, including validation of future acts as well as any other associated issues. They are negotiated agreements, and when registered they are binding on all persons who hold or may hold native title for the area covered by the agreement. For an ILUA to be registered under the *Native Title Act 1993* (Cth), it must deal with native title matters.

The last point in the Table is particularly pertinent. A future act is invalid, unless it is covered by a provision in the Act.

FIGURE D1: FUTURE ACT HIERARCHY IN THE NATIVE TITLE ACT 1993 (CTH)

Future act category and Section of the NTA 1993 (Cth)	Procedural rights of registered native title holders/claimants
s.24AA(2)	<i>Basically, this Division provides that, to the extent that a future act affects native title, it will be valid if covered by certain provisions of Division 3, and invalid if not.</i>
s.24AA(3)	<i>A future act will be valid if the parties to certain agreements (called indigenous land use agreements—see Subdivisions B, C and D) consent to it being done and, at the time it is done, details of the agreement are on the Register of Indigenous Land Use Agreements. An indigenous land use agreement, details of which are on the Register, may also validate a future act (other than an intermediate period act) that has already been invalidly done.</i>
1. Indigenous Land Use Agreements (ILUA). (S24BA-24EC)	Does the proponent of a future act want to enter into an ILUA to validate a future act instead of using the other processes under the Act? Where relevant, ILUAs may provide for future act(s) to be done, or the surrender of native title, or to validate future acts that have already been done invalidly. In some circumstances it may not be possible to use an ILUA. For example, where there are competing claimants and there may not be sufficient time to negotiate an ILUA where the different claimant communities cannot agree on the carrying out of a future act.
2. Non-claimant applications. (S24FA) (unopposed)	Does the proponent of a future act want to lodge a non-claimant application in the Federal Court to find out whether or not native title exists in a particular area over which it has a non-native title interest? If no potential native title holders respond within a prescribed period there is automatic s24FA protection for future acts. If potential native title holders make a claim within the relevant period which is subsequently registered then the proponent may be able to negotiate an agreement or will have to use other relevant future act processes. Note: This process has no utility where there already are registered native title claimants for the area or if there is a determination that native title exists for the area.
3. Primary production and diversification and off-farm activities directly connected to	The opportunity to comment applies. The upgrade of a pastoral lease to freehold requires a compulsory acquisition, which attracts the right to negotiate.

primary production. (S24GB and S24GD)	Note: Local governments generally do not carry out or authorise these kinds of activities.
4. Management of water and airspace. (S24HA)	Does the future act involve the regulation or management of water and airspace? If so, the opportunity to comment applies.
5. Renewals and extensions of leases and licences and grants of titles under pre-23 December 1996 agreements or commitments. (S24IA)	Does the future act authorise the renewal or extension of leases and licences that arise from agreements or commitments made on or before 23 December 1996? If so, the opportunity to comment applies. Note: in limited circumstances, the right to negotiate may apply (s24ID(4) in relation to mining.
6. Provision of public housing and other public facilities (such as public health, education, police, emergency facilities, staff housing and related infrastructure) being provided for Aboriginal or Torres Strait Islander people living in or in the vicinity of the area (s.24JAA) (this provision only operates for twenty years from the day on which the <i>Native Title Amendment Act (No. 1) 2010</i> (Cth) commenced)	Does the future act involve the provision of public housing and other public facilities (such as public health, education, police, emergency facilities, staff housing and related infrastructure) being provided for Aboriginal or Torres Strait Islander people living in or in the vicinity of the area? If so, the opportunity to comment applies.
7. Use of reserved land. Activities and dealings regarding pre-23 December 1996 reserve land consistent with purpose and leases to statutory authorities. (S24JA)	In the case of land reserved, proclaimed, dedicated, or conferred by some permission or authority for particular purposes on or before 23 December 1996, is the proponent involved in authorising or undertaking activities on the land that are consistent with the purposes for which it was reserved, proclaimed, dedicated, or conferred? If so, the opportunity to comment may apply.
8. Facilities for services to the public. (S24KA)	<p>The <i>Native Title Act 1993</i> (Cth) specifies what constitutes a 'facility for services to the public'. Does the proposed activity constitute a facility for services to the public? If so, the same procedural rights apply as an ordinary title holder would be entitled to. If over a pastoral lease, then the same rights as pastoral lessees.</p> <p>Note: This provision does not apply if the future act is or requires the compulsory acquisition of native title rights and interests.</p>
9. Low impact future acts. (S24LA)	There are no procedural rights.

	Note: This provision applies only if the act is of low impact and takes place before and does not continue after a determination is made that native title exists in a particular area.
10. Acts that pass the freehold test. (S24MD)	<p>Freehold test: if act could have been done had the native title holders instead had freehold and if legislation is in place to protect areas of Indigenous significance:</p> <ul style="list-style-type: none"> • the right to negotiate may apply; • the right to be consulted may apply; or • ordinary title rights apply. <p>Note: The <i>Native Title Act 1993</i> (Cth) specifies a number of circumstances where the freehold test applies. Refer to the Act for details.</p>
11. Acts affecting offshore places. (S24NA)	<p>Procedural rights for native title holders are the same as if they hold non-native title rights, that is, ordinary title rights.</p> <p>Note: Local governments generally do not carry out or authorise these kinds of activities.</p>
S24OA	<i>Unless a provision of this Act provides otherwise, a future act is invalid to the extent that it affects native title.</i>

Source: NNTT (2009) *Working with native title. Linking native title and local government processes*. 3rd edition. Updated by SGS Economics and Planning.

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Loddon-Mallee Housing Action Plan: Newbridge Water and Sewerage Infrastructure Preliminary Business Case

Swan Hill Rural City Council

December 2022



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Independent
insight.

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Executive summary

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan. While each report relates to a particular project or issue, the responses and lessons from each provide recommendations that are mostly replicable and scalable to similar issues elsewhere in the region, if not indeed across regional Victoria.

This document presents a preliminary business case for the Newbridge Water and Sewerage Infrastructure extension proposal with the aim of facilitating new housing development. Newbridge is located within the Loddon Shire LGA between Bendigo and Dunolly in north-central Victoria. It considers the financing and funding issues relating to providing water and sewerage infrastructure within a small town context. It is a *preliminary* business case because while the included quantitative analysis suggests the project would deliver a net community benefit, further questions and issues requiring resolution to support the project are identified.

Context

A workshop in the style of an Investment Logic Mapping session was used to outline and understand the barriers to water and sewerage infrastructure provision in Newbridge, as a way of facilitating additional housing development, and identify the potential benefits of addressing the problem. Coliban Water and Loddon Shire Council representatives were involved in the workshop.

Options

Two options for water and sewerage infrastructure focussed on facilitating town expansions were identified and chosen by Coliban Water (from a long list, see Appendix A).

The realistic extent and merits of town growth were not considered in detail. More analysis of future and realistic demand prospects is necessary to support and scale the infrastructure investment proposal.

The project cases are based on the preferred delivery method for water and sewerage infrastructure produced by the options analysis undertaken by Coliban Water and the Newbridge stakeholders. The costs of the two project options considered in this report are scaled using the number of lots that would be serviced by the infrastructure.

- Base case: no water and sewerage infrastructure is built. This means Newbridge continues to rely on rainwater tanks, private water pumps for potable and non-potable water and septic tanks systems for sewerage. Under this option the town does not grow due to the constrained water and sewerage infrastructure. Continued use of septic tank systems in the long term will cause a build-up of nutrient and salt in soils and groundwater, suggesting that on site treatment and disposal is not a long term solution.

The two project options considered against the base case are

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- Option 1: water and sewerage infrastructure is provided for the 40 lots in the township zone, west of the Loddon River. The infrastructure will give opportunity for densification within the township zone as larger lots can be sub-divided, increasing the property values of those lots. Businesses are able to expand with the increased water and sewerage capacity. However, further expansion of the town is limited as the water and sewerage infrastructure under this option is only designed to service the township area.
- Option 2: water and sewerage infrastructure is constructed to service the 40 lots in the township zone plus 290 lots within the available land close to the township zone. This means an increased population for the town, more opportunities to attract businesses into the Newbridge as there is a secure supply of potable water and sewerage infrastructure. The increased population and business expansion is larger than Option 1, as the water and sewerage infrastructure goes beyond the boundaries of the existing township.

Cost-benefit analysis

The CBA assessed whether there is a case for government intervention and financial support for this project. The CBA empirically address the question:

- Do the benefits generated by the proposed water and sewerage infrastructure generate an uplift in community welfare? That is, will net benefits, as expressed through measures such as Benefit Cost Ratio (BCR) and Net Present Value (NPV), be generated for the Victorian community?

The cost-benefit analysis was undertaken using an incremental approach which compares project options against the base (or do nothing) case (outlined above).

The cost-benefit assessment shows project Option 2 will provide a net benefit to Victoria with a return of \$2.40 for every dollar invested and Option 1 will provide a dollar return for each dollar invested.

The analysis suggests that 90% of the benefit will be capitalised into property values. The remaining 10% of benefits would accrue more broadly through reduced public health risks and uplift in the local economy.

The preliminary economic evaluation provides a prima facie case for applying for external financing and seeking the involvement of a state agency guarantor to enable the infrastructure project, given the net benefits to Victoria.

Findings

Coliban Water can borrow to finance capital investments but only if financial analysis shows the benefitting residents can contribute sufficient revenue to service the debt. This would not be the case in Newbridge. A third-party financier would therefore be needed for investment in water and sewerage infrastructure in Newbridge.

Give the apportionment of benefits from the investment a combination of loan and grant appears to be the appropriate financing approach.

NHFIC would be an appropriate financing source. An indicative financing structure is a low interest loan for 90% of the capital investment (reflecting the share of benefits associated with land value uplift) and a grant equivalent to 10% of the capital cost (reflecting benefits accruing more broadly).

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Establishing a sustainable and realistic funding source for the loan component, linked to the land-owner beneficiaries, is the main challenge.

Recurrent charges against the land are the obvious, notional source of funding.

Assuming a NHFIC or other sourced loan is secured and underwritten by for example DJPR, Council could use a special charge scheme levied on the private landowners that will receive upgraded water and sewerage infrastructure, with the income 'passed through' to the financier. However, such a scheme would be likely onerous in Newbridge unless the loan terms are generous. For example, based on a 10-year loan at 3.1% (current cash rate) interest each landowner will need to pay between \$800 and \$1,900 per month per property (Option 2 and Option 1 respectively). In other contexts (not in Newbridge) where the number of benefitting lots is higher special charge schemes might be more attractive.

There is a high likelihood more generous loan terms would not significantly push down the annual charge to a level comfortable for all private landowners.

Alternatively, State government could **charge a fee when land with upgraded water and sewerage infrastructure is sold or sub-divided**. Essentially the fee would act as a targeted value uplift charge. There is no obvious legal power currently available to establish this value capture charge against the land. The feasibility of developing and administering such a scheme would need to be considered by State government.

Ultimately a combination of a special charge scheme and charge on land sale/sub-division might strike the right balance for private landowners, but more investigation is required to identify an appropriate and available funding mechanism, ultimately reflecting the beneficiary pays principle.

Further analysis needs to be undertaken to support this project. Additional questions that need to be addressed are:

- Is there a wider case for growing the township? What are the strategic merits and community infrastructure cost implications of growth in Newbridge compared to equivalent or substitute growth in an existing well-served location?
- What is the latent demand for housing in Newbridge? Does that demand justify the level of investment proposed for water and sewerage infrastructure?
- What share of the capital cost could ultimately be apportioned to private beneficiaries compared to that which accrues to the wider public?
- What is the appropriate financing source? This report suggests using NHFIC, however a combination of sources, inclusive of NHFIC, might be appropriate.
- What are the appropriate funding mechanisms that consider the stakeholder benefits accrued (i.e. that reflect the beneficiary pays principle), stakeholder financial capacity and feasibility of implementation?

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1. Introduction

1.1 Housing Action Plan and four associated projects

This document is one of four reports on projects which could unlock additional housing supply in the Loddon-Mallee region. The projects were identified during preparation of the Loddon-Mallee Housing Action Plan.

While each report relates to a particular project or issue, the strategic responses and lessons from each provide recommendations that are mostly replicable and scalable to similar issues elsewhere in the region. There are two 'business cases' and two 'strategic policy guides' covering the projects. The business cases are quantitative and focus on the economic case for the housing proposal. The strategic guides address good practice processes and steps.

The projects are:

- Mildura worker housing project – expansion of an existing seasonal worker accommodation facility in regional Victoria (quantitative business case report)
- Etty Street housing site opportunity – a potential social and affordable housing development site with multiple titles, including state-owned and Crown land with associated Aboriginal lands rights implications (strategic policy guide report)
- Buloke worker housing project – understanding the strategic need for key worker housing to support the local community and considering options for key worker housing in Donald, in the Buloke Shire (strategic policy guide report)
- Newbridge Water and Sewerage Infrastructure extension – strategic approach to investing in infrastructure supporting new housing development in a small-town context (quantitative business case report).

All documents draw out and summarises replicable and scalable steps. The reports and especially their included "How to guides", are intended to provide housing practitioners with a toolkit to actively address typical barriers to new housing supply found in regional Victoria.

1.2 This report

This document presents a preliminary business case for the Newbridge Water and Sewerage Infrastructure extension proposal having the aim of facilitating new housing development. It considers the financing and funding issues relating to providing water and sewerage infrastructure within a small town context. It is a *preliminary* business case because while the included quantitative analysis suggests the project would deliver a net community benefit, further questions and issues requiring resolution to support the project are identified.

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2. Context and Issues

2.1 Local context

The regional town of Newbridge is located within the Loddon Shire LGA between Bendigo and Dunolly in north-central Victoria, merely 20 kilometres from the planned Bendigo Regional Employment Precinct at Marong. Its proximity to Bendigo and access to the Wimmera Highway and Calder Freeway mean the town is well suited to absorb future population growth and businesses.

The residential population of Newbridge is fairly static with approximately 70 houses, around 40 of which are in the township zone¹. While there is vacant residential land available, the lack of growth is at least partly attributed to the lack of water and sewerage infrastructure to enable residential development.

2.2 Scale of need

There is substantial residential demand in Bendigo and the surrounding region, and this is resulting in low vacancy rates, deteriorating housing affordability and lack of access to housing for workers. The infrastructure constraints in Newbridge appear to impede further residential development. Also, the lack of infrastructure poses public health risks to the existing population of Newbridge.

The lack of water and sewerage infrastructure impacts on Newbridge's growth and liveability. As smaller lots are deemed not suitable for onsite containment of wastewater, there are limited development opportunities, and newly built dwellings typically face septic treatment system costs of over \$20,000, compared to the average sewerage connection fee of less than \$1,500².

Newbridge experiences challenges in tackling both water quality and water security. Residents and businesses often rely on rainwater, which is at risk of contamination from the Loddon River during floods (for some households), as well as from animal droppings on roofs, leaking septic tanks and wastewater drainage (for underground tanks), posing health risks to residents and tourists. Furthermore, treatment of water from the Loddon River is not feasible due to its variability in quality and elevated organics, neither is the treatment of groundwater feasible due to high salinity.

Over 90% of septic tanks in Newbridge are over 25 years old and possibly no longer working properly, and a large number of these are located within the flood zone of the River thereby posing environmental risks. Any pollution of the river system impacts upon public health both within Newbridge and further downstream. Those who use the river for recreational purposes could get exposed to contaminated water if effluent from the septic tank systems leeches into the river, and residents who get their private water supply from the river face increased exposure.³

¹ Grantus 2021, *Newbridge Water Supply and Sewerage Scheme – Business Case*.

² IBID

³ Grantus 2021.

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2.3 Project history

A state-wide review of septic tank use conducted in 2006 prioritised Newbridge as one of the locations considered to be at high risk and in need of a proper sewerage management system. The Loddon Shire Council's Domestic Wastewater Management Plan completed in 2006 also highlighted several key issues relating to water and sewerage supply in Newbridge, including improper maintenance of septic tanks, discharge of greywater to the gutter, and poor septic tank placement (for example, being located in floodplains)⁴.

Since then, various agencies have suggested alternate approaches to water and sewerage management in Newbridge. From 2010, Coliban Water and Loddon Shire Council began engaging the local community to develop and understand the costs of a sewerage scheme. The South West Loddon Pipeline announced in 2016, although primarily aimed at supplying rural farmers, was proposed to run past Newbridge and provided a possible alternate source of water supply for the residential community. Renewed community interest was piqued in 2018 when DELWP facilitated an Integrated Water management (IWM) planning exercise to engage with stakeholders from various aspects of the water cycle, with one of the aims to 'grow Newbridge sustainably'. In 2019, Coliban Water worked with the Loddon Shire Council and community representatives to reassess its water and sewerage treatment and supply options and developed a business case⁵.

The Coliban business case identified the preferred options for providing potable water and sewerage. Appendix A outlines the options considered. The business case did not provide a direction regarding government funding sources for construction of water and sewerage infrastructure. However, the report noted consultation with Coliban Water, Loddon Council, Newbridge residents and the DELWP is required to determine the appropriate funding arrangement for this project.

2.4 Access to finance

The key barrier to the project of the 2019 business case moving ahead is sourcing external funding and a third-party financing guarantor. The business case states, "Whilst the community and Coliban Water could contribute to the overall cost, without State Government involvement, the project can't proceed," (Grantus, 2021, p. 24). Newbridge customers are not able to finance the full capital costs of constructing the new water and sewerage services. Coliban Water is regulated by obligations to function in a financially sustainable manner and maintain pricing that is affordable for its customer base. Coliban Water can borrow to finance capital investments but only if financial analysis shows the benefitting residents can contribute sufficient revenue to service the debt. Coliban Water is constrained legislatively not to borrow and fund capital projects whose cost can not be recovered through customer charges.

Loddon Council understandably does not have the capacity and the appetite to take on debt given its obligations and financial position.

⁴ Coliban Water n.d., *Newbridge Water & Sewerage Supply Business Case*.

⁵ Grantus 2021.

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Any costs incurred to provide the proposed services at Newbridge not fully recovered by Newbridge customers would mean higher bills for other customers.

In its recent Pricing Submission Coliban Water set out its priorities for investment, in line with the objectives of the state government and the Essential Services Commission:

- To reduce its charges to customers: To keep prices as low as possible, we will invest only where and when we need to over the next regulatory period ... Prices for all existing tariffs will be set to follow a price path averaging CPI minus 1%, with the business capping inflation at an assumed 2.3% for the first year. This presents a real decrease in prices amounting to 10% by 2027-28.
- To control future capital expenditure: We propose to invest \$142 million over the next regulatory period on capital works. Our proposed average annual capital spend will be \$342 per customer. This compares to \$519 in the previous regulatory period and \$1,286 in the second regulatory period. This demonstrates our commitment to prudent and efficient capital investment for our customers and a focus on long term affordability.

Faced with greater scrutiny by the regulator and pressure to contain price increases for existing customers, Coliban Water's pricing submission did not include Newbridge as there were other perceived higher priorities for capital investment.

Water charging policy has to strike a balance between two conflicting objectives:

- To send strong price signals to customers to drive efficient behaviour. This argues for zonal cost-reflective pricing at a local level.
- Postage stamp pricing. This recognises that many of the corporation's costs are fixed and shared between locations and that disaggregated zonal pricing is expensive and complex to calculate and/or explain to customers.

Coliban Water has progressively moved from a disaggregated to a postage-stamp basis for pricing. It used to have different prices for multiple different locations. These reflected the history of investment in the 25 different water supply systems across its region. However, over time the corporation has moved towards a single unified pricing standard that reflects the level of service delivered rather than the history of investment in the past.

All connected properties would, in the future, be liable for annual charges from Coliban Water, representing a source of additional revenue that could be used to off-set the costs incurred. However, any such revenue would only be sufficient to cover the on-going annual operating costs of the new plant and would not generate funds to cover any capital costs.

However, if external funding and a third-party guarantor were to take on the financing obligations, the water authority would be able to build and operate the infrastructure (provided the investment is justifiable from a net community benefit perspective). As part of the Loddon-Mallee Housing Action Plan SGS identified NHFIC funding might be a suitable source of finance. The NHFIC facility is described

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in Figure 1 below. A third party – potentially a State government agency such as DJPR - would need to take on the role of financial guarantor⁶.

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⁶ From NHFIC data, the following entities, Evolve, Housing First, SA Housing Trust and the Victorian Public Housing Renewal Program received a combination of loan and grant funding for site works, including water and sewerage infrastructure. For the loan component, it was not apparent who has underwritten the loan.

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FIGURE 1: NHFIC FACILITY

What is the National Housing Infrastructure Facility (NHIF)?

The National Housing Infrastructure Facility (NHIF) is an Australian Government initiative, which provides finance for eligible infrastructure projects that will unlock new housing supply, particularly affordable housing. The NHIF offers concessional loans, grants and equity finance to help support critical housing-enabling infrastructure and comprising:

- up to \$175 million for NHIF grants (\$1.5 million of which may be used to provide support to registered community housing providers in the form of capacity building activities); and
- up to \$825 million for concessional loans and equity finance which will form part of a revolving permanent fund (with returns on loans and equity investments to be reinvested).

To be eligible an applicant must demonstrate that without NHFIC financing its project would be unlikely to proceed, or likely to proceed only at a much later date or with a lesser impact on new affordable housing.

The NHIF can provide finance to help support critical housing-enabling infrastructure. For example,

- electricity and gas, transportation including roads, telecommunications, and water, sewerage and stormwater.
- site remediation works including the removal of hazardous waste or contamination

Eligible applicants include registered community housing providers, local governments, state or territory governments, and government-owned development corporations or utility providers.

The provision of NHIF Loans, NHIF Grants and NHIF Equity Investments is subject to sufficient funds being available each financial year.

To apply for a NHIF Loan and/ or NHIF Grant (once an EOI Form has been submitted), Applicants must:

- complete the Application Form provided by the NHFIC relationship manager;
- provide all the information requested in the Application Form and the guidelines;
- address all the Assessment Criteria and (for NHIF Loans) provide evidence of the Applicant's ability to repay the loan; and
- submit their application to the NHFIC through an NHFIC relationship manager, along with all required supporting documentation.

Source: NHFIC

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Where projects can be shown to benefit the state as a whole, the State Government would be best placed as guarantor. Benefits include the following:

- Given the current housing shortfall, residential growth resulting from the infrastructure investment will enable workers to relocate to the region for work and unlock latent economic potential, in turn generating an uplift in Victoria's GSP.
- The provision of the appropriate water and sewerage infrastructure would provide the opportunity for larger business to enter the town and for existing businesses to scale as they do not need to rely on rainwater tanks. More businesses and scaling of businesses will create more job opportunities within Newbridge.
- Access to modern water and sewerage infrastructure will improve public health in the area. Access to clean water and safe sewerage systems reduces health risks to existing and future residents alike.

2.5 Benefits of addressing the problem

The current lack of water and sewerage infrastructure acts as a deterrent to social and economic growth:

- Development of new properties within the township is constrained as the lot sizes are generally too small to allow full retention of the treated wastewater effluent on site. This inhibits the growth of the township which could become a commuter hub for Bendigo, just 30 minutes away, and lift the value of the existing properties.
- Where development is allowed the scale of the housing is severely constrained with a strict limit on the number of bedrooms, which limits accommodation options for families.
- Where dwellings have been built in recent years on larger plots their septic treatment systems cost in excess of \$20,000. This adds an up-front cost impost which is a deterrent to development.
- The existing commercial ventures in the town, such as the general store, hotel, micro-brewery and recreation reserve, are all constrained from further development due to the constraints imposed by the absence of a public water and sewerage system particularly in periods when there are high water needs.
- Tourist opportunities cannot be exploited. For example, the Newbridge Food and Wine Festival saw 450-500 attendees, with another 120 people at the dinner inside the pavilion. It is difficult to repeat or expand this due to the limits on toilet facilities, the water supply being reliant on rainwater tanks in the town and the restricted level of accommodation available for visitors.
- Currently, residents are exposed to public health risks due to reliance on septic systems while being located in a flood risk area.

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The provision of a public sewerage and water supply service would remove these constraints and promote economic development in the township⁷:

- More vacant lots would be developed, increasing the size of the town and bringing in new people and activity. A wider range of lot sizes and dwelling types could be developed, catering for families as well as downsizers and smaller households.
- Existing properties would increase in value as serviced properties are a more attractive proposition and command a higher market valuation. A study as part of the business case for the South West Loddon rural pipeline estimated a 30% increase in value due to the provision of a piped water supply for rural properties. Discussions with local Estate Agents confirms this uplift as a reasonable basis for extrapolation to Newbridge.
- Existing businesses would be encouraged to expand their business activities. This is supported by the existing interest from:
 - The general store wanting to establish bed and breakfast units
 - The micro-brewery wanting to expand its business
 - The hotel wanting to expand its offerings
 - The recreational reserve which has demonstrated the potential for further expansion with the success of the Newbridge Food and Wine Festival.
- Existing and future residents have a reduced exposure to public health risks associated with access to fresh water.

2.6 The project

The initial proposal focused on servicing 40 lots within the township zone. However, with a broader understanding of the strategic placement of Newbridge within the regional context and the availability of developable land, Newbridge could accommodate an additional 290 lots⁸, with appropriate water and sewerage infrastructure.

⁷ Grantus 2021, Newbridge Water Supply and Sewerage Scheme – Business Case.

⁸ The estimation is based on an indicative housing capacity assessment of a broad area of land near the township identified by Loddon Council to indicate a potential yield of housing that could be unlocked from providing water and sewerage infrastructure. A precise calculation of yield and the associated land requirement was beyond the scope of this report.

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Further considerations

For the development proposal to be robust, some additional key contextual questions needed to be answered:

- What is the latent demand for housing in Newbridge? Where would the demand come from and over what time might an additional 330 lots be occupied?
- Does the level of realistic projected demand justify the size of the development proposal?
- Does Council have the capacity to support increased demand on community infrastructure?

Justifiable projected demand might be lower (or higher) than anecdotal expectations. Scrutinising demand prospects relative to the development proposal will be important in threshold justifications for investment and thereafter to guide the scope of the project and investment size.

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3. Cost Benefit Analysis

3.1 Cost benefit framework

As per convention, the CBA is undertaken at the State level and assesses the costs and benefits to Victoria as a whole.

CBA is an appraisal method that compares the costs and benefits of a project (the project case) to a situation without the project (Business as Usual case, or base case).

An options analysis was undertaken by Coliban Water in consultation with stakeholders to determine the appropriate type of water and sewerage infrastructure (a list of the options considered is in Appendix A). The option chosen for water was a gravity-fed piped supply from the neighbouring town of Tarnagulla, part of the Laanecoorie system. For sewerage, a standard gravity-fed system to a central collection sump with the sewage pumped to a new small-scale local treatment plant was selected. The use of onsite treatment and disposal is not sustainable in the long-run due to the build-up of nutrients and salts in the soil and groundwater that is occurring⁹.

The project cases described in this report are scaled versions of these preferred water and sewerage infrastructure delivery options. The base case and the project case are described below.

Business-as-usual

Newbridge residents keep using rainwater tanks and private water pumps drawing water from the Loddon River. Sewerage continues to be serviced through septic tanks. Under this case, Newbridge does not expand as a town and business growth opportunities are constrained.

Option 1

Water and sewerage infrastructure is only provided to 40 township lots. This option addresses the core issues of health risks posed by the current water and waste water system. Future town growth is not secured under this option. Further financing and construction will be needed to enable expansion.

Option 2

The water and sewerage infrastructure services the existing 40 lots, and also allows developments of a further 290 lots conditional on private developer converting the available rural land into residential land. A connection point is constructed and water and sewerage infrastructure is built to accommodate a further 290 lots. This proposal sets up the town to expand based on attracting the right investor and market interest. The aim is to kick start developer led housing provision by shifting the development feasibility equation in a way that improves the Residual Land Value.

⁹ Coliban Water, Newbridge Water & Sewerage Supply Business Case

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Table 1 lists the costs and benefits that are considered in the cost benefit analysis and the quantification method.

TABLE 1: COST BENEFIT FRAMEWORK

Incremental costs	Incremental benefits
<p>Capital costs – these are the costs to providing the water and sewerage infrastructure.</p> <p>These costs were provided by Coliban Water</p>	<p>Increase in property values – having appropriate water and sewerage infrastructure make development of land in Newbridge more attractive. Existing properties would see an uplift due to the potential to sub-divide lots. Housing development would be more feasible with any subsidised infrastructure funding that draws in private developers.</p> <p>Quantification based on number of lots * uplift estimate provided in the Grantus (2021) business case.</p>
<p>Operating and maintenance costs – are the ongoing costs to maintain the operation of the water and sewerage facilities.</p> <p>Costs provided by Coliban Water</p>	<p>Increase in economic profitability - enabling further housing development attracts more workers to the region, not otherwise available to regional producers.</p> <p>Quantification based on number of workers per dwelling and profits generated per worker using ABS Industry data. Profits are weighted by the industry structure of Loddon.</p>
<p>Loss of rural farming land – switching the land use from rural farming land to housing would include a loss from the agricultural productive potential.</p> <p>This is quantified using the market price for farmland in North-West which is \$3278 per hectare, CPI adjusted, from the Australian Farmland Values report 2020¹⁰</p>	<p>Avoided public health risks – The provision of appropriate water and sewerage infrastructure will reduce the health risks posed by the current system that leaves the river vulnerable to contamination by ageing septic systems and rainwater tanks at higher risk of exposure to contaminants.</p> <p>This benefit is quantified using the NSW SSWP Guidelines for avoided costs of water borne diseases. The parameter estimates an avoided cost of \$352 per household, CPI adjusted. A typical household size is 2.2 according to ABS Census 2021 for Loddon LGA. The avoided cost is applied to the 40 lots already using septic tanks and either rainwater tanks or water pumps.</p>

Source: SGS Economics and Planning

Incremental costs

The incremental costs are the capital costs, operating costs and loss of rural land shown in Table 2. Under Option 1 there is no loss of rural land as water and sewerage infrastructure is only developed to meet the needs of the 40 lots within the township zone of Newbridge.

TABLE 2: INCREMENTAL COSTS

Total	FY23	FY24	FY25	FY26	FY27 and onwards
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¹⁰

<https://www.ruralbank.com.au/siteassets/knowledgeandinsights/publications/farmlandvalues/victoria/afv-vic-2020.pdf>

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Option 1						
Capital costs (\$000s)	8780.0	8780.0				
Operating costs (\$000s)	1760.2		88.0	88.0	88.0	88.0
Loss of rural land (\$000)	-	-				
Option 2						
Capital costs (\$000s)	27,000	27,000				
Operating costs (\$000s)	8,600		430	430	430	430
Loss of rural land (\$000)	184	184				

Source: SGS Economics and Planning; Coliban Water

Incremental benefits

Property value uplift and increased economic output will be the most significant benefits generated by providing water and sewerage infrastructure in Newbridge across the 2 project options. Avoided public health costs from water borne diseases, though small are still a substantive benefit that will result from the infrastructure. Table 3 shows the dollar values for each of the benefits.

TABLE 3: INCREMENTAL BENEFITS

	Total	FY23	FY24	FY25	FY26	FY27 and onwards
Option 1						
Increase in property values (\$000s)	16,000	-	800.0	800.0	800.0	800.0
Increase in profitability (\$000s)	1428	-	71.4	71.4	71.4	71.4
Avoided public health costs (\$000s)	281.6	-	14.1	14.1	14.1	14.1
Option 2						
Increase in property values (\$000s)	132,000	-	\$6600.0	\$6600.0	\$6600.0	\$6600.0
Increase in profitability (\$000s)	11781.0	-	589.1	589.1	589.1	589.1
Avoided public health costs (\$000s)	281.6	-	14.1	14.1	14.1	14.1

Source: SGS Economics and Planning-

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3.2 Preliminary Cost Benefit Assessment

Overarching assumptions

Overarching assumptions for the discounted cashflow analysis are as follows:

- Values 2022, real (i.e. no escalation)
- Timeframe 20 years (2022 to 2042)
- Discount rate 7% real.

Results

The preliminary economic evaluation provides a prima facie case for applying for external funding and seeking the involvement of a state agency guarantor to enable the infrastructure project, given the net benefits to Victoria. Table 4 shows Option 2 will provide a net benefit to Victoria with a return of \$2.40 for every dollar invested and Option 1 will provide a dollar return for each dollar invested. Table 5 provides descriptions of the CBA performance measures. Even when the benefits are varied according to Table 6, Table 7 shows the project Option 2 will still generate a net benefit to Victorians with the BCR above 1. Whilst Option 1 will generate a net dis-benefit if the estimated benefits varied.

The analysis suggests that 90% of the benefit will be capitalised into property values. The remaining 10% of benefits would accrue more broadly through reduced public health risks and uplift in the local economy.

TABLE 4: COST-BENEFIT RESULTS

	Option 1 (Net Present Value)	Option 2 (Net Present Value)
Capital costs	\$8,780,000	\$27,000,000
Operating costs	\$1,279,200	\$5,500,800
Loss of rural land	\$0	\$184,000
Total incremental costs	\$10,059,200	\$32,684,800
Increase in property values (\$000s)	\$8,528,000	\$70,352,000
Increase in profitability (\$000s)	\$844,000	\$6,962,000
Avoided public health costs (\$000s)	\$90,000	\$68,000
Total incremental benefits	\$9,743,000	\$77,382,000
Net benefits	(\$316,200)	\$44,697,200
BCR	1.0	2.4

Source: SGS Economics and Planning

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TABLE 5: CBA PERFORMANCE MEASURES

Performance measure	Estimation method	Decision rule
Net Present Value (NPV)	A number is generated by deducting the present value of the stream of costs from the present value of the stream of benefits (with the present value of costs and benefits determined by using an appropriate discount rate). Reject options with a negative NPV	<ul style="list-style-type: none"> - Accept options with a positive NPV - Reject options with a negative NPV - The greater the NPV, the better.-
Benefit Cost Ratio (BCR)	Ratio of discounted present-day benefits over discounted present-day costs.	<ul style="list-style-type: none"> - Accept options with a BCR > 1 - Reject options with a BCR < 1 - The greater the BCR, the better.

Source: SGS Economics and Planning

TABLE 6: SENSITIVITY TEST ASSUMPTIONS

	Base assumption	Pessimistic	Optimistic
T1: Discount rate	7%	10%	4%
T2: Benefits	As per model	-5%	+5%

Source: SGS Economics and Planning

TABLE 7: SENSITIVITY RESULTS

	Pessimistic (BCR)	Optimistic (BCR)	Pessimistic (NPV)	Optimistic (NPV)
Option 1				
T1: Discount rate	0.7	1.1	(\$2,492,200)	\$1,255,200
T2: Benefits	0.9	0.9	(\$987,800)	(\$925,800)
Option 2				
T1: Discount rate	1.9	2.8	\$28,176,800	\$61,189,200
T2: Benefits	2.3	2.3	\$41,484,000	\$41,927,000

Source: SGS Economics and Planning

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Potential financing and funding mechanisms

When it comes to infrastructure investment, financing and funding are two separate concepts. Financing is defined as the act of obtaining or providing money or capital for an investment or purchase or business activity. Funding is defined as the money provided, especially by an organization or government, for a particular purpose, often to 'repay' or provide a return on the capital financing. A government grant to an organisation, for which no return is expected, could be considered both finance and funding (though ultimately the taxpayer is the source of the funding).

Give the apportionment of benefits from the investment a combination of loan and grant appears to be the appropriate financing approach.

NHFIC would be an appropriate financing source. An indicative financing structure is a low interest loan for 90% of the capital investment (reflecting the share of benefits associated with land value uplift) and a grant equivalent to 10% of the capital cost (reflecting benefits accruing more broadly).

Establishing a sustainable and realistic funding source for the loan component, linked to the land-owner beneficiaries is the main challenge.

Recurrent charges against the land are the obvious, notional source of funding. Coliban Water is constrained in the place specific or 'zonal' pricing approaches they can impose and the limits to spikes in costs being shared across the wider customer base under a 'postage stamp' pricing approach.

Assuming a NHFIC or other sourced loan is secured and underwritten by for example DJPR, Council could use a special charge scheme levied on the private landowners that will receive upgraded water and sewerage infrastructure, with the income 'passed through' to the financier. However, such a scheme would be likely onerous unless the loan terms are generous. For example, based on a 10-year loan at 3.1% interest (current cash rate) each landowner will need to pay \$1,900 per month per property under Option 1 (40 lots) and \$800 per month per property under Option 2 (330 lots). Indicatively, a survey of private landowners showed a rate of \$750 per annum would be not feasible for some landowners¹¹. In other contexts (not in Newbridge) where the number of benefitting lots may be higher special charge schemes might be more attractive.

NHFIC does provide generous loan terms such as a longer loan periods, extended periods of capitalisation, deferral of loan payments and options for debt restructuring. There is a high likelihood more generous loan terms would not significantly push down the annual charge to a level comfortable for all private landowners.

Alternatively, State government could **charge a fee when land with upgraded water and sewerage infrastructure is sold or sub-divided**. Essentially the fee would act as a targeted value uplift charge. There is no obvious legal power currently available to establish this value capture charge against the land. The feasibility of developing and administering such a scheme would need to be considered by State government.

Ultimately a combination of a special charge scheme and charge on land sale/sub-division might strike the right balance for private landowners.

¹¹ Grantus 2021, Newbridge Water Supply and Sewerage Scheme – Business Case.

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Further considerations

In considering an appropriate financing and funding structure where support or subsidies are being sought for a public infrastructure investment which could yield a net community benefit questions to be addressed include:

- Can the beneficiaries of the capital investment or costs be split between private interests and the wider public?
- What is the appropriate financing structure for example, combination of loan and grant conditional on the respective split between private landowners or beneficiaries relative to the public?
- What is an appropriate and justifiable funding mechanism that could apply to private landowners or entities, recognising the share of benefits accruing to these interests and based on the 'beneficiary pays' principle.

The proposed Loddon-Mallee Housing Support Officer would be pivotal in investigating these questions and options.

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4. Guidance for similar contexts

The table below provides guidance for councils facing similar 'up-front' infrastructure impediments to growth. The guidance is high-level and specific to water and sewerage infrastructure in a small local government area. As part of the guidance, the role for a Housing Support Officer (or similar) in similar projects is shown in the table.

The CBA components are also transferable to areas with similar issues. The CBA results for this preliminary business case demonstrate a wider community benefit to support the infrastructure provision (albeit a share of value is capitalised as private property value). It provides a justification for Council or other levels of government to collaborate, advocate for funding and potentially contribute funding to enable the project to proceed, particularly where a funding or revenue source can be established. While the exact results of the CBA may vary from site to site, there will be common components of the CBA across areas with similar issues.

TABLE 8: GUIDANCE MATERIAL SECURING FUNDING FOR INFRASTRUCTURE

Key stages	Role of Housing Officer
Development of infrastructure and housing supply proposal	<p>Strategic and Needs Assessment: Assist council in developing a proposal that details the housing supply unlocked by the infrastructure and estimates of the cost of the required infrastructure. A clear 'project' case needs to be based on a sound development scenario justified by a realistic projection of housing demand. Questions to consider are:</p> <ul style="list-style-type: none"> What is the latent demand for housing in Newbridge? Where would the demand come from and over what time might an additional 330 lots be occupied? Does the level of realistic projected demand justify the size of the development proposal? <p>Scrutinising demand prospects relative to the development proposal will be important in threshold justifications for investment and thereafter to guide the scope of the project and investment size.</p>
Development of business case	<p>Building the investment case: undertake the economic and financial analysis (with consultant if necessary) to support the project case (including identifying appropriate financial and economic indicators consistent with State Government guidelines). A clear statement of costs and benefits, and the quantification methodology, will need to be included.</p>
Secure a financial guarantor	<p>Secure financial partner: assist council with identifying and securing a State agency to be a financial guarantor for the required capital, as warranted and justified by the business case.</p>
Identify funding mechanism	<p>Investigate funding options – in line with the financial capability of the stakeholders. Questions to consider are:</p> <ul style="list-style-type: none"> Can the beneficiaries of the capital investment or costs be split between private interests and the wider public?

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	<ul style="list-style-type: none"> What is the appropriate financing structure for example, combination of loan and grant conditional on the respective split between private landowners or beneficiaries relative to the public? What is an appropriate and justifiable funding mechanism that could apply to private landowners or entities, recognising the share of benefits accruing to these interests and based on the 'beneficiary pays' principle. <p>identify the appropriate funding solutions</p>
Seek financing	Support NHFIC application: provide council with assistance to obtain capital for infrastructure including with applications.

Source: SGS Economics and Planning

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Appendix A: Water and Sewerage Infrastructure Options Considered

Below are the water and sewerage options considered for Newbridge. These are direct excerpts from the Coliban Water report

Sewerage

Option 2 – Conventional Gravity System with Lagoon Plant

The use of Modified Conventional Sewerage is consistent with sewerage systems installed in other small towns across the Coliban Water region. Sewer mains are laid from every allotment that is to be serviced and run to a central pump station which pumps waste to be treated at a new Water Reclamation Plant. Sewers will be from 1m to 5 m deep. The pump station requires extensive works and the WRP requires land to be purchased.

This option requires 2400 m of gravity main, 25 manholes, one pump station and 3500 m of rising main to a WRP that is to be located outside the flood plain. The WRP is to be a lagoon based plant located on 64 ha of land. Reclaimed water is expected to be irrigated onto land using a centre pivot irrigator.

Each owner is required to run a new drain to their connection point

Option 3a – Pressure sewer system, truck to an existing system

While not used extensively in Coliban's systems, the pumps and small diameter pressure mains are a technology that is not uncommon and quite manageable from an operations and maintenance viewpoint. Pump stations are now purchased as off the shelf units and are relatively simple to install. The pump unit will be owned and maintained by Coliban Water. Future development of the area would require the use of similar methodology and is not as customer friendly as a conventional gravity system.

Pressure pipes of 50 mm and 63 mm diameter will be installed at about 1 m deep and run to a central collection point. A pump will be installed on every property. The pump will be connected to the owner's household power supply. The owner will connect their property drains to the pump station. Waste will be pumped to the central collection point from which it will be trucked away to an existing system on a regular basis.

Option 3b Pressure sewer system, truck to an existing system for 10 years and then construct a WRP.

This option is the same as Option 3a except that it is proposed to construct a WRP after 10 years. There is a risk that trucking waste to an existing system may be unsustainable if growth in Newbridge increases beyond Coliban Water's prediction. This option includes trucking for the first 10 years life of the scheme and then the construction of a lagoon based treatment plant with agricultural reuse within a 3.5 km to the west of Newbridge.

Option 4 Pressure sewer system, treatment at the recreation reserve and reuse on the recreation reserve.

The collection system is similar to option 3 but the waste is pumped to a mechanical treatment plant for treatment prior to reuse on the recreation reserve on the east side of the Loddon River and largely in the

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flood plain. A package treatment plant will be established together with a small winter storage. Subsurface irrigation is proposed as a means of reducing the risk of human contact with the treated waste at the Recreation Reserve.

Option 5, Household treatment, Pressure sewer system and irrigation of agricultural land

This option proposes that waste from every house be treated on site and the treated effluent pumped to a WRP. Small household treatment plants are commonly used on larger allotments with the treated waste being reused sustainably on site. Under this option for the smaller lot sizes in Newbridge, treatment plants and a pump would be constructed on each lot and the treated effluent pumped to a winter storage and reuse area. It is planned that the reuse area would be within 1 km of the town.

Option 6a Pressure sewer system, package treatment plant and agricultural reuse

The Pressure sewer system to be installed is the same as for option 3b. However, rather than initially trucking the waste to another WRP for treatment, the WRP is to be constructed up front. The sewage is to be treated in a package treatment plant, stored in a winter storage and then reused on agricultural land.

Option 6b Pressure sewer system, lagoon based treatment and agricultural reuse

This option is similar to Option 6a but utilises lagoons for the treatment of the waste. Lagoons require a larger buffer zone so this option requires a larger area of land than that needed for a package treatment plant. It is the same as Option 3b except that the WRP, winter storage and reuse area is constructed up front.

Option 7 Conventional Gravity Sewer with pipeline to Bridgewater WRP

This option is similar to Option 2, but instead of constructing a new lagoon based water reclamation plant near Newbridge township, utilises a rising main to pump effluent to the existing WRP in Bridgewater.

This involves a 16.3km rising main from Newbridge to the Bridgewater WRP.

Septic Tank Effluent Drainage

The Elmore and Lockington Systems are STED systems. A Septic Tank Effluent Drainage system would involve the installation of a similar length of pipe as the gravity system but pipes can be smaller and at a flatter grade as they carry liquid only. The assessment determined that this type of system would not provide any cost advantage over the gravity system. It has not been considered any further.

Septic Tank Effluent Pump

This is similar to the STED option except that pumps are installed after the septic tank and waste is pumped through a pressure system to the WRP. Coliban operates a STEP system for two houses in Kangaroo Flat and Chelsworth Park in Echuca with about 160 houses. The whole of life costs are not expected to be significantly less than a Pressure sewer system. This option does not provide an advantage over the Pressure sewer system. It has not been considered further.

Vacuum System

While a vacuum sewerage system is technically feasible, the options assessed above present outcomes with lesser risk. It has not been considered further.

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Recycling

Wastewater trucked to another sewerage system, will be reused in accordance with the established reuse system in that town. Should a WRP be established at Newbridge, the community will be consulted about opportunities for reuse in and around the town.

Water***Option 2 – Pipeline from Bridgewater/Inglewood system***

Connection of Newbridge via a new pipeline from the Bridgewater WTP.

Scope of works:

- New transfer pipeline from Bridgewater WTP to a new tank in Newbridge. 18 km of DN100 pipework and dedicated pump station at Bridgewater WTP site. As well as 2 km of DN100 pipework transferring water from the storage reservoir to the reticulated system.
- 100 kL tank at Newbridge (180 kL tank to service both side of Loddon River). Located adjacent to the Wimmera Hwy to the west of Newbridge at an elevation to allow gravity supply to the town. Sized to provide 16 hours capacity on a peak day.
- Allowance for a booster chlorinator at the Newbridge tank to maintain chlorine residual at the customer tap.
- Reticulation of town based on the East Loddon Water Supply Stage 1 Feasibility Study (W3Plus) on the Western side of Loddon is proposed to service 50 lots. An allowance has been included for the addition of a reticulation system and bridge crossing to service the properties within the township zone on the Eastern side of Loddon River

Option 3 – Pipeline from Tarnagulla (Laanecoorie system)

Connection of Newbridge via a new pipeline from the Bridgewater WTP.

Scope of works:

- New transfer pipeline from Laanecoorie WTP to a new tank in Newbridge, with the interface being at Tarnagulla. 6.2 km of DN100 pipework gravitates to the water supply tank, with 2 km transferring water from the water supply tank to reticulation system.
- 100 kL tank at Newbridge (180 kL tank to service both side of Loddon River). Located adjacent to the Wimmera Hwy to the west of Newbridge at an elevation to allow gravity supply to the town. Sized to provide 16 hours capacity on a peak day.
- Allowance for a booster chlorinator at the Newbridge tank to maintain chlorine residual at the customer tap.
- Reticulation of town based on the East Loddon Water Supply Stage 1 Feasibility Study (W3Plus) on the Western side of Loddon is proposed to service 50 lots. An allowance has been included for the addition of a reticulation system and bridge crossing to service the properties within the township zone on the Eastern side of Loddon River

Option 4 - New Water Treatment Plant (South West Loddon Pipeline)

Connection of Newbridge via a new pipeline connecting to the Southwest Loddon Pipeline. Water supply will be transferred to a new WTP at Newbridge via a pump station.

Scope of works:

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- New 2 km transfer pipeline from Southwest Loddon Pipeline to a new WTP at Newbridge, including pipeline from water supply tank to reticulation system.
- New WTP to treat the Southwest Loddon Pipeline influent.
- 100 kL tank at Newbridge (180 kL tank to service both side of Loddon River). Located adjacent to the Wimmera Hwy to the west of Newbridge at an elevation to allow gravity supply to the town. Sized to provide 16 hours capacity on a peak day.
- Reticulation of town based on the East Loddon Water Supply Stage 1 Feasibility Study (W3Plus) on the Western side of Loddon is proposed to service 50 lots. An allowance has been included for the addition of a reticulation system and bridge crossing to service the properties within the township zone on the Eastern side of Loddon River

PRELIMINARY

OFFICIAL

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PRELIMINARY



OFFICIAL

8.4.3 Play Spaces Development Policy

Directorate: Communities

Responsible Officer: Recreation Planner

Manager: Manager Recreation

Attachments:

1. DRAFT Play Spaces Development Policy September 2023 [8.4.3.1 - 7 pages]
2. 138- Play-spaces-development [8.4.3.2 - 7 pages]

1. PURPOSE

This report seeks Councillor approval to undertake Community Engagement on the proposed Play Spaces Development Policy.

2. RECOMMENDATION

That Council

1. **Endorse officers to undertake community engagement on the draft Play Spaces Development Policy for a period of four weeks commencing 25 September 2023.**

3. DISCUSSION

Play spaces in Campaspe Shire are a vital part of the open space network and play a fundamental part of childhood development. Spaces that provide play for all ages and abilities, that are engaging and diverse, contribute to positive health and wellbeing outcomes through encouraging physical health and providing places for social connection.

The current Play Spaces Development Policy was adopted by Council in October 2017. A complete review and update has taken place to progress the proposed Play Spaces Development Policy has been developed in line with the Campaspe Open Spaces Strategy that was adopted at the 15 June 2022 Council meeting.

The proposed Play Space Development Policy introduces a set of supporting principles which align with the Open Space Strategy and removes the current playground classification and playground matrix as these documents now form part of the 2022 Open Space Strategy.

The proposed Play Spaces Development Policy has retained the Play Space Planning and Design Guidelines with the inclusions for a preferential use of recycled and sustainable materials, the temporary use of shade structures and noting the potential safety hazards of placing signage on fencing.

Application of the proposed Play Spaces Development Policy principles will significantly increase best practice when developing play spaces throughout the Shire. More than just selecting catalogue equipment, these principles and guidelines encourage aspirational considerations in play spaces while recognising the varying interests and capabilities of the community.

The proposed Play Spaces Development Policy seeks to affirm Council's commitment to the provision of inclusive, accessible, modern, healthy, and sustainable use of play spaces that provide a diverse range of play opportunities that are safe, innovative, and encourage developmentally appropriate play experiences for all ages and abilities.

Open community engagement will commence for a period of 4 weeks between Monday 25 September 2023 to Sunday 22 October 2023 via Council's website and targeted key stakeholders including, but not limited to schools, parents' and carers groups, senior citizen groups and place-based planning committees.

4. CONSULTATION

Internal consultation:

- Strategic Planning Department
- Parks & Gardens Department
- Operations Department
- Executive Leadership Team 19 July 2023 and 30 August 2023

External consultation:

This report is requesting that community engagement commence from 25 September 2023.

Councillors:

- 1 August and 5 September 2023 Council Briefing Session.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Well planned places

Attractive and useable sites of importance

Land and underlying infrastructure suitable for growing populations

Quality, attractive recreational spaces

Growing quality of life

Communities have a say on local infrastructure and attractions that stimulate engagement and activity

Children, young people and families healthy and well

6. POLICIES AND RELATED COUNCIL DOCUMENTS

Open Space Strategy 2022-2032

Asset Management Plan 2022-2032

Access and Inclusion Strategy 2022-2026

Active Transport Strategy 2019

Community Engagement Policy 2021

Landscape Plan Guide 2020

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

This report and its attachments have been prepared in accordance with the requirements of *Section 9(2)(a) of the Local Government Act 2020 (Vic)*. The Play Spaces Development Policy will assist Council to make strategic, sustainable and equitable decisions regarding play space provision.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

There are no financial implications with this report.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

The policy will assist Council to make strategic, sustainable and equitable decisions regarding play space provision in our region and to ensure that play spaces in the Campaspe Shire Council area are appropriately planned, developed and managed, and valued by our community.

10. ISSUES AND RISK MANAGEMENT

Issues:

Issue 1:

Low participation rates in the engagement opportunity due to the high-level nature of the proposed policy.

Risk:

Risk	Likelihood	Consequence	Rating	Mitigation action
Low participation/engagement.	Medium	Minimal external feedback from the community.	Low	Notifying community through the wide distribution of newspapers, social media and direct notification of various community groups and key stakeholders.

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

11. CONFLICT OF INTEREST

In accordance with Section 130 of the *Local Government Act 2020*, the officer preparing this report declares no conflict of interest regarding this matter.

12. CHARTER OF HUMAN RIGHTS

This Report has considered and complies with the Human Rights and Responsibilities in the Victorian Charter of Human Rights and Responsibilities Act 2006.

13. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegations by the Chief Executive Officer in so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

Play Spaces Development Policy



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1. Purpose

The purpose of this policy is to:

- Provide guidance to the development and renewal of play spaces in Campaspe Shire to align with the open space hierarchy, including Local, District and Regional play spaces as a key focus as determined through the Open Space Strategy 2022-2032.
- To show Council's commitment to the provision of inclusive, accessible, modern, healthy, and sustainable use of public open spaces that provide a diverse range of play opportunities that are safe, innovative, and encourage developmentally appropriate play experiences for all ages and abilities.

2. Scope

This policy applies to Council employees (including full time, part time, casual employees, agency staff and students). The policy is also applied in the management of contractors, volunteer groups, and consultants of Campaspe Shire Council.

3. Policy Statement

Council is committed to developing play spaces that encompass the essential elements of social, physical, and cognitive development. Our public open spaces provide locations in which play environments can be developed using both structured and natural features to offer a diversity of play opportunities.

To support this commitment, Council places a high priority on the use of natural and landscape designs and features with a considered use of contemporary play equipment installations to maximise play opportunities for people of all ages and abilities.

4. Principles

The principles supporting this policy are:

1. Sustainable Distribution
2. Service Standards
3. Accessibility and Diversity
4. Safety
5. Shade and Fencing
6. Amenities

4.1. Sustainable Distribution

A hierarchy of play spaces is required to reflect equity in location and population and to ensure play spaces are distributed at scale to demand and evidence based need. The Campaspe Open Space Strategy prescribes the distribution of play spaces based on this policy. Play spaces will be classified as Local, Regional and District.

4.2. Service Standards

A summary of service standards that will guide the design and development of Local, District and Regional play spaces is shown in the table below.

Local Level	Description
-------------	-------------

Purpose	A local level play space will primarily cater for people living and working within walking distance. These spaces are developed with a small allocation of traditional play equipment and complemented with some forms of natural play.
User Catchment	Usually accessible for foot or by bike, with majority of residents in high density areas having access to an open space.
Types of facilities	Park furniture, pathways for accessibility, a small allocation of play equipment and/or nature play design with provision of adequate shade through plantings, water sensitive urban design landscaping, limited irrigated lawn area for informal ball games and small group activities.

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District Level	Description
Purpose	A district level play space will be of a higher quality with a diversity of character in good locations that cater for one of more neighbourhoods. It is intended that smaller towns will be better serviced by a single district play space rather than by several local play spaces.
User Catchment	These spaces generally attract users from the town and surrounding district. Patrons may visit by car, bike or foot.
Types of facilities	Park furniture, pathways for accessibility, areas for unstructured sport and play, diverse opportunities for play for a range of ages and abilities. Consideration for shelter and natural shade over play spaces and park furniture. Use of natural landscape and landform features for play opportunities with water sensitive urban design landscaping. Larger areas of limited irrigated grass for informal ball games and play with area sufficient for medium sized group activities.

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Regional Level	Description
Purpose	A regional level play space will provide the entire municipality and beyond and contains assets and/or attractions that are of the highest level in the municipality.
User Catchment	A travel destination for some, access usually by car and often attracts visitors from other regions.
Types of facilities	This space would have access to toilets within reasonable walking distance, BBQ facilities and shelter. A play space or some form of play element might be part of the space, including space for informal recreation. Shade (preferably natural) and drinking water is available. Facilities to support events would be available or made available.

4.3. Accessibility and Diversity

- Play spaces will be inclusive and cater for a range of abilities and needs through design, layout choice of materials in construction.
- Play spaces will be designed and maintained to provide a high play value, incorporating:
 - Challenging and fun physical play
 - Stimulating cognitive play
 - Creative play
 - Opportunities for social and interactive play.
- Play spaces will be designed to integrate with associated landscapes, landforms, infrastructure, and will provide a focus on natural forms of play materials and structures, with a balanced use of contemporary play equipment.
- Play spaces will be sited and designed to provide accessible connections to the range of paths, trails, and road networks servicing the local community.
- Where possible, specific use equipment for outdoor fitness equipment, skate boarding, scooters and free style biking should be integrated with other play spaces and community amenities.

4.4. Safety

- The safety of users is a high priority, with design considering the balance between risk and providing play spaces that are challenging both physically and cognitively.
- All play spaces will be designed and maintained in accordance with relevant Australian standards, codes, and guidelines.
- Play spaces will be subject to a comprehensive inspection and compliance program to ensure safety and sustainability of design intent.
- Incorporate public safety considerations in the design and provision of play spaces, including Crime Prevention through Environmental Design principles.

4.5. Shade and Fencing

- Provide shade through approved shade structures or tree planting.
- Consideration of part fencing, barriers, or landscape buffers in situations where a play space is impeded by a water body or busy road.

4.6. Amenities

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- All amenities will be determined through the prescribed hierarchy of play spaces outlined in the Open Space Strategy.

5. Definitions

Terms and definitions used in this policy include:

Term	Details
Play Space	A space that includes a range of play features and opportunities for all ages and abilities by incorporating landscapes, natural play elements and/or contemporary play equipment.
Contemporary Play Equipment	An installed structure or combinations of structures designed and manufactured to provide a range of play, fitness and motor skills, coordination activities, Contemporary Play Equipment can include structures and installations for skateboard, scooter, and free style biking activity.
Inclusive Play Space	Utilises principles of inclusive design and accessibility, creating spaces people of all ages and abilities can enjoy.

6. Acknowledgements

6.1. Traditional Owners

Campaspe Shire is the traditional lands of the Dja Dja Wurrung, Taungurung and Yorta Yorta Peoples. We respect and acknowledge their unique Aboriginal cultural heritage and pay our respect to their ancestors, descendants and emerging leaders as the Traditional Owners of this country. We acknowledge their living culture and their unique role in the life of this region.

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Policy Information

Document Number:	ECM Number when finalised		
Document Type:	Council Policy		
Document Status:	In Draft (New Policy)		
Policy Owner (by position):	Manager Recreation		
Internal Endorsement Required:	Not applicable		
Final Approval By:	Council		
Date Approved:	19/09/2023		
Evidence of Approval:	Minutes dated: 19/09/2023		
Version	1	Frequency of Review	4 Years
Review Date:	31/08/2027		
Related Legislation:	Local Government Act 2020 Victorian Charter of Human Rights and Responsibilities Act 2006 Gender Equality Act 2020 Victorian Disability Act 2020 AS 1428 – Design for Access and Mobility AS 4685 – Playground Equipment AS 4422 – Playground Surfacing AS 16630 – Permanently Installed Outdoor Fitness Equipment		
Related Strategic Documents, Policies, or Procedures	Council Plan 2021-2025 Open Space Strategy 2022-2032 Asset Management Plan 2022-2032 Access and Inclusion Strategy 2022-2026 Active Transport Strategy 2019 Community Engagement Policy 2021 Landscape Plan Guide 2020 Play Space Planning and Design Guidelines		
Attachments:	Play Spaces Planning and Design Guidelines		
Date Rescinded:	Click or tap to enter a date. or Not Applicable <input checked="" type="checkbox"/>		

Approval History: Date:	Reason for review
31/03/2023	The Play Spaces Development Policy is being reviewed in line with the adoption of the Open Space Strategy 2022-2032. Adopted 18 September 2012 Minute Book Reference No 1257 (Item 4.18) Adopted 20 August 2013 Minute Book Reference No 1041 (Item 6.3) Revised 19 August 2014 Minute Book Reference No 878 (Item 6.1) Revised 17 October 2017 Minute Book Reference No 2865 (Item 6.3)

Currency: Documents are amended from time to time; therefore, you should not rely on a printed copy being the current version. Please consult the Campaspe Shire Council website to ensure that the version you are using is up to date. This document is available in alternative formats (e.g. larger font) if requested.

Attachment 1 – Play Spaces Planning and Design Guidelines

These guidelines provide direction as to the general service standards, features, and elements for the planning, design, and construction of play spaces in the Campaspe Shire.

	Action
Access & Inclusion	
To provide safe and convenient access to play spaces and for spaces to be designed to promote inclusiveness for people of all abilities and ages.	<p>Provide play elements for people with a disability, incorporate physical access and a range of sensory components.</p> <p>Access to the site by pathways and connections, as well as pathways throughout the space, connecting play elements and amenities.</p> <p>Including everyone into the space, not just with ramps or specific wheelchair swings, investigate other options; raised sandboxes, high backs on swings with arm rests.</p>
To provide a diverse range of age appropriate play opportunities and landscaping at different play spaces throughout the municipality that encourage social interaction, imaginative play and the development of motor skills.	<p>Provide opportunities for active play for children to test and develop their capabilities and skills.</p> <p>Incorporate play elements that encourage all different types of play; social play, physical activity, creative and games of imagination.</p> <p>To work with stakeholders to create unique and attractive play facilities which reflect the needs of young people - incorporating a range of different materials, landscaping and art.</p>
Community Engagement	
Engage with children, schools and carers to develop play spaces that meet the needs of the community.	All residents and particularly young people will be invited to be involved in the development of play spaces (new or renewal), local, district and regional play spaces and any other play space of significance.
Linkages	
Play spaces will be connected to communities by different modes of transport and connections; cycling/walking networks, roads and pathways.	Providing bike tracks, walking paths and safe road crossings where appropriate to improve connectivity to play spaces.
Location of play spaces will consider walkable distance of local play spaces and good access to district and regional play spaces.	
Safety	
Play spaces developed, managed and maintained to a safe standard and in accordance with relevant guidelines and regulations.	Ensure that play spaces are maintained and inspected on a regular basis internally and externally when required.
Play spaces and play spaces to be developed within sites that meet the public open space guidelines.	<p>Incorporate public safety considerations in the design and provision of play spaces, including Crime Prevention Through Environmental Design principles.</p> <p>Avoid isolated pockets of land and areas which have limited passive surveillance.</p>
Fences, shade and surfaces	
Barriers or fences near or around play spaces will be provided only when there is an identifiable risk.	Where fencing is required, alternative forms of fencing should be investigated. Pool style fencing

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<p>Should fencing be required, signage on fencing is not permitted as it is deemed a safety hazard.</p> <p>Surfaces will reflect the character and nature of the play space and meet related standards.</p> <p>Shade to be provided at play spaces, considering the benefits of natural shade over shade structures</p>	<p>around equipment is not encouraged and using a barrier as part of the play should be considered.</p> <p>Appropriate surfacing will be investigated for different play spaces that comply with fall zones and the relevant standards.</p> <p>Where practical, undertake shade tree planting in and around play spaces. The provision of shade from built structures may be considered if shade cannot be effectively provided by trees.</p> <p>In the circumstance of new immature tree plantings, a temporary shade structure may be considered while awaiting tree growth.</p>
Amenities	
The provision of supportive infrastructure will be consistent with the classification hierarchy of each play space (local, district and regional).	Toilets, picnic tables, seating, bins, BBQs and sheltered areas are provided for play space, dependent on the ranking in the play spaces classification hierarchy.
Equity	
An equitable distribution of play spaces throughout the municipality that caters for the needs of each community and provides reasonable access to all residents.	<p>Use the guide of the 400m catchment area and walking distance for a local play space.</p> <p>District play spaces generally serve a 400m to 2km radius and can act as a local play space for residents within the 400m catchment.</p> <p>Regional play spaces service the entire town and surrounding townships.</p>
Aesthetics	
Play spaces will be designed and constructed to provide opportunities for children to develop key skills and behaviours through active, social and creative play.	<p>Use play materials that complement the neighbourhood character, the look and feel of the park with a preference for recycled and sustainable materials where appropriate.</p> <p>Integrate new play equipment with existing trees, garden beds, mounds, historic or other features including signage for storytelling.</p> <p>Use the natural environment where possible, include materials such as rocks, logs and vegetation.</p>

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PLAY SPACES DEVELOPMENT

COUNCIL POLICY NUMBER 138

Date Adopted 17 October 2017

Scheduled for review November 2018



COUNCIL POLICY
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COUNCIL POLICY

PURPOSE

To guide the planning and design of play spaces in the Shire of Campaspe.

To ensure that new and replacement play space infrastructure is developed in accordance with the planning and design guidelines, across the Shire of Campaspe.

To ensure that play spaces are safe and innovative, and encourage developmentally appropriate play experiences for children, according to one of the key aims of Play Australia.

POLICY STATEMENT

1. Aim

To ensure the provision of high quality, safe and attractive play spaces located throughout the Shire of Campaspe in accordance with Council's agreed service levels.

2. Objectives

- a. To provide high quality, well maintained play spaces that comply with current Australian Standards.
- b. To address accessibility within and to play spaces for people with a disability.
- c. To ensure play spaces are provided within the community which offer active, playful, learning and social experiences for a range of children.
- d. To provide an equitable distribution of playgrounds to residents across the Shire.
- e. To promote safe use and enjoyment of public open space and amenities through appropriate siting and design.
- f. To ensure the community's needs are addressed through appropriate community engagement.
- g. To ensure new play spaces and the renewal of existing play spaces implement the planning and design guidelines.

3. Policy

It is policy to:

- a. encourage play spaces;
 - i. playgrounds may be considered at sites that are identified within the Playground Strategy 2007 (as amended, attachment A).
 - ii. playgrounds are at a ratio of 1 playground per 700 people for all towns where the population exceeds 100 people.
- b. promote the development and renewal of play spaces and playgrounds that satisfy the playground classification matrix (attachment B) and the planning and design guidelines (Attachment C).
- c. promote accessible play features, pathways and amenities to play spaces in accordance with the playground classification matrix and the planning and design guidelines.
- d. promote the integration of bicycle tracks, walking paths and connectivity within the renewal and development of new play spaces.
- e. assess public safety in the design and location of play spaces in line with the planning and design guidelines.
- f. discourage the development and renewal of isolated pockets of land and areas which have limited passive surveillance.

- g. encourage all play spaces to be developed to maximise opportunities for play to test and develop children's capabilities and skills.
- h. promote all play elements across a play space which encourage the following types of play; social play, physical activity, creative and games of imagination.
- i. promote the use of play materials that complement the neighbourhood character, the look and feel of the location and surrounding natural and built environments.
- j. consider consultation with the community, especially young people, as part of the renewal of an existing play space or the development of a new play space identified in the classification matrix as a regional or district playground (or high profile play space).

EXCLUSIONS

Nil

HUMAN RIGHTS

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

DEFINITIONS

Play space	a space that includes a range of play features and opportunities for children e.g. run-about areas, natural play elements and/or play equipment.
Playground	an area that contains play equipment for children.

RELATED LEGISLATION

Related Policies

All Council policies relating to play space development should be read in conjunction with this policy. Specifically, the following existing policies have been identified as being directly related to the development of play spaces;

Sustainable Asset Management	Policy No 91
Asset Rationalisation	Policy No 118

ATTACHMENTS

Attachment A - Playground Classification Allocation
Attachment B - Playground Classification Matrix
Attachment C - Playground Planning and Design Guidelines

REVIEW PERIOD

One year

RESPONSIBLE OFFICER

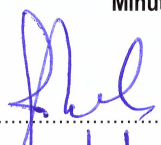
Recreation Manager

APPROVAL HISTORY

Adopted	18 September 2012	Minute Book Reference No	1257 (Item 4.18)
Adopted	20 August 2013	Minute Book Reference No	1041 (Item 6.3)
Revised	19 August 2014	Minute Book Reference No	878 (item 6.1)
Revised	17 October 2017	Minute Book Reference No	2865 (item 6.3)

Chief Executive Officer

Dated


25/10/2017

ATTACHMENT A - PLAYGROUND CLASSIFICATION

The Playground Strategy adopted in 2007 and reviewed in 2012 assessed all playgrounds on a classification scale depending on their conformance to criteria in four categories. These categories have since been expanded to include planning and design guidelines.

The playground classifications are as follows:

Regional

These playgrounds provide a variety of play experience for a number of age and ability levels by using equipment and other unique play elements. Regional playgrounds are supported by a range of associated facilities that allow for multiple hour visits and are well located to service a number of districts. Regional Playgrounds are generally large in size and provide enough area of open space to allow for informal recreational activities. They have high usage and provide access for people with a disability.

District

District playgrounds feature a variety of play experiences for a number of ages and abilities. They may also feature natural play elements that suit the sites location and surroundings. They can be supported by other facilities such as toilets and seating but not usually to the extent of regional playgrounds. They are medium to large size and can also be next to larger parks and/ or reserves to encourage informal active recreation. They have high usage and provide access for people with a disability.

Small township

In smaller towns with 1 or 2 playgrounds they usually have one playground with more infrastructure and amenities. These playgrounds are categorised as small township playgrounds as they are located in prominent areas, cater for the whole town and can sometimes have more usage then local playgrounds in larger towns. They are more diverse then local playgrounds and have some level of access for people with a disability.

Local

These playgrounds are located close to residential areas to provide basic play opportunities for the surrounding neighbourhood. They generally have limited equipment and are used for shorter time periods. While they aren't always diverse they do add value to the community and play an important part in health and well being.

Please refer to attachment B – Playground Classification Matrix for a more detailed explanation.

All Council's playgrounds have been classified using the criteria describe in Attachment B.

* Council inspects but the committee of the reserve is responsible for replacement and maintenance

** Playgrounds not managed or owned of Shire of Campaspe

Regional Moama Adventure Playground**
District (3) Echuca Apex Park Hopwood Gardens, Echuca John Pilley Reserve, Kyabram Fauna Park**
Small Township (9) Colbinabbin Memorial Hall Winter Road Playground, Girgarre Gunbower Apex Park Lockington Lions Apex Park Rushworth Lions Park Stanhope Lions Park

Potts Village Green, Tongala
Rochester Lions Park
Rochester Rotary Park
Local Playgrounds (30)
Colbinabbin Recreation Reserve *
<i>Alton Reserve, Echuca (not developed)</i>
<i>Banyule Reserve, Echuca (not developed)</i>
<i>Echuca West, Echuca (not developed)</i>
Echuca East School (Barry St)
Central Park, Echuca
Echuca South Netball Complex
South St & Towle Court Playground, Echuca
Murrumbidgee Drive Playground, Echuca
Park Drive Playground, Echuca
Garden Crescent Playground, Echuca
Wilson Court Playground, Echuca
Echuca Lions Park
Victoria Park, Echuca
Girgarre Recreation Reserve Playground *
Banyule Court Playground, Kyabram
Crow Crescent Playground, Kyabram
Drum Street Playground, Kyabram
Edis Park, Kyabram
Fredrick Street Playground, Kyabram
Glass Court Playground, Kyabram
Jaycee Park Playground, Kyabram
McCormick Reserve Playground, Kyabram
Prunus Court Playground, Kyabram
Poplar Street Playground Kyabram
Ky Valley Community Park
Clare Ave Playground, Lockington
Lockington Recreation Reserve Playground
Rochester Apex Park
Rochester Recreation Reserve Playground
Rankin Street Playground, Rochester
Geyle Reserve Playground, Rushworth
Tongala Recreation Reserve Playground *
Tongala Lions Park

Attachment B

Playground Classification Matrix

Classification	Size/Location	Play equipment	Amenities	Catchment area	Maintenance	Usage	Access & Inclusion
<u>Regional Playgrounds</u> Provide a variety of play experiences for a number of age and ability levels. Regional playgrounds are supported by a range of associated facilities that allow for multiple hour visits and are well located to service a number of districts.	Provide enough area of open space to allow for informal recreational activities such as kite flying, informal cricket, ball throwing etc. Retain natural environmental features such as trees, hill, creeks etc. Located in a prominent location, that is central to the population it serves.	Feature a variety of play equipment for all ages and abilities. Be unique in design, have a strong theme and often incorporate artwork. Playgrounds might typically contain a junior and senior combination unit, double swing set, a feature piece of equipment, a challenging yet safe environment and will also incorporate the natural environment. Other play experiences besides equipment might be utilised, the location and surroundings of the space should influence the design.	Seating for 10+ people 1-3 bins 2 -3 picnic tables 1 Drinking fountain BBQ Toilets with an accessible toilet Natural shade throughout the space, where possible Security lighting Car parking Bike racks Connections to cycling/walking tracks Consistent signage	Located in towns with a population of over 10,000 Have a catchment of an entire town plus surrounding townships	Weekly and quarterly inspections by the Parks & Gardens team. Annual inspections completed by external auditor.	High levels of usage Multiple hour visits Use more for an activity and outing rather than a quick play	Provide for people with a disability through the provision of accessible amenity facilities and a number of accessible play areas. Play opportunities are provided for all age groups and abilities where they are able to experience play together.
<u>District Playgrounds</u> Provide a wider variety of play experiences than local playgrounds and cater for a broader range of ages and abilities.	Medium to large playgrounds usually situated within larger parks/reserves to encourage informal active recreation pursuits.	Feature a variety of play equipment for all ages and abilities. Junior and senior combination unit, double swing set, spring rockers and slide. May also feature natural play elements and other play elements that suit the sites location and surroundings.	Seating for 5- 10 people 1-2 bins 1-2 picnic tables 1 drinking fountain BBQ Toilets within 500m Natural shade throughout the space, where possible Security lighting Car parking Bike racks Connections to cycling/walking tracks Consistent signage	500m - 2km radius Acts as a local facility for people living within a 500 metre catchment zone.	Weekly and quarterly inspections by the Parks & Gardens team. Annual inspections completed by external auditor.	High levels of usage 1 - 2 hour visits though can also act as a local playground and shorter visits	Have some level of accessibility for people with a disability, particularly pathways to equipment. A diverse range of play opportunities for all age groups and abilities.
<u>Small township playgrounds</u> In smaller towns the local playgrounds might be known as township playgrounds and can have more equipment, space and amenities than the smaller local playgrounds.	Usually small to medium in size and would be regarded as the main playground in the town.	A basic level of equipment: combination unit, double swing set with toddler and/or spring rockers. Equipment can sometimes be more than what is usually provided in a local playground. May also feature natural play elements and other play elements that suit the sites location and surroundings.	Seating for 1-5 people 1 bin Natural shade, somewhere within the play space Consistent signage **BBQ **toilets within 500m **picnic facilities (** some of the bigger sites have BBQ facilities and toilets)	Usually service the whole town and are in a walkable distance for most of the residents.	Weekly and quarterly inspections by the Parks & Gardens team. Annual inspections completed by external auditor.	Higher usage than smaller local playgrounds and visits have the potential to be longer and in conjunction with use of amenities (BBQ, picnic table etc).	While these playgrounds aren't always diverse they do add value to the community and play an important part in health and well being. It's important that they still are guided by the playground principles and have some accessible components or pathways.
<u>Local Playgrounds</u> Located close to residential areas to provide basic play opportunities for the surrounding neighbourhood. They generally have limited equipment and are used for shorter time periods.	Small in size and ideally accessible via a safe path network. Campaspe has a few "pocket" Playgrounds where visibility is low and the playground is surrounded by rear and side fences. These types of playgrounds aren't recommended.	Provide a basic level of equipment: Combination unit, double swing set with toddler and and/or spring rockers. May also feature natural play elements and other play elements that suit the sites location and surroundings.	Seating for 3 people 1 bin Natural shade, somewhere within the play space	500m radius (taking into consideration barriers such as major roads, rivers, etc)	Weekly and quarterly inspections by the Parks & Gardens team. Annual inspections completed by external auditor.	Shorter visits with low - medium usage.	While these playgrounds aren't always diverse they do add value to the community and play an important part in health and well being. It's important that they still are guided by the playground principles and have some accessible components or pathways.

Attachment C

Playground Planning and Design Guidelines

Guideline	Action
Access & Inclusion	
To provide safe and convenient access to play spaces and for spaces to be designed to promote inclusiveness for people of all abilities and ages.	<p>Provide play elements for people with a disability, incorporate physical access and a range of sensory components.</p> <p>Access to the site by pathways and connections, as well as pathways throughout the space, connecting play elements and amenities.</p> <p>Including everyone into the space, not just with ramps or specific wheelchair swings, investigate other options; raised sandboxes, high backs on swings with arm rests.</p>
Diversity	
To provide a diverse range of age appropriate play opportunities and landscaping at different playgrounds throughout the municipality that encourage social interaction, imaginative play and the development of motor skills.	<p>Provide opportunities for active play for children to test and develop their capabilities and skills.</p> <p>Incorporate play elements that encourage all different types of play; social play, physical activity, creative and games of imagination.</p> <p>To work with stakeholders to create unique and attractive play facilities which reflect the needs of young people - incorporating a range of different materials, landscaping and art.</p>
Community Engagement	
Engage with children, schools and carers to develop playgrounds that meet the needs of the community.	All residents and particularly young people will be invited to be involved in the development of play spaces (new or renewal), regional and district play spaces and any other place space of significance.
Linkages	
<p>Play spaces will be connected to communities by different modes of transport and connections; cycling/walking networks, roads and pathways.</p> <p>Location of playgrounds will consider walkable distance of local playgrounds and good access to district and regional playgrounds.</p>	Providing bike tracks, walking paths and safe road crossings where appropriate to improve connectivity to play spaces.
Safety	
Playgrounds developed, managed and maintained to a safe standard and in accordance with relevant guidelines and regulations.	Ensure that play spaces are maintained and inspected on a regular basis internally and externally when required.
Play spaces and playgrounds to be developed within sites that meet the public open space guidelines.	<p>Incorporate public safety considerations in the design and provision of play spaces, including Crime Prevention through Environmental Design principles.</p> <p>Avoid isolated pockets of land and areas which have limited passive surveillance.</p>

Attachment C

Fences, shade and surfaces

Barriers or fences near or around playgrounds will be provided only when there is an identifiable risk.

Where fencing is required, alternative forms of fencing should be investigated. Pool style fencing around equipment is not encouraged and using a barrier as part of the play should be considered.

Surfaces will reflect the character and nature of the play space and meet related standards.

Appropriate surfacing will be investigated for different playgrounds that comply with fall zones and the relevant standards.

Shade to be provided at play spaces, considering the benefits of natural shade over shade structures.

Where practical undertake shade tree planting in and around play spaces. The provision of shade from built structures may be considered if shade cannot be effectively provided by trees.

Amenities

The provision of supportive infrastructure will be consistent with the classification matrix of each playground (local, district and regional).

Toilets, picnic tables, seating, bins, BBQs and sheltered areas are provided for playgrounds, dependent on the ranking in the playground classification matrix.

Equity

An equitable distribution of playgrounds throughout the municipality that caters for the needs of each community and provides reasonable access to all residents.

Use the guide of the 500m catchment area and walking distance for a local playground.

District playgrounds to generally serve a 500m to 2km radius and can act as a local playground for residents within the 500m catchment.

Regional playgrounds service the entire town and surrounding townships.

Ensure an appropriate ratio is maintained, using the playground strategy review figures.

Aesthetics

Play spaces will be designed and constructed to provide opportunities for children to develop key skills and behaviours through active, social and creative play.

Use play materials that complement the neighbourhood character, the look and feel of the park.

Integrate new play equipment with existing trees, garden beds, mounds, historic or other features.

Use the natural environment where possible, include materials such as rocks, logs and vegetation.

8.4.4 Lockington Recreation Reserve Oval Lighting

Directorate: Communities

Responsible Officer: Recreation Coordinator

Manager: Manager Recreation

Attachments:

1. 2023 Lockington RR Fixture [8.4.4.1 - 1 page]
2. Night Football Games in Neighboring Regions 2019-2023 [8.4.4.2 - 1 page]
3. Lockington RR - Existing Floodlighting Installation Audit Report and 50 lux requirements [8.4.4.3 - 9 pages]
4. Lockington RR - 100 Lux opinion of costs 2023 [8.4.4.4 - 1 page]
5. Lockington RR - 150 Lux opinion of costs 2023 [8.4.4.5 - 1 page]

1. PURPOSE

To provide Council with information regarding the lighting at Lockington Recreation Reserve oval and seek confirmation of the service level of Local level reserves to achieve the appropriate minimum oval lighting requirements.

2. RECOMMENDATION

That Council:

1. **Reaffirm the service levels for oval lighting at Local Level Recreation Reserves is 50 Lux.**
2. **Endorse commitment of \$75,000 plus GST of Council funds towards the upgrade of the oval lighting at Lockington Recreation Reserve to achieve the required minimum 50 lux oval lighting standards.**

3. DISCUSSION

The Lockington Recreation Reserve is part owned by Council and part owned by DEECA.

All oval lighting infrastructure is located on Council owned land. The Reserve is managed by the Lockington Recreation Reserve Inc. (LRR) through a management agreement, with Council providing LRR with an annual maintenance contribution in accordance with the Contribution to Recreation Reserves Maintenance Policy.

The Lockington Bamawm United Football Netball Club (LBUFNC) is the only organised sporting user group for the oval, with 2 x adult football teams and 3 x junior football teams using the ground for competition and training.

In the past, two of the junior football teams have used the oval for twilight/night competition purposes, choosing to play home games on Friday night in preference to Saturday or Sunday. However, in 2023 no night games have been fixtured with games played on Saturdays and Sundays.

The Australian Lighting Standards (series 2560.2.3) and AFL Preferred Facility Guidelines require the following lighting levels of ovals for football purposes:

Table 1: Oval lighting requirements for Australian Football

Amateur level (local, remote, junior, school venues)				
Level of play	Typical activity	Average Illuminance (Lux)	Uniformity U1	Uniformity U2
Ball and physical training	May be suitable for training at local club level	50	0.3	NA
Club Competition and Match Practice	Minimum requirement suitable for competition at local club level. Provides minimal viewing distances for spectators.	100 <i>Note: While 100 Lux is the minimum for club night competition, the AFL recommends a minimum of 150 Lux for contemporary spectator requirements.</i>	0.5	0.3

Council's reserve hierarchy, or classification, require local level recreation reserves to have a minimum 50 lux oval lighting where there is a football club user group at the venue. This is consistent with the AFL Preferred Facility Guidelines and Australian Standards for minimum training requirements for Australian Football.

NB: The AFL has indicated that the AFL Preferred Facility Guidelines are currently being reviewed with oval lighting to be looked at in greater detail. No specific timeframe was communicated for when the reviewed guidelines will be publicly available.

Lighting Quality

LRR have requested the lights be upgraded to 100 lux. The results from electrical contractor assessment of lights were compared against the minimum requirements as prescribed by the Australian Lighting Standards and the AFL Preferred Facility Guidelines. The inspection returned average lux level readings of 22.3 lux, below the 50 lux average minimum required for physical training.

Secondary assessments were undertaken to confirm the original readings, assess the poles and fittings and provide a scope of works to achieve oval lighting at 50 lux for training purposes, and at 100 lux and 150 lux for competition purposes. Lighting designs and costs were also included in the secondary assessments.

To achieve Ball and Physical Training standard of 50 lux, the advice received is that the existing light towers are sufficient.

To achieve Club Competition and Match Practice standard, the advice received is that the existing light towers will need to be replaced to achieve the required lighting lux and uniformity levels.

Cost associated with upgrading the oval lighting at LRR:

Table 2: Estimated costs received to increase oval lighting at Lockington Recreation Reserve

Level of play	Lux Level	Included Infrastructure	Estimated Cost
Ball and physical training	50 Lux	8 x 1400w LED Floodlights	\$72,450 (inc 3% contingency) + GST
Club Competition and Match Practice	100 Lux (minimum)	16 x 1500w LED Floodlights 28m lighting masts	\$310,800 (inc 5% contingency) + GST
	150 Lux (AFL preferred minimum)	24 x 1420w LED Floodlights 28m lighting masts	\$364,620 (inc 3% contingency) + GST

Any works to upgrade lighting to 100 lux or 150 lux competition standard is above Council's current service level for a local level recreation reserve, as per the Council Contribution to Recreation Reserve Maintenance policy.

While not a cost-efficient measure, if new floodlights were to be installed on the existing towers to achieve 50 lux, should the towers be replaced in the future to achieve competition standard lighting, these new floodlights could be retained and reinstalled on the new towers.

Night games at Lockington Recreation Reserve

As per 2023 LRR Fixture (attachment 1) highlights that while LRR and LBUFNC are keen for competition standard lighting at the ground, there are no ground capacity issues to prevent games being played within Saturday and Sunday daylight hours. Even if the club were to expand its number of teams in the future, there is still capacity at the grounds for daylight competition. This suggests that the request for competition standard lighting (which is above Council's current service level) is a desire rather than a need.

Football games played under lights across the wider region

Investigation has taken place into the number of ovals in the region capable of hosting night games, plus the number of senior football games played under lights at each of these venues (See attachment 2).

The following was noted:

- All games played under lights were played between rounds 1 and 5 in each season. The latest night game was played on the first weekend in May.
- Twilight games commenced between 4.00pm and 5.00pm
- Night games commenced between 5.30pm and 7.00pm

In the Heathcote and District Football Netball League in which LBUFNC competes, of 72 senior fixtures there will be two-night games across the competition in 2023 – one at Elmore Recreation Reserve and one at White Hills Recreation Reserve.

Operating costs

The maintenance and operating costs will remain the same for 50 Lux at a Local Level Reserve.

User group financial contribution

LBUFNC indicated that they would be prepared to provide a financial contribution to the upgrade of oval lighting at LRR, however they were not prepared to indicate the level of contribution. They are prepared to seek a grant as part of their financial contribution.

Other sports

Council needs to be cognisant that other sports have their own minimum lighting requirements and when considering the service level for ovals, similar consideration will be needed for other sport facilities across the municipality.

Country Football and Netball works hand in hand and an increase in the service level for the specific reason of allowing football games to be played under lights, will likely result in a shift to netball match times which can only be accommodated if netball has match quality lighting.

Note: LRR netball court lighting meets netball competition standard due to the court lighting needing to meet tennis lighting standards. For other council venues, an increase in oval lighting specifically for football competition purposes may lead to requests to increase lighting standards for netball courts to accommodate the Country Football Netball model.

4. CONSULTATION

Internal consultation:

- Major Projects Department
- Manager Recreation
- ELT

External consultation:

- Lockington Recreation Reserve Committee of Management
- AFL and AFL Victoria
- Neighbouring LGA's

Councillors:

- 25 July 2023 Council Briefing Session
- 5 September 2023 Council Briefing Session

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Well planned places

Quality, attractive recreational spaces

6. POLICIES AND RELATED COUNCIL DOCUMENTS

Section 9(2)(c) of the *Local Government Act 2020* have been considered and this report is consistent with Council policies and related documents.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Section 9(2)(c) of *Local Government Act 2020* and no specific negative economic, social or environmental implications have been identified within this report.

10. ISSUES AND RISK MANAGEMENT

Issues:

Issue 1: Council's Service level for local level recreation reserves

Council's current service level for local level recreation reserves stipulates that oval lighting must be a minimum of 50 Lux, being the minimum training standard as prescribed by the relevant State Sporting Association (at time of writing).

Should Council decide to increase the service level of Lockington Recreation Reserve and/or local level recreation reserves to a competition level, in the interests of fairness it is a practice that Council needs to be prepared to replicate for other sports within the municipality that use Council owned and/or managed facilities. This will have an impact on Council's Capital Works Program and maintenance budgets to upgrade and manage active recreation facilities Shire wide.

Issue 2: AFL position on training standards

Council's service levels have been based on the minimum training requirements for sports, as set by the relevant State Sporting Association. However, it is acknowledged the AFL Preferred Facility Guidelines are ambiguous on whether 50 lux or 100 lux is appropriate for football training.

AFL Victoria's "Growing the Heartland, Football Facilities Development Strategy 2022-27" paints a clearer picture when it states: "21% of sports lighting does not meet the minimum recommendations for training i.e., 50 lux" (page 30). This statement provides confidence that 50 lux is appropriate for Australian Football training.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

The officer preparing this report declares no conflict of interest regarding this matter in accordance with section 130 of the *Local Government Act 2020*.

12. CHARTER OF HUMAN RIGHTS

This report has considered and complies with the human rights and responsibilities contained in the *Victorian Charter of Human Rights and Responsibilities Act 2006*.

13. INSTRUMENT OF DELEGATION

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

**Attachment 1: 2023 Lockington Recreation Reserve Fixture
(by team)**

Date	LBUFNC Teams				
	Seniors <i>Heathcote FL</i>	Reserves <i>Heathcote FL</i>	U18s <i>Heathcote FL</i>	U16s <i>Bendigo JFL</i>	U12s <i>Goulburn MJL</i>
Week 1 15/04	-	-	-	-	-
Week 2 22/04	-	-	-	-	11.00am Sunday
Week 3 29/04	-	-	-	-	-
Week 4 6/05	2.15pm Saturday	12.15pm Saturday	10.30am Saturday	-	-
Week 5 13/05	-	-	-	-	9.00am Saturday
Week 6 20/05	2.30pm Saturday	12.15pm Saturday	10.30am Saturday	8.45am Saturday	-
Week 7 27/05	-	-	-	-	11.00am Sunday
Week 8 3/06	2.30pm Saturday	12.15pm Saturday	10.30am Saturday	8.45am Saturday	-
Week 9 10/06	-	-	-	-	-
Week 10 17/06	2.30pm Saturday	12.15pm Saturday	10.30am Saturday	8.45am Saturday	-
Week 11 24/06	-	-	-	-	11.00am Sunday
Week 12 1/07	2.30pm Saturday	12.15pm Saturday	10.30am Saturday	-	-
Week 13 8/07	2.30pm Saturday	12.15pm Saturday	10.30am Saturday	-	-
Week 14 15/07	-	-	-	-	-
Week 15 22/07	2.30pm Saturday	12.15pm Saturday	10.30am Saturday	8.45am Saturday	11.00am Sunday
Week 16 29/07	-	-	-	12noon Sunday	11.00am Sunday
Week 17 5/08	2.30pm Saturday	12.15pm Saturday	10.30am Saturday	8.45am Saturday	-
Week 18 12/08	-	-	-	-	11.00am Sunday
Week 19 19/08	-	-	-	-	-

**Attachment 2: Football games played under lights in the neighboring region
2019 - 2023**

Based on GVNL, HDFNL, MFNL, KDL and Masters Fixtures 2019-23							
	League	2023	2022	2021	2019	Total	Lux Level
Elmore Rec Res	HDFNL	1	0	1	1	3	200
White Hills Rec Res	HDFNL	1	0	1	2	4	unknown
Colbinabbin Town Rec Res	HDFNL	0	1	0	0	1	107
Deakin Reserve, Shepparton	GVL	2	1	2	3	8	500
Mooroopna Rec Res	GVL	2	1	2	2	7	500
Kyabram Rec Res	GVL	1	2	0	1	4	207
Victoria Park, Echuca	GVL	0	0	1	0	1	326
Princess Park, Shepparton	GVL	0	1	1	0	2	unknown
Finley Rec Res	MFNL	3	1	2	3	9	unknown
Echuca South Rec Res	MFNL	0	0	0	0	0	105
Moama Rec Res	MFNL	0	0	1	0	1	>100
Barooga Rec Res	MFNL	1	0	0	0	1	unknown
Numurkah Showgrounds	MFNL	Upgrade starts October 2023					100

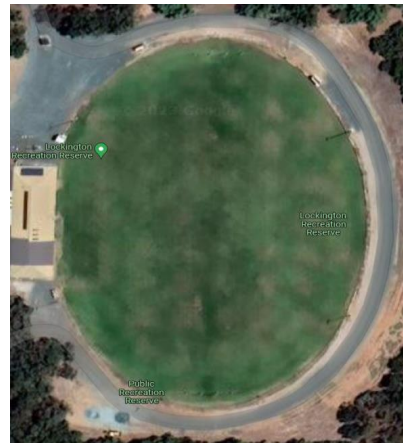
NB: 2020 was excluded due to COVID



**AUDIT REPORT ON
EXISTING FLOOD LIGHTING INSTALLATION**

AT

LOCKINGTON RECREATION RESERVE – AFL OVAL



FOR



REPORT 4013-1/EFLI/AR/1

MAY 2023

SUITE 32-33, 150 ALBERT ROAD SOUTH MELBOURNE VIC. 3205 TEL. 9673 9800 FAX. 9699 8498

E-MAIL info@hrce.com.au

Audit Report

Existing Flood Lighting Installations – Lockington Recreation Reserve – AFL Oval

EXECUTIVE SUMMARY	1
LIGHTING STANDARDS	-
Recommended Lighting Levels – AS 2560.2.2021	3
EXISTING FLOODLIGHTING INSTALLATIONS	4
RECOMMENDATIONS	6
BUDGET ESTIMATE BREAKDOWN	7

EXECUTIVE SUMMARY

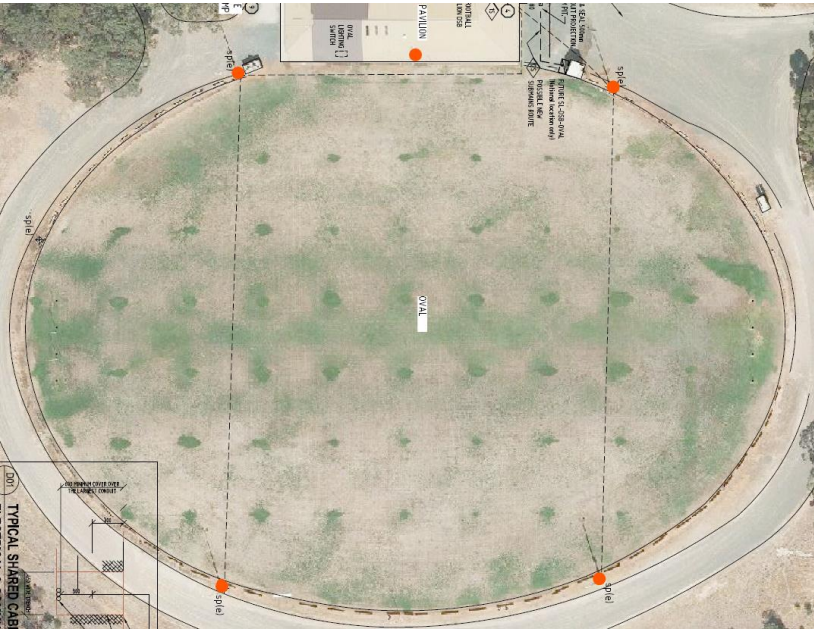
HR Consulting Engineers have been requested by Campaspe Shire Council – idwala to inspect the existing AFL Football Oval floodlighting installations at Lockington Recreation Reserve to prepare an assessment of the existing floodlighting conditions in respect to condition, suitability and compliance with the recommended sports lighting standards.

This document details the results of an audit inspection carried out at the site and the lighting levels measured, which identifies the non-compliance of the existing floodlighting installations to current lighting standards together with the recommended upgrades and associated order of probable costs for these works.

The report is based on visual site inspections and lighting measurements taken on the AFL oval during the night inspection with illuminance measurements being recorded, as detailed within this report.

SITE CONDITIONS

The existing floodlighting on the AFL Oval comprises of 4 x 20m height galvanised steel poles (which appear to be light duty capacity) fitted with dual head floodlighting fixtures of both discharge (M/H) and LED panel type floodlights refer images below. There is also an extension pole on the football pavilion roof with 2 additional floodlight fixtures.



Existing AFL Oval/Floodlighting Pole Locations



Pavilion Pole Floodlights



Pole 1 Floodlights



Pole 2 Floodlights



Pole 3 Floodlights



Pole 4 Floodlights

LIGHTING STANDARDS - RECOMMENDED LIGHTING LEVELS – AS 2560.2.2021

The existing oval floodlighting installations do not comply with Australian Standards recommended football lighting standards, refer below part extract – Table 2.6.1:

Table 2.6.1 — LTPs for football

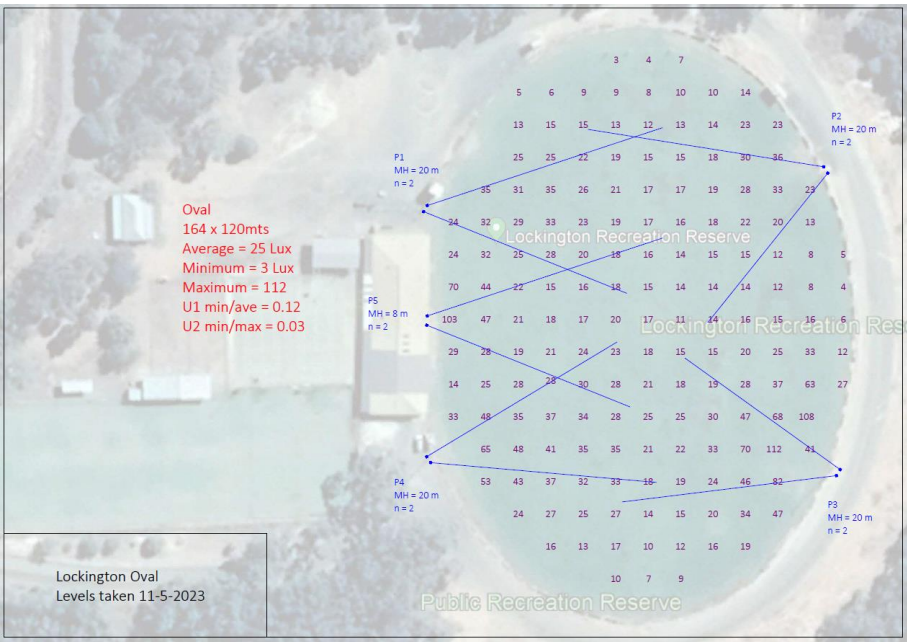
Level of play	Average horizontal maintained illuminance (\bar{E}_h)	Minimum horizontal uniformity		Maximum uniformity gradient per 5 m ^e		Max. glare rating (GR)	Minimum colour rendering index (R_a)
		(E_{hmin}/\bar{E}_h) (U_1)	(E_{hmin}/E_{hmax}) (U_2)	G	UG		
Amateur level							
Touch and tag	50	0.30 ^b	N/A	N/A	N/A	N/A	65
Ball and physical training ●	50 ●	0.30	N/A	N/A	N/A	N/A	65
Club competition ● and match practice	100 ^a ●	0.50	0.30	50 %	2	50	65
Semi-professional level							
Ball and physical training	50	0.30 ^b	N/A	N/A	N/A	N/A	65
Match practice	100	0.50	0.30	50 %	2	50	65
Semi-professional competition	200	0.60	0.40 ^c	40 %	1.67	50	65
Professional level							
Ball and physical training	100	0.50	0.30	50 %	2	50	65
Match practice	200	0.60	0.40 ^c	40 %	1.67	50	65
Professional competition	500	0.70	0.50 ^d	25 %	1.33	50	65
^a For competition level Australian Rules Football 150 lx is preferred where practicable to take account of contemporary viewing expectations of spectators. ●							

^a For competition level Australian Rules Football 150 lx is preferred where practicable to take account of contemporary viewing expectations of spectators. ●

EXISTING FLOODLIGHTING INSTALLATIONS

The existing floodlighting installations only achieve an average illuminance on the football oval of approximately 25 lux average (which is 50% lower than the recommended "Training" standard of 50 lux).

The lighting distribution across the oval is 'poor' and does not comply with the minimum uniformity recommendations within the sports lighting standard. This is primarily due to the existing floodlights only being effective directly below the pole locations, refer "drone" night images, there is no useful lighting coverage within the goal square areas and in the centre of the ground.



Ball and physical training	50	0.30
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Audit Report

Existing Flood Lighting Installations – Lockington Recreation Reserve – AFL Oval

EXISTING LIGHTING INSTALLATIONS (continued)

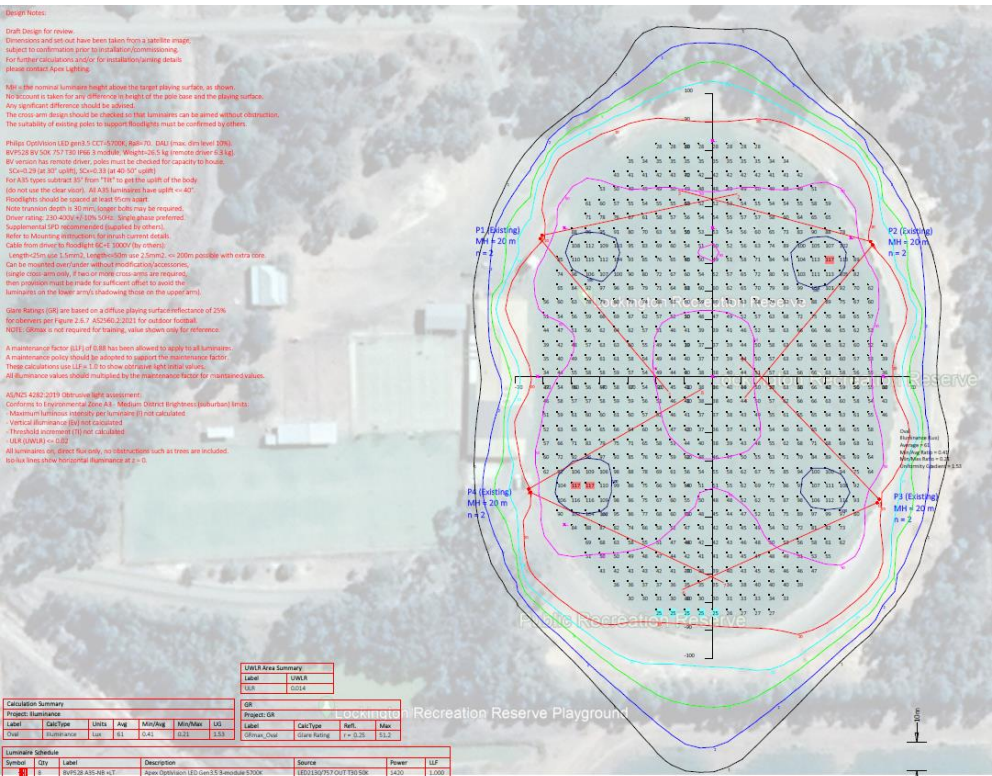
Night Audit – “Drone” Images



RECOMMENDATIONS

Ultimately, the existing floodlighting infrastructure (poles and floodlights) will require complete replacement/upgrade with new to achieve the recommended floodlighting standards for AFL local competition play.

However, as an interim measure to achieve the recommended "Training" standard of 50 lux average, we note that this could be achieved by replacing the existing floodlights on each of the 20m perimeter poles 1 to 4 with new professional quality 2 x 1400w LED floodlights, refer proposed floodlighting photometric plot below:




Please note, the floodlights utilised for the interim "Training" floodlighting upgrade, would be utilised for the future "Competition" floodlighting scheme upgrade works.

Audit Report

Existing Flood Lighting Installations – Lockington Recreation Reserve – AFL Oval

BUDGET ESTIMATE BREAKDOWN

The preliminary budget estimate for the interim floodlighting upgrade works to "Training" standards of 50 lux average illuminance level, utilising the existing electrical infrastructure is in accordance with the following:

AFL OVAL LOCKINGTON RECREATIONAL RESERVE REPLACEMENT OF EXISTING FLOODLIGHTING - "TRAINING" STANDARDS ELECTRICAL INSTALLATION ESTIMATE BREAKDOWN - 15.05.2023					
					
	Description	QTY	Unit	Rate \$	Amount \$
	SITE WORKS				
1	Site establishment, maintenance Clean-up on completion, reinstatement	1	Item	500.00	500.00
2	Inspection/Survey of Existing Site Services	1	Item	500.00	500.00
3	Removal of redundant electrical services installations/Floodlights	1	Item	3,000.00	3,000.00
4	Alterations/Additions to existing switchboard & floodlighting controls	1	Item	7,000.00	7,000.00
5	Testing & commissioning	1	item	1,000.00	1,000.00
	SITE WORKS AND PROJECT MANAGEMENT - Sub Total				12,000.00
	AFL FOOTBALL OVAL - 50 LUX TRAINING STANDARDS				
3	Flood Lighting Installations & controls	1	Item	8,000.00	8,000.00
4	Supply of Flood Lights (8 x 1400W - LED) – 50 lux Training standard	8	No	5,500.00	44,000.00
5	Installation, wiring & connection of Floodlights	8	No	500.00	4,000.00
6	Testing, Commissioning, set-up and Night Audit	1	Item	1,000.00	1,000.00
	FOOTBALL OVAL - Sub Total				57,000.00
	MISCELLANEOUS				
1	Any other item required for the successful completion of the project (Provide itemised breakdown)				
	MISCELLANEOUS Sub Total				
	PROVISIONAL SUM Sub Total				
	OVERALL COST				69,000.00
	Contingency	5%			3,450.00
					72,450.00
	GST	10%			7,245.00
	Grand Total				79,695.00
	Exclusions:				
	Floodlighting Installations to Competition Standards.				
	Upgrading existing Floodlighting Poles.				
	Rewiring existing floodlighting poles and installation of Digital lighting controls.				
	Upgrading existing Football Pavilion switchboard.				
	Professional Fees				

**LOCKINGTON RECREATION RESERVE
AFL OVAL FLOODLIGHTING UPGRADE
ELECTRICAL INSTALLATION PRE-TENDER ESTIMATE BREAKDOWN - AUGUST 2023**



	Description	QTY	Unit	Rate \$	Amount \$
	<u>SITE WORKS</u>				
1	Site establishment, maintenance Clean-up on completion, reinstatement works	1	Item	\$ 1,000.00	\$ 1,000.00
2	Removal of redundant electrical services installations	1	Item	\$ 2,000.00	\$ 2,000.00
3	As Built Drawings	1	Item	\$ 1,000.00	\$ 1,000.00
4	Alterations and Additions to existing Switchboard to serve new floodlighting installations	1	item	\$17,000.00	\$ 17,000.00
5	Alterations to existing site supplies	1	item	\$10,000.00	\$ 10,000.00
6	Reinstatement/making good top soil and re-seeding of trenching	1	item	\$ 1,000.00	\$ 1,000.00
	SITE WORKS - Sub Total				\$ 32,000.00
	<u>AFL OVAL - 100 LUX LOCAL COMPETITION STANDARDS</u>				
1	Floodlighting Poles Electrical Reticulation, including Excavation & Trenching for submain cable supplies, conduits and distribution.	1	Item	\$ 36,000.00	\$ 36,000.00
2	Mast foundations include excavation, boring and concrete footings.	4	No	\$ 7,000.00	\$ 28,000.00
3	28m Lighting masts, cross arms, cages etc.,	4	No	\$11,000.00	\$ 44,000.00
4	Flood Lighting Installations & controls	1	Item	\$ 9,000.00	\$ 9,000.00
5	Supply of Flood Lights (16 x 1500W - LED) – 100 lux local competition standard	16	No	\$ 5,500.00	\$ 88,000.00
6	Installation & Wiring of Floodlights	16	No	\$ 1,000.00	\$ 16,000.00
7	Lighting Mast Installations rate including liaison with Mast supplier on delivery	4	No	\$ 1,000.00	\$ 4,000.00
8	Lighting Mast Distribution Boards & connections	4	No	\$ 5,000.00	\$ 20,000.00
9	Structural Footings & Certification/Permits	1	Item	\$ 7,000.00	\$ 7,000.00
10	Testing, Commissioning, set-up and Night Audit	1	Item	\$ 2,000.00	\$ 2,000.00
	AFL OVAL - Sub Total				\$ 254,000.00
	<u>MISCELLANEOUS</u>				
	<u>OPTIONAL - 150 LUX - AFL LOCAL COMPETITION FLOODLIGHTING SCHEME</u> Requires additional 2 x floodlights per pole, additional lighting control pre-set, floodlighting sub-circuit wiring etc., OPTIONAL ADDITIONAL COST: \$ 58,000.00 (not included)				Nil
	<u>PROVISIONAL SUM - POOR GROUND CONDITIONS</u>				\$ 10,000.00
	TOTAL				\$ 296,000.00
	CONTINGENCY	5%			\$ 14,800.00
	TOTAL inc CONTINGENCY				\$ 310,800.00
	GST 10%				\$ 31,080.00
	TOTAL inc GST				\$ 341,880.00

EXCLUSIONS:

AFL Floodlighting Standard - 150 Lux
Pavilion Upgrades
Professional Fees

Report on

Proposed Upgrade of Floodlighting Installations – Lockington Recreation Reserve – AFL Oval

BUDGET ESTIMATE BREAKDOWN

The budget estimate breakdown for the proposed floodlighting upgrade works to "AFL Local Competition" standards of 150 lux average illuminance level is as follows:

**LOCKINGTON RECREATION RESERVE
AFL OVAL FLOODLIGHTING UPGRADE
ELECTRICAL INSTALLATION ESTIMATE BREAKDOWN - JUNE 2023**



	Description	QTY	Unit	Rate \$	Amount \$
	<u>SITE WORKS</u>				
1	Site establishment, maintenance Clean-up on completion, reinstatement works	1	Item	1,000.00	1,000.00
2	Removal of redundant electrical services installations	1	Item	2,000.00	2,000.00
3	As Built Drawings	1	Item	1,000.00	1,000.00
4	Alterations and Additions to existing Switchboard to serve new floodlighting installations	1	Item	17,000.00	17,000.00
5	Alterations to existing site supplies	1	Item	10,000.00	10,000.00
6	Reinstatement/making good top soil and re-seeding of trenching	1	Item	1,000.00	1,000.00
	SITE WORKS - Sub Total				32,000.00
	<u>AFL OVAL - 150 LUX AFL LOCAL COMPETITION STANDARDS</u>				
1	Floodlighting Poles Electrical Reticulation, including Excavation & Trenching for submain cable supplies, conduits and distribution.	1	Item	36,000.00	36,000.00
2	Mast foundations include excavation, boring and concrete footings.	4	No	7,000.00	28,000.00
3	28m Lighting masts, cross arms, cages etc.,	4	No	11,000.00	44,000.00
4	Flood Lighting installations & controls	1	Item	9,000.00	9,000.00
5	Supply of Flood Lights (24 x 1420W - LED) – 150 lux AFL local competition standard	24	No	5,500.00	132,000.00
6	Installation & Wiring of Floodlights	24	No	1,000.00	24,000.00
7	Lighting Mast installations rate including liaison with Mast supplier on delivery	4	No	1,000.00	4,000.00
8	Lighting Mast Distribution Boards & connections	4	No	5,000.00	20,000.00
9	Structural Footings & Certification/Permits	1	Item	7,000.00	7,000.00
10	Testing, Commissioning, set-up and Night Audit	1	Item	2,000.00	2,000.00
	AFL OVAL - Sub Total				306,000.00
	<u>MISCELLANEOUS</u>				Nil
	<u>PROVISIONAL SUM - POOR GROUND CONDITIONS</u>				16,000.00
	TOTAL				354,000.00
	CONTINGENCY 3%				10,620.00
	TOTAL inc CONTINGENCY				364,620.00
	GST 10%				36,462.00
	TOTAL inc GST				401,082.00

EXCLUSIONS:

Pavilion Upgrades
Professional Fees

8.4.5 Staff and Volunteer Recognition Program

Directorate:	Communities
Responsible Officer:	Community Executive Assistant
Manager:	Director Communities
Attachments:	Nil

1. PURPOSE

To acknowledge the completion of the number of years of service to the Campaspe Shire Council by all permanent employees and casual employees from 1 January 2023 - 31 December 2023.

2. RECOMMENDATION

That Council note the significant milestones achieved by members of staff in line with Administrative Policy A-062, Staff and Volunteer Recognition Program.

3. DISCUSSION

Recognition of the following milestones employees have achieved.

Mark Miller	10 years	2 April 2023	Works
Elly Hayes	10 years	8 April 2023	Community Health
Rebecca Lenthall	10 years	16 April 2023	Community Health
Tegan Williams	10 years	17 June 2023	Community Health
Matthew Webb	10 years	24 June 2023	Works
Tracy Woods	10 years	15 July 2023	Community Health
Suzanne Thomas	10 years	9 September 2023	Human Resources
Geoff Nash	10 years	16 November 2023	Works
Emma Mallick	10 years	25 March 2022	Community Health
Ryan Byrne	10 years	10 December 2023	Recreation
** Narelle Betts	10 years	9 January 2022	Community Services
** Daniel Moylan	10 years	22 April 2023	Works
** Zac Fitzpatrick	10 years	2 June 2022	Planning
** Sonia Nunn	10 years	27 August 2022	Community Health
** Anne Bennett	10 years	6 October 2021	Customer Service
** Lisa Dickson	10 years	5 November 2022	Finance
Hayley Sutton	15 years	17 March 2023	Environmental Health

Glen Read	15 years	7 April 2023	Parks & Gardens
Deidre Walker	15 years	21 April 2023	Records
Stacey Palling	15 years	11 December 2023	Infrastructure
Desmond Partington	15 years	24 April 2023	School Crossing
Daryl Archibald	15 years	28 April 2023	School Crossing
** Nikita Frawley	15 years	7 March 2023	Information Technology
** Wendy Moyle	15 years	11 April 2023	Community Health
** Madeline Frawley	15 years	1 July 2020	Rates
** Sharon Carey	15 years	16 October 2022	School Crossing
Joshua Sperling	20 years	24 February 2023	Works
Hamish Thornton	20 years	19 May 2023	Building Maintenance
Alissa Herd	20 years	29 September 2023	Environmental Health
Donna Wilson	20 years	6 November 2023	Customer Service
Kevin Russell	20 years	15 December 2023	Parks & Gardens
Julie Thornton	20 years	29 December 2023	Environmental Services
** Denise Gilby	20 years	7 February 2019	Library Services
** Leaha Wheeler	20 years	29 April 2019	Library Services
Samantha Leorke	25 years	19 January 2023	Community Health
Thelma O'Keefe	25 years	30 March 2023	School Crossing
** Jenny Brown	25 years	11 March 2018	Community Health
** Jenny Mustey	25 years	1 October 2022	Library Services
Lynne Napier	30 years	10 June 2023	Infrastructure
** Helen Crilly	30 years	28 October 2022	Payroll
Wendy O'Hara	35 years	11 April 2023	Library Services
Anthony McDonnell	35 years	5 September 2023	Parks & Gardens
Gaye Pellegrino	40 years	1 August 2023	Sustainability

** Years of Service has been aligned some staff to their casual start date backdating service recognition to 2023.

4. CONSULTATION

Internal consultation:

- ELT

External consultation:

- Not required

Councillors:

- Not required

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Not applicable

6. POLICIES AND RELATED COUNCIL DOCUMENTS

In line with Policy A062 Staff and Volunteer Recognition Program.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

This report raises no issues of legal or statutory nature.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

There are no financial implications outside of the budget process.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Recognising staff years of service milestones provides a sense of appreciation and value among the staff group.

10. ISSUES AND RISK MANAGEMENT

Issues:

Not applicable

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

The officer declares no conflict of interest.

12. CHARTER OF HUMAN RIGHTS

This report complies with the Charter of Human Rights.

13. INSTRUMENT OF DELEGATION

The officer acts within their delegation of authority.

8.4.6 Australia Day

Directorate: Communities

Responsible Officer: Community Executive Assistant

Manager: Director Communities

Attachments: 1. Attachment 1 - Australia Day Community Contributions [8.4.6.1 - 1 page]

1. PURPOSE

To seek Councils approval for changes to the Australia Day Award Program and Citizenship Ceremony for Australia Day into the future.

2. RECOMMENDATION

That Council

1. **Note due to timeframes the award nomination process and presentations will remain the same for 2024.**
2. **Endorse that the Citizenship Ceremony held on Australia Day 2024, is independent to any Australia Day event coordinated by the community for 2024 and into the future to ensure the involvement of new Australian citizens.**
3. **Endorse the new format of the 2025 Campaspe Shire Council Australia Day Awards, including:**
 - a. **Categories of Campaspe Citizen of the Year, Campaspe Young Citizen of the Year and Campaspe Community Group of the Year.**
 - b. **Officer management and coordination of awards and ceremony, separate to township awards and ceremonies,**
 - c. **The announcement of winners at a function to be held in the week prior to Australia Day,**
4. **Endorse an increase to level of financial support to Australia Day community event organising committees as per attachment 1.**

3. DISCUSSION

Following 2023 Australia Day a review of Council's involvement in Australia Day celebrations across the municipality was sought, in particular, the Echuca celebration.

There are five main committees that coordinate Australia Day Awards in three categories:

- Citizen of the Year
- Young Citizen of the Year
- Community Group of the Year

The five committees are and take in the following areas:

Echuca & District – Bamawm Extension, Echuca & Echuca South, East & West, Gunbower, Kotta, Patho, Torrumbarry.

Kyabram & District – Kyabram, Lancaster, Wyuna.

Rochester & District – Ballendella, Bamawm, Diggora West, Lockington, Nanneella, Rochester, Strathallan, Tennyson.

Tongala & District – Koyuga, Kyvalley, Tongala.

Rushworth & District – Corop, Colbinabbin, Girgarre, Rushworth, Stanhope, Toolleen.

From these local areas, winning nominations from each category are judged for the overall Campaspe Shire Council Award Winners.

Council provides support to several towns/groups to celebrate Australia Day. Toolleen and Milloo did not host Australia Day events in 2023 and therefore did not receive funding.

Council adopted an increase to levels of financial support, (Attachment 1) at its 21 July 2020 meeting. Funding agreements are signed each year and a final report is submitted.

With the increase in cost of living a further increase to the contributions provided to community groups to run Australia Day events is proposed. (see Attachment 1).

Under the Citizenship Code, Council is required to host a Citizenship Ceremony on Australia Day. Historically this has been held as part of the Echuca & District Australia Day celebration.

Australia Day Awards are coordinated by the five main Australia Day Committees, with overall Shire award winners selected from the five local area award winners. The overall Shire award winners are presented at their local celebrations on Australia Day rather than at the one official gathering.

The Australian Citizenship ceremony is conducted in conjunction with the Echuca & District Australia Day community event.

4. CONSULTATION

Internal consultation:

- ELT

External consultation:

- Nil

Councillors:

- 29 August 2023 Council Briefing Session.

5. STRATEGIC ALIGNMENT

Council Plan 2021-2025

Growing quality of life

Communities have a say on local infrastructure and attractions that stimulate engagement and activity.

Inclusive, connected, culturally diverse and safe.

6. POLICIES AND RELATED COUNCIL DOCUMENTS

In line with Policy A-169 Entertainment and Hospitality Expenditure.

7. LEGAL AND STATUTORY OBLIGATIONS

Section 9(2)(a) of the *Local Government Act 2020* (Vic) provides that Council decisions are to be made and actions taken in accordance with the relevant law.

Under the Citizenship Code, Council is required to host a Citizenship Ceremony on Australia Day.

8. FINANCIAL IMPLICATIONS

Section 9(2)(g) of the *Local Government Act 2020* (Vic) provides that the ongoing financial viability of the Council is to be ensured.

Increasing the amount of funding provided to the committees is \$1,165 above the amount budgeted for the 2023/2024 financial year.

9. ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPLICATIONS

Australia Day events provide community members with an opportunity to socialise with each other in a low to no cost environment.

Welcoming new Australian Citizens to Campaspe provides recipients to feel a sense of belonging in the communities where they have chosen to call home.

10. ISSUES AND RISK MANAGEMENT

Issues:

Citizenship Ceremonies:

Becoming an Australian citizen is a significant honour, and many people bring family and friends to celebrate the occasion. However, holding the two ceremonies on Australia Day, at the one event in Echuca lessens the significance of both ceremonies. This joint approach also places enormous strain on the volunteer committee that hosts the Echuca Australia Day event.

The proposal to hold the Citizenship ceremony separate to Australia Day celebrations would highlight the importance of becoming an Australian citizen. It is important to ensure one ceremony is not overshadowed by the other and allows new citizens to join in with their local Australia Day celebrations.

Australia Day Awards:

Australia Day Awards are coordinated by the five local area Australia Day Committees, with overall Shire award winners selected from the five local area award winners. To nominate for the overall Campaspe Citizen of the year, they must first go through one of the local committees, which may deter some from nominating.

In addition, the overall Campaspe Shire award winners are presented at their local community celebrations on Australia Day, and therefore not acknowledged on Australia Day itself. The media cannot run an article until the next day, missing an important recognition opportunity.

This process is different from other local government areas, whereby council calls for shire wide nominations, they are then assessed by a panel including the Mayor and the previous year's recipients. They are then celebrated at a council function on Australia Day Eve with the media receiving the embargoed information the evening before and provided with an opportunity to take photos. This allows the opportunity for them to be in their own community on Australia Day. Local communities may still conduct their own awards separate from any shire wide awards.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

11. CONFLICT OF INTEREST

Section 130 of the *Local Government Act 2020* (Vic) requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council Meeting.

The officer declares no conflict of interest.

12. CHARTER OF HUMAN RIGHTS

This report complies with the Charter of Human Rights.

13. INSTRUMENT OF DELEGATION

The officer acts within their delegation of authority.

Attachment 1 - Australia Day Community Group Contributions

Proposed increase to the levels of financial support to community groups that host Australia Day as per the following table:

Organisation	2023	2024
Action Club of Lockington Inc.	\$350	\$410
Echuca Moama Rotary Club Inc.	\$2,500	\$2,900
Girgarre Community Group Inc.	\$650	\$720
Gunbower Angling Club Inc.	\$350	\$410
Gunbower Memorial Hall Committee Inc.	\$350	\$410
Koyuga Hall Committee Inc.	\$350	\$410
Kyabram & District Australia Day Committee	\$1,750	\$2,030
Kyvalley Swimming Club Inc.	\$350	\$410
Lockington Lions Club Inc.	\$350	\$410
Milloo CWA	\$350	\$410
Rochester Australia Day Committee	\$375	\$450
Rochester Lions Club Inc.	\$1,750	\$2,030
Rushworth & District Australia Day Committee	\$650	\$720
Stanhope Australia Day Committee	\$350	\$410
Toolleen Recreation Reserve Committee	\$650	\$720
Tongala & District Australia Day Committee	\$1,750	\$2,030
Wyuna Memorial Hall Committee	\$350	\$410
Total	\$12,225	\$15,290

8.5 Council Information

8.5.1 Notes of Appreciation

Directorate: Communities

Responsible Officer: Community Executive Assistant

Manager: Director Communities

1. PURPOSE

To present the notes of appreciation that Council has received since its last meeting.

2. RECOMMENDATION

That Council acknowledge the notes of appreciation as listed and convey this appreciation to the relevant parties.

Council has received the following Notes of Appreciation:

1. Justin Watson (Zinfra, Burwood)

"I would like to thank the staff in the Planning/Building and Environmental Health Department for their assistance and diligence in processing our permits."

"I know staff shortages are an issue, but that aside everyone was willing to take the time to explain and assist me with what must have seemed to be my endless inquiries."

"Thanks again from Lot 12, 45 Shoveler St Echuca."

2. Kerry & Lyn Hume, Echuca

"many thanks for the excellent job in repairing our footpath at 4 Poplar Street, Echuca."

3. Amelia Richardson, Echuca

Thank you to the Parks & Gardens Team for following up Amelia's request to clean up the walkway between Grevillea Street and Gaze Avenue.

"Looks so much better!"

4. Wayne & Julie McInnes, Echuca

"Thank you to the wonderful parks and gardens staff for mowing our reserve in 25 Wisteria Street Echuca, your efforts are very much appreciated."

5. Cosgriff Lawyers

"We had the absolute pleasure of hosting Lou and her team for lunch in the office. We absolutely love Campaspe Day Care and can't speak highly enough of the educators! What an amazing team you have and how lucky we are to have such an excellent centre to send our children to!"

6. Michael Thompson, 3rd Cavalry Regiment (Vietnam) Association Inc.

"Matthew Connally has been the Tongala gardener for over 8 years and over this whole period I have found him to be a very hard worker especially around our national war memorials. He takes great pride in maintaining this area as it was his own garden. Our association has numerous comments from visitors, locals etc. on how well maintained the gardens area and the cleanness of the area. This is a great credit to Matthew."

7. Pittsworth & District Men's Shed Inc.

The Mayor and his Councillor Support Team, headed by Doreen, have been an absolute treat to deal with leading up to this meeting."

8. Andrew Weickhardt, Waranga Shores

Andrew called to thank the grading crew for the great job they did grading and filling pot holes on Frenchmans Road Rushworth – *"Thank you and job well done"*

9. Peter McGillivray, Gunbower

Peter has phoned wishing to pass on his THANKS for grading Lovers Lane Gunbower prior to his brothers funeral. He is extremely grateful to Council for its efforts in achieving the desired outcome.

10. Wayne & Julie McInnes, Echuca

"Thank you once again to the wonderful Team who continue to look after our reserve in Wisteria St Echuca West, by cutting back long grass and pruning trees and clearing up rubbish. Your efforts are very much appreciated."

11. Julia Lyons, Planning & Program Officer, Victoria's Great Outdoors

"Many thanks for submitting the final report (attached for reference) for the Victorias Great Outdoors Camping and Caravan round 3 project – Echuca Holiday Park Accessible Playground."

"Congratulations to everyone involved in a fantastic project that has brought about a modern new playground with accessible paths, BBQ and picnic shelter, half-court and play equipment."

"From the photos and visitor feedback you've provided, it really seems like a great one-stop-shop play area for kids of all-abilities to explore and a comfortable and well-equipped space for caregivers to supervise and prepare meals at. I'm sure the playground will get thorough usage during the September school holiday period!"

"All thanks go to you both (Kate Lemon & Peter Favero) for your patience as we problem-solved our way through the floods and amenities block tender issues and navigated through the Ministerial re-scope process. Overall the delivery of the playground is a massive outcome for Shire, DEECA, the caravan park and wider community."

9 Notices of Motion

10 Urgent Business

11 Confidential Business

12 Close Meeting

Pauline Gordon

Chief Executive Officer