

AGENDA

SCHEDULED MEETING OF COUNCIL

Tuesday, 16 May 2023

To be held Swan Hill Town Hall
53-57 McCallum St, Swan Hill
Commencing at 2pm

COUNCIL:

Cr LT McPhee – Mayor

Cr B Moar
Cr A Young
Cr C Jeffery
Cr S King
Cr N McKay
Cr J Kelly

| | |
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SECTION A – PROCEDURAL MATTERS

- **Welcome**
- **Acknowledgement of Country**
- **Prayer**
- **Apologies/Leaves of Absence**
- **Directors/Officers Present**
- **Confirmation of Minutes**
 - 1) Scheduled Meeting Of Council held on 18 April 2023
- **Disclosures of Conflict of Interest**
- **Joint Letters and Reading of Petitions**
- **Public Question Time**
- **Open Forum**

SECTION B – REPORTS

B.23.28 AUDIT COMMITTEE APRIL 2023

Responsible Officer: Director Corporate Services
File Number: S15-28-01
Attachments: 1 [↓](#) Placeholder for confidential minutes

Declarations of Interest:

Bhan Pratap - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

Council's Audit Committee met on 6 April 2023 and this report summarises the items that were discussed at this meeting.

Discussion

The Audit Committee met on 6 April 2023 and as well as the usual procedural items the agenda items included:

1. Departmental Presentation – Project Framework and Project Management
2. Internal audit updates on recommendations
 - i. Data and Privacy
 - ii. Asset Management Review
 - iii. Contractor Management
3. Update by internal auditor – Payroll, HR Internal Audit and Accounts Payable
4. Draft Audit Strategy Memorandum
5. Risk Management Update
6. Financial Performance & Position Review Quarter ended 31 December 2022
7. FY2024 Budget Update
8. MAV Compliance Review/Roads/Reserves – Continuous Improvement Plan
9. Two Buildings Update
10. Suspected and Actual Frauds, Theft and Breaches of the Law by Management
11. Standard Report, tender internal audit service

Consultation

Not applicable.

Financial Implications

The sitting fees paid to independent members on the Audit Committee is adjusted annually by CPI. Sitting fees are included in Council's Budget.

Social Implications

Not applicable.

Economic Implications

Not applicable.

Environmental Implications

Not applicable.

Risk Management Implications

The Audit Committee helps to oversee Council's risk management practices. Internal and other audits are routinely done to reduce the risk to Council.

Council Plan Strategy Addressed

Leadership - Bold leadership, strong partnerships and effective advocacy.

Options

Not applicable.

Recommendations

That Council note the contents of this report.

Confidential attachment

- Audit Committee Confidential unconfirmed Minutes 6 April 2023

B.23.29 COUNCILLORS EXPENSES REPORT 1 JANUARY 2023 - 31 MARCH 2023

Responsible Officer: Chief Executive Officer
File Number: 00-00-00
Attachments: 1 [↓](#) Councillor Expenses table

Declarations of Interest:

Scott Barber - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

In accordance with Council's Council Expenses Policy POL/GOV004, Councillor expenses are reported quarterly to an Ordinary Meeting of Council. This report presents Councillor Expenses for the period 1 January 2023 – 31 March 2023.

Discussion

The report has been prepared in accordance with the Council Expense Policy POL/GOV004.

Summarised in the document attached are figures for allowances and expenses for the Mayor and Councillors for the period of 1 January 2023 – 31 March 2023.

Consultation

Councillors have been provided with a summary report on their expenses.

Financial Implications

Financial costs are in accordance with Council's 2022/23 Operational Budget.

Social Implications

There are no social impacts associated with this report.

Economic Implications

There are no economic impacts associated with this report.

Environmental Implications

There are no environmental impacts associated with this report.

Risk Management Implications

By adopting the recommendation, Council will not be exposed to any significant risk.

Council Plan Strategy Addressed

Leadership - Excellent management and administration.

Options

Council may choose to adopt or amend the recommendation.

Recommendation

That Council note the contents of this report, which details Councillor Expenses for the period 1 January 2023 – 31 March 2023.

Councillor Expenses for the period 1 January 2023 to 31 March 2023

| Councillor | 1. Allowance | 2. Travel & Accommodation | 3. Car Mileage | 4. Information and Communication | 5. Conference and Training | 6. Catering / Meals | 7. Misc |
|-----------------------|--------------|---------------------------|----------------|----------------------------------|----------------------------|---------------------|---------|
| Cr Bill Moar | 7,855.67 | | | \$ 219.00 | | | |
| Cr Les McPhee (Mayor) | 18,965.21 | | \$ 3,566.55 | \$ 219.00 | | | |
| Cr Ann Young | 7,855.67 | | \$ 173.84 | \$ 73.50 | | | |
| Cr Chris Jeffery | 7,855.67 | | | \$ 246.04 | | \$ 26.89 | |
| Cr Nicole McKay | 7,855.67 | | \$ 447.02 | \$ 198.00 | | | |
| Cr Jacquie Kelly | 5,899.76 | | | \$ 1,331.43 | | | |
| Cr Stuart King | 12,607.75 | | \$ 119.68 | \$ 198.00 | | | |

Definition of Expenses

1. Swan Hill Rural City Council is a Category Two Council and must set allowances within range in line with the Local Government Act 2020. An adjustment is made annually and gazetted by the Minister. Allowances must also include amount in lieu of superannuation.
2. Travel Costs include cost of flights, taxis, public transport fees, and accommodation etc associated with undertaking duties of a Councillor.
3. Car mileage includes the costs of the Council provided vehicle for the Mayor, and recognises the private vehicles costs associated with Councillors travelling and fulfilling Council duties. Rates are set at State Public Service Levels.
4. Communication expenses include costs associated with provision equipment, phone reimbursements and monthly telecommunications charges.
5. These include registration fees, educational/training costs and meeting expenses.
6. Catering costs associated with undertaking responsibilities of Councillor including meal reimbursements.
7. Includes carer expenses, printing, and other expenditure/reimbursements associated with responsibilities in performing Councillor role.

B.23.30 QUARTERLY REVIEW OF FINANCIAL PERFORMANCE AND FINANCIAL POSITION TO 31 MARCH 2023

Responsible Officer: Director Corporate Services
File Number: 42-20-00
Attachments: 1 [Income and Expenditure and Balance Sheet](#)

Declarations of Interest:

Bhan Pratap - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

A review of Council's Financial Performance (Income and Expenditure) and Financial Position (Balance Sheet) to the adopted Budget for the nine months to 31 March 2023 has been conducted and the results are summarised in this report.

Discussion

A summarised Statement of Income and Expenditure and a summarised Balance Sheet for the nine months ended 31 March 2023 are included with this report.

Major variations to budget as at 31 March 2023 are also explained by way of notes on the attached reports.

The forecast result is expected to be better than budget at this stage of the financial year. The predicted surplus assumes that Major Projects and Capital Works for the remainder of the financial year will be within budget.

Significant forecast variations to the annual budget include:

| | Current Forecast Variances | |
|---|-----------------------------------|------------|
| Grants Commission – Financial Assistance Grants (including Transfer from Reserve) <i>The approved Financial Assistance Grant as at 11 August 2022 was \$293,311 higher than the budgeted grant.</i> | \$293,311 | Favourable |
| Grants Commission – 2022 Underpayment <i>Final calculation of the 2021/22 Financial Assistance Grant undertaken by the Victorian Local Government Grants Commission resulted in an additional allocation to Council.</i> | \$175,711 | Favourable |
| Interest Income - <i>Increasing interest rates on term deposits are returning higher interest income.</i> | \$314,000 | Favourable |
| Other Revenue – Public Lighting Carbon Credit <i>Council undertook a program of upgrades to public lighting. This resulted in reduced electricity costs and access to the Public Lighting Carbon Credit which had not been forecast.</i> | \$78,185 | Favourable |
| Employee Costs (net) - <i>Difficulty recruiting suitably qualified staff in a number of positions has resulted in savings of</i> | \$565,000 | Favourable |

SECTION B - REPORTS

16 May 2023

| | Current Forecast Variances | |
|---|-----------------------------------|-------------------|
| <i>salaries and wages. In some cases the vacant positions are temporarily filled by agency staff which had not been forecast. This variance is the net effect of the current issues faced in recruiting staff.</i> | | |
| <i>Mayoral Allowance - The Mayor has elected to receive an allowance \$25,000 less than the annual payment approved for the Mayor. The reported variance is favourable from the date of election in November 2022 to the end of the financial year.</i> | \$15,625 | Favourable |
| <i>WorkCover Premiums - Premiums for the 2022/23 year were below forecasts.</i> | \$43,860 | Favourable |
| <i>Statutory fees and fines - Building and planning permits are below forecast and expected to remain as such for the remainder of the year.</i> | (\$100,000) | Unfavourable |
| <i>Leisure Centre Management & Operations - Renewal of the Leisure Centre Management & Operations contract incurred additional costs above forecast.</i> | (\$277,000) | Unfavourable |
| <i>Livestock Exchange user fees - Reduced number of stock passing through the exchange this financial year.</i> | (\$154,000) | Unfavourable |
| <i>Swan Hill Integrated Transport and Land Use Strategy 2050 Integrated Transport and Land Use Strategy to deliver efficiencies in the development and management of the transport network now and into the future.</i> | (\$60,000) | Unfavourable |
| Net Variation to 2022/23 Budget | \$894,692 | Favourable |

Consultation

Consultation occurred as part of the Budget preparation process.

Financial Implications

The report shows a predicted rates determination result of \$894,692 above the budgeted surplus for the 2022/23 financial year.

Social Implications

Not applicable.

Economic Implications

Not applicable.

Environmental Implications

Not applicable.

Risk Management Implications

The anticipated surplus is subject to income and costs trending as they have to date for the final three months of the year.

At this stage of the financial year we have many contracts in place with fixed costs. Service contracts due for renewal will in most cases be linked to the CPI index, which for the December quarter was at 7.8% nationally. Material contracts in many cases are forecast to be higher than this. These increased costs will likely impact this projected surplus at year end.

Council Plan Strategy Addressed

Leadership - Excellent management and administration.

Options

Nil

2020 Local Government Act Compliance Statement by CEO

The Local Government Act 2020 requires a statement by the Chief Executive Officer as to whether a revised budget is or may be required at the time the second quarterly report is presented to Council. That statement was overlooked when officers presented the December 2022 quarterly report at the February 2023 Council meeting.

To rectify the oversight, the CEO's statement is hereby contained in this third quarterly financial report.

I, Scott Barber, Chief Executive Officer of the Swan Hill Rural City Council hereby state that a revised budget is not anticipated for the 2022/23 financial year. The better than budget forecast indicated in this quarterly finance report supports my assessment.

Recommendations

That Council:

- 1. Note that the anticipated end of financial year result is \$894,692 better than the adopted budget surplus of \$101,185 at this stage.**
- 2. Note the CEO's statement, that a revised budget is not required for the 2022/23 financial year.**

**SWAN HILL RURAL CITY COUNCIL
STATEMENT OF INCOME & EXPENDITURE
FOR THE 9 MONTHS ENDING 31/3/2023**

| | Actual Year To Date 31/03/2023 \$000 | Budget Year To Date 31/03/2023 \$000 | \$ Variance To Budget \$000 | % Variance To Budget | Original Annual Budget 2022/23 \$000 | Notes |
|---|--|--|---|-------------------------------|--|-------|
| OPERATING INCOME :- | | | | | | |
| Rates, garbage charges and marketing levy | 30,761 | 30,763 | (2) | 0.0% | 30,763 | |
| Statutory fees & fines | 721 | 821 | (100) | -12.2% | 1,095 | 1 |
| User fees | 3,334 | 3,480 | (146) | -4.2% | 4,640 | |
| Grants - Operating (recurrent) | 3,923 | 7,877 | (3,954) | -50.2% | 10,503 | 2 |
| Grants - operating (non-recurrent) | 3,487 | 1,055 | 2,433 | 230.7% | 1,406 | 3 |
| Grants - capital (recurrent) | 470 | 1,076 | (606) | -56.3% | 1,434 | 4 |
| Grants - capital (non-recurrent) | 1,647 | 3,983 | (2,336) | -58.6% | 5,310 | 5 |
| Contributions - cash non recurrent | 287 | 163 | 124 | 76.3% | 217 | 6 |
| Interest income | 1,120 | 263 | 858 | 326.7% | 350 | 7 |
| Proceeds from disposal of assets | 286 | 1,381 | (1,095) | -79.3% | 1,841 | 8 |
| Other revenue | 781 | 3,401 | (2,620) | -77.0% | 4,535 | 9 |
| TOTAL INCOME | 46,817 | 54,261 | (7,444) | -13.7% | 62,094 | |
| OPERATING EXPENSES (Excluding Depreciation) :- | | | | | | |
| Employee benefits | 15,233 | 16,177 | (944) | -5.8% | 21,569 | 10 |
| Contract payments materials & services | 13,394 | 12,931 | 463 | 3.6% | 17,241 | |
| Bad & doubtful debts | 1 | 9 | (8) | -88.9% | 12 | |
| Finance costs | 46 | 53 | (7) | -12.4% | 70 | |
| Other expenses | 1,011 | 964 | 47 | 4.9% | 1,285 | |
| TOTAL OPERATING EXPENSES (Excl. Depn.) | 29,685 | 30,133 | (448) | -1.5% | 40,177 | |
| OPERATING RESULT (Excl. Depn.) | 17,132 | 24,129 | (6,997) | -29.0% | 21,917 | |
| CAPITAL ITEMS :- | | | | | | |
| Capital works/asset purchases | 11,953 | 19,691 | (7,738) | -39% | 26,255 | 11 |
| SURPLUS (DEFICIT) AFTER CAPITAL ITEMS | 5,179 | 4,437 | 742 | 17% | (4,338) | |
| ADD FINANCING TRANSACTIONS | | | | | | |
| Loan principal redemption | (203) | (203) | 0 | -0.1% | (271) | |
| Transfers to/from reserves | 5,756 | 5,756 | 0 | 0.0% | 4,710 | |
| Proceeds from loans | 0 | 0 | 0 | 0.0% | 0 | |
| TOTAL FINANCING TRANSACTIONS | 5,553 | 5,553 | 0 | 0.0% | 4,439 | |
| BUDGET RESULT SURPLUS | 10,732 | 9,990 | 742 | 7.4% | 101 | |

- The Statutory fees and fines variance relates to Parking Infringements (\$33k), Building Permits (\$42k) and Planning Permits (\$63k). These variances are offset by a favourable increase in Engineering Design and Investigation inspection fees (\$40k).
- Seventy five per cent of Council's 2022/23 Victoria Grants Commission allocation was received in advance in April 2022. This variance will remain for the year and is offset by increased cash holdings on the Balance Sheet and in transfers from reserves.
The full year result for the Victoria Grants Commission allocation will be \$469,022 better than forecast due to an additional \$293,311 from the indexation of our allocation in the 2023 year, and \$175,711 being the underpayment from 2022.
- The favourable variance to budget relates to Our Region Our Rivers (\$715k) partner Council grants and Emergency Management Services (\$1.5m) flood funding received.
- Timing issue. This Roads to Recovery grant funding will be received in full by the end of the financial year.
- Timing issue. Project milestones are yet to be completed for a number of significant capital works projects. Refer note 10.
- Contributions received from the L2P Program (\$50k), Sportsfields and General Reserves (user group contributions \$30k), Waste Management - Kerbside Bin Audits (\$15k) and Sealed Roads Freight Road Mapping (Gannawarra Shire \$12k) were not provided for in the original budget.
- Interest income is favourable in comparison to the budget due to higher interest rate returns on term deposits.
- The budget allowed for the sale of lots in Ronald Street Robinvale over the financial year. Ronald Street housing development is now complete and homes are listed for sale. Proceeds from disposal of assets consists of plant item sales only to date.
- The budget had allowed for \$3,408K of sales at Tower Hill. Tower Hill Stage 14 works are complete and lots are listed for sale. Other revenue received includes EPA levies (\$537k) and a one off Public Lighting carbon credit (\$78k).
- Employee costs are significantly below forecast due to the number of vacant positions within Council over the year and the issues faced with recruiting suitably qualified staff. Salary and wages costs are \$1.48M below forecast. This is offset somewhat by the increase in agency staff costs incurred to fill the vacant roles, currently \$433K above forecast.
- Significant capital works projects forecast for the 2022/23 year are the Art Gallery extension, Pioneer Settlement Cultural & Tourism Hub, Swan Hill Landfill Cell construction, Robinvale Leisure Centre expansion, Ronald Street and Tower Hill developments. The majority of this variance relates to anticipated works on the Art Gallery Extension and Cultural & Tourism Hub not yet commencing and sealed roads expenditure being lower than forecast. Actual expenditure to date includes purchase of Riverfront site (Graincorp \$564k), Monash Drive Carpark (\$429k), McCallum Street Footpath (\$430k), Ken Harrison Soccer Pavilion (\$540k), Robinvale Leisure Centre expansion (\$1.72m), Swan Hill Leisure Centre Pool Equipment Renewal (\$343k), Ronald Street (\$477k) and Tower Hill (\$357k) developments.

**SWAN HILL RURAL CITY COUNCIL
SUMMARISED BALANCE SHEET
AS AT 31/3/2023**

| | Last Year Actual As At 30/06/2022 \$000 | This Year Actual As At 31/03/2023 \$000 | \$ Movement Y.T.D. \$000 | Budget As At End 2022/23 \$000 |
|---|---|---|-----------------------------------|--|
| CURRENT ASSETS:- | | | | |
| Cash and Cash Equivalents | 51,144 | 48,138 | 3,006 | 25,688 |
| Trade & Other Receivables | 3,936 | 10,367 | (6,431) | 3,566 |
| Inventories | 231 | 55 | 176 | 73 |
| Other Assets | 319 | 180 | 139 | 204 |
| TOTAL CURRENT ASSETS | 55,630 | 58,740 | (3,110) | 29,531 |
| CURRENT LIABILITIES:- | | | | |
| Trade & Other Payables | 3,025 | 5,454 | (2,429) | 3,907 |
| Trust Funds & Deposits | 468 | 489 | (21) | 294 |
| Unearned Income/Revenue | 4,276 | 0 | 4,276 | 0 |
| Provisions | 5,016 | 5,006 | 10 | 5,620 |
| Interest Bearing Loans & Borrowings | 271 | 276 | (5) | 275 |
| Lease Liabilities | 259 | 259 | 0 | 78 |
| TOTAL CURRENT LIABILITIES | 13,315 | 11,484 | 1,831 | 10,174 |
| NET CURRENT ASSETS | 42,315 | 47,256 | (4,941) | 19,357 |
| NON-CURRENT ASSETS:- | | | | |
| Trade & Other Receivables | 50 | 111 | (61) | 56 |
| Property, Plant, Equipment & Infrastructure | 571,739 | 572,151 | (412) | 538,106 |
| Right-of-use Assets | 408 | 408 | 0 | 131 |
| Intangible Assets | 3,840 | 3,840 | 0 | 3,195 |
| TOTAL NON-CURRENT ASSETS | 576,037 | 576,510 | (473) | 541,488 |
| NON-CURRENT LIABILITIES:- | | | | |
| Interest Bearing Loans & Borrowings | 2,347 | 2,139 | 208 | 2,072 |
| Lease Liabilities | 167 | 167 | 0 | 63 |
| Provisions | 3,234 | 3,267 | (33) | 1,688 |
| TOTAL NON-CURRENT LIABILITIES | 5,748 | 5,573 | 175 | 3,823 |
| TOTAL NET ASSETS | 612,604 | 618,193 | (5,589) | 557,022 |
| EQUITY:- | | | | |
| Accumulated Surplus & Reserves | 331,162 | 336,751 | (5,589) | 321,208 |
| Asset Revaluation Reserve | 281,442 | 281,442 | 0 | 235,814 |
| TOTAL EQUITY | 612,604 | 618,193 | (5,589) | 557,022 |

B.23.31 LODDON MALLEE HOUSING ACTION PLAN FINAL REPORT

Responsible Officer: Director Development and Planning
File Number: S12-27-15
Attachments: 1 [↓](#) Loddon Mallee Housing Action Report and Housing Case Studies

Declarations of Interest:

Heather Green - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

The purpose of this report is to brief Council on the Loddon Mallee Housing Action Report which addresses the issues that are seen as significant impediments to the provision of additional housing across the Loddon Mallee Region.

The report has identified possible governance models for the regional Councils to consider so that the work on the implementation of the actions and strategies identified can commence and continue to be advocated for.

Consideration needs to be given to the creation of a Regional Housing Officer position servicing the Councils of the Loddon Mallee Region, which may mean a financial commitment from Council.

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. The action plan investigated issues relating to the provision of additional housing across the Loddon Mallee Region and identified strategies, if implemented, would address the critical housing needs of the region (copy of the Loddon Mallee Housing Action Plan attached).

In addition to the action plan the project also developed four business case studies that demonstrated projects that were being implemented together with a number of examples of what could be achieved if the strategies identified in the action plan were implemented (copy of business plans attached).

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 of the Loddon Mallee Councils were invited to take part in the project and indeed all took up the opportunity through the consultation process to ensure that each Council area had their issues identified and factored into the final strategies.

Consultation also took 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.

Loddon Mallee Housing Action Plan - Key Considerations

The action plan lists a number of issues that need consideration and for Council to adopt a position on including support for the overall contents of the document. The action plan was circulated to all of the Loddon Mallee Regional Councils with a request for each Council to consider the document, the issues highlighted and provide a formal response.

If the action plan is to be successful in addressing the issues highlighted, it is going to need the support of all Councils within the region. It is hoped that this will be forthcoming as the document has highlighted that there are common themes across the region when it comes to the provision of additional housing.

Local Government will have an ongoing role with the issue of housing but will need to continue to engage with the other levels of Government, Industry, key stakeholders and the community to achieve success.

Governance:

The action plan highlights the establishment of an overarching governance group who would have responsibility for the implementation of the plan on behalf of the Councils.

Four options are listed in the report:

- Create a new group based on those that have been involved in the development of the Action Plan and rotate member Councils as the secretariat each year.
- Use an existing State Government body.
- Use an existing Local Government body.
- Use the Regional Development Australia (RDA) network.

There is a discussion on the advantages and disadvantages of the options in the report.

Governance Body Update:

Since completion of the report further discussions have been conducted amongst a number of key organisations which has resulted in an offer from the Loddon Mallee RDA to auspice a Regional Leadership group to guide and support implementation of the Housing Action Plan and ensure coordination across the region.

The Loddon Mallee RDA have also indicated that it has access to \$75,000.00 to support implementation activities.

Key housing supply issues:

Six key issues were identified relating to the regions housing supply are listed together with required actions, who might be involved and what priority level they should be given. The plan recognises that there will be some issues that are regional with other issues specific to a Council or a number of Councils.

Strategy 1- Better Strategic Planning for future housing supply

The key focus of this area of the plan is on getting the planning both for now and into the future right. It recognises the need for additional resources to be created to ensure that strategic planning is undertaken to identify ongoing needs and what form housing should come in and where.

This strategy would involve influence of policy, advocacy and seeking government funding.

Strategy 2 – Bridging Infrastructure financing gaps

This key focus identifies that a key impediment to the provision of additional housing in regional settings is the significant greater costs associated with the provision of infrastructure. The strategy aims to identify how these costs can be overcome through access to funding support to allow for developments to proceed.

The strategy would aim to bring together Government and industry to develop a workable plan that addresses financing for infrastructure.

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

The action plan recognises that there is suitable land available for housing however the processes to access this land are lengthy and need the support of State Government to identify at a new way of releasing land.

Making available a database of what is available together with what levels of support might be provided to have the land developed for housing is seen as a critical action.

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

This part of the plan seeks greater consideration for alternative housing to the traditional housing stock that is provided throughout the region and calls for greater consideration to medium density housing and infill developments.

Encouragement through financial incentives and a change in the mindset of Councils and the community to this approach would be advocated for as a part of the plan.

Strategy 5 –Addressing growing demand for affordable and secure housing

The action plan seeks to address a wide variety of housing requirements and opportunities around affordable, social, seasonal workers and first nations housing.

Seeking to reuse housing from special events e.g. Commonwealth Games, additional funding programs for housing and constructing housing sites to demonstrate positive examples of housing developments needs to be undertaken as a part of the plan.

Strategy 6 – Reducing time and costs to unlock supply

Breaking the current cycles around policies, land supply, costs to build and considering new technologies are seen as a critical area of work within the action plan as it was a constant theme repeated by those who took part in the development of the document.

This will require the partnership with the Victorian State Government to continue to develop an overall coordinated approach to the provision of additional housing.

There is a considerable amount of work to be undertaken as a result of the development of the plan and it is recognised that none of the Loddon Mallee Councils have the capacity or staff resources to undertake the implementation of the plan.

The business cases that follow the action plan highlight what can be achieved but also reinforce the difficulties being faced e.g. Newbridge and Etty Street when looking to supply additional housing.

The need for dedicated regional housing support officers:

The action plan highlights the need for consideration of the appointment of dedicated housing support officers but acknowledges that this will present a number of difficulties in achieving this outcome.

Funding for the creation of at least one position is likely to be in the order of \$150,000.00 per year and there is a possibility that there could be some initial State Government funding for a position however it is most likely that it would not be ongoing. The Loddon Mallee RDA has indicated that an initial \$75,000.00 would be available but again the Councils would have to demonstrate that the project has made sufficient progress in order that an extension of the funding might be considered.

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

A number of Councils within the region have staff doing parts of a housing officer role but on a part time basis with no capacity to pick up the action plan implementation actions.

The Loddon Mallee Regional Councils will have to consider funding 50% of an initial appointment e.g. \$75,000 for a twelve month period and then seek to demonstrate the success of the position to hopefully gain ongoing State Government funding.

A request has been made to all of the Councils to give consideration to supporting the creation of the position and advise accordingly. At the time of writing this report there has no indication from the Regional Councils as to whether they have agreed to provide funding.

A secondary difficulty will be attracting the right person and where that person may be located with the current recruitment processes being undertaken by Councils highlighting the difficulties being faced in appointing staff. It is considered that locating the proposed Housing Officer in Bendigo or Mildura may be the Council's the best possible option to attract the right person with the skills needed.

In the event a staff source cannot be found, the Governance body would have to consider how best to progress the action plan and that progress would be no doubt at a slower rate.

Consultation

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.

Financial Implications

Council will need consider as a part of their discussion on whether to adopt the Loddon Mallee Housing Action Plan with the possibility of making a contribution towards to the creation of a Regional Housing Officer's position, in the vicinity of \$15,000, subject to other Councils making a commitment, that would see the amount of \$75,000 reached.

Nominating the amount of \$15,000 is on the basis that Swan Hill Rural City Council together with the Greater City of Bendigo and the Mildura Rural City Council are the three largest Council's in the region and may have greater capacity to contribute than some of the smaller Councils.

Further consideration to the ongoing funding of the position would need to be given after the initial twelve months.

Social Implications

The Loddon Mallee Housing Action Plan has highlighted the need for more housing in a variety of forms such as affordable, social and workers accommodation.

There is capacity to create more housing however there are significant challenges to achieve the construction of homes again highlighted as a part of the many strategies contained in the report.

There are short, medium and long term strategies which if implemented successfully will in time lead to more housing provided but it will take a full partnership approach to achieve success.

Economic Implications

The construction of new housing will have an enormous positive impact on the regional economy providing for employment, industry support, housing for people wishing to live within the region and 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 in order to attract investment into the housing sector.

The creation of additional housing will also address a critical issue in relation to attracting and retaining staff which will have a positive impact on businesses and be a benefit to the community.

Environmental Implications

The action plan whilst recognising the need for additional housing also acknowledges the need to have consideration for the environment when identifying parcels of land that might be developed for housing.

Constructing environmentally sustainable homes should also be 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.

Risk Management Implications

The lack of housing across the Loddon Mallee Region places all Councils at significant risk in a number of key areas and will have a detrimental impact on the ability for the region to grow and take advantage of economic and business opportunities as a result of the lack of housing infrastructure.

Council Plan Strategy Addressed

Prosperity - Effective partnerships for prosperity.

Options

Council can choose not to adopt the Loddon Mallee Housing Action Plan having considered its contents and advise the Loddon Mallee Regional Councils of its decision.

Council having considered the Loddon Mallee Housing Action Plan adopt the plan and provide a response on the key issues of the next stages of implementation:

- Governance Model that it wishes to support noting that the Loddon Mallee RDA have offered to be the governance body to oversee the implementation of the plan
- That it will be active partner in the implementation of the Housing Action Plan
- Willingness to make a financial contribution to the appointment of a Regional Housing Officer for an initial appointment and then review in 12 months' time to determine if ongoing funding will be provided. This would be subject to other Councils making a contribution and support from the Victorian State Government.

Swan Hill Rural City Council has been a very active advocate for the need for the creation of additional homes particularly in the areas of workers accommodation and has proven its ability to deliver innovative solutions towards this issue but still more needs to be undertaken.

The provision of housing is a very complex issue with a variety of challenges being presented, with just a few of the issues that have been highlighted as a result of the work undertaken to prepare the action plan;

- Land availability
- work force to deliver homes
- infrastructure costs
- financial support to increase the viability of projects
- time delays; and
- policy impediments

Council must continue to advocate strongly on the question of the provision of housing and should consider financially supporting the introduction of a housing officer dedicated for the region in order that the action plan can be progressed.

Recommendations

That Council:

- 1. Receives and adopts the Loddon Mallee Housing Action Plan including the strategies listed for implementation.**
- 2. Advises the Loddon Mallee RDA of its acceptance of the offer for them to be the governance body for the delivery of the Loddon Mallee Housing Action Plan.**
- 3. Agrees to make a financial contribution of a maximum of \$15,000 towards the employment of a Regional Housing Officer dedicated to the delivery of the strategies of the Loddon Mallee Housing Action Plan, subject to the confirmation from other Loddon Mallee Councils of a financial contribution to the position and that the contribution be reviewed after 12 months.**
- 4. Writes to the Loddon Mallee Councils advising of its decisions with respect to the Loddon Mallee Housing Action Plan.**

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LODDON-MALLEE HOUSING ACTION PLAN

Swan Hill Rural City Council

November 2022



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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 | Implementation 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 | Implementation partner | 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 | Medium |
| 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 | Medium |
| 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 | Medium |

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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 | Implementation 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 | Medium |
| 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 | Implementation partner | 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 | Medium |
| 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 | Medium |
| 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 Action 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.

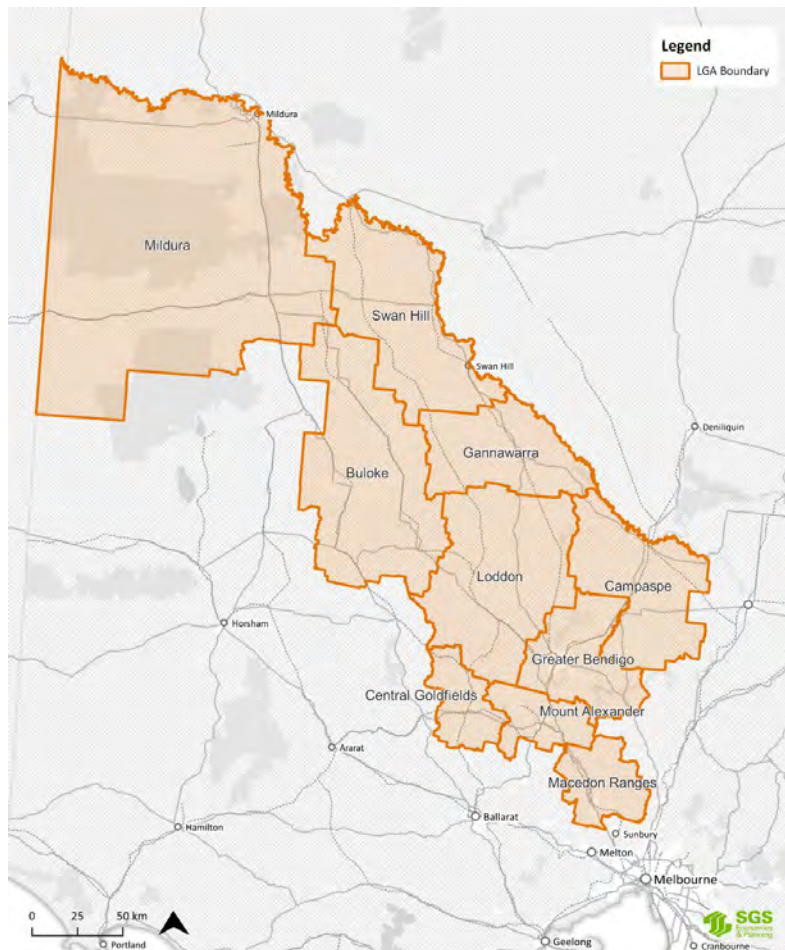
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2. Research and consultation

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 but 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.remplan.com.au/swanhill/economy/trends/population?state=YIAjCN!1YvwigaMqUP6kNOFvnnv8WUgFWIbDkFnlelnhvi2YW>

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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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dwelling 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 keys 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 p 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.

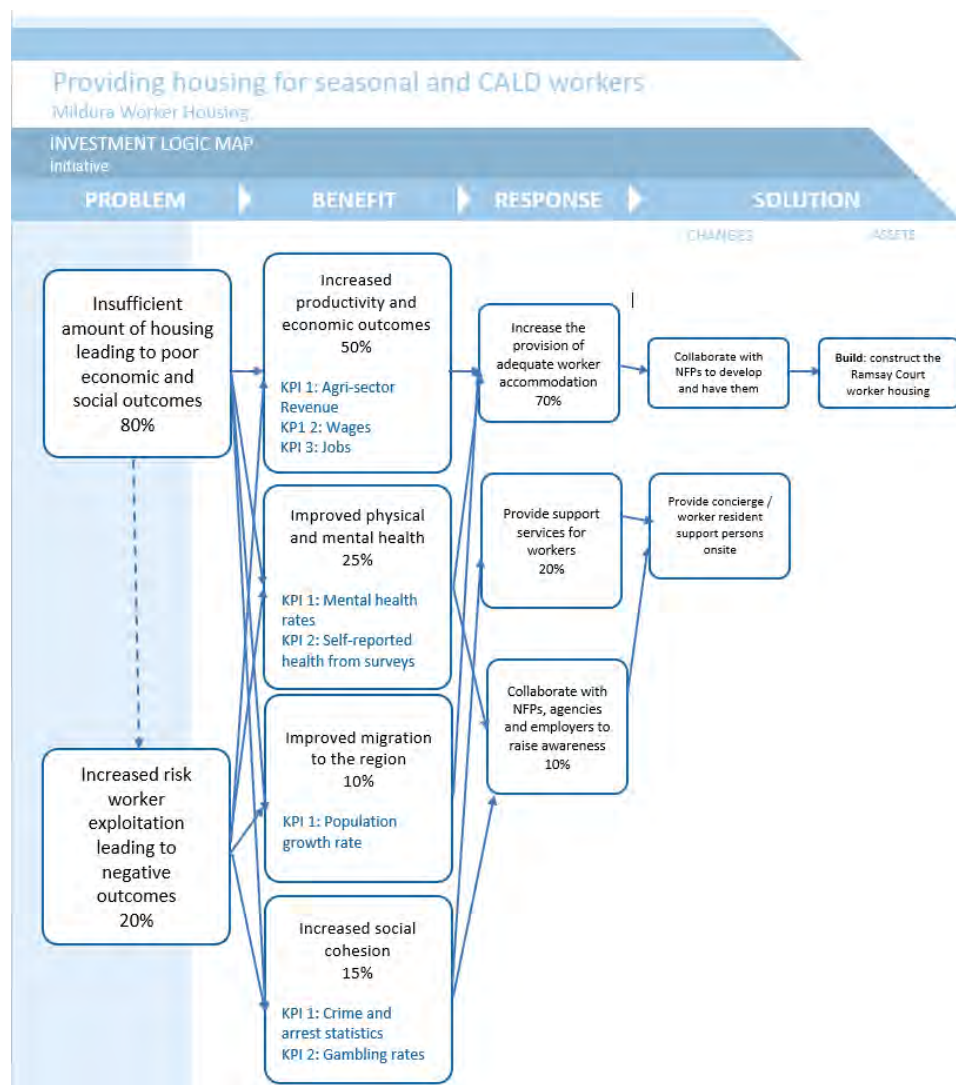
2.2 Investment logic

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 one 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

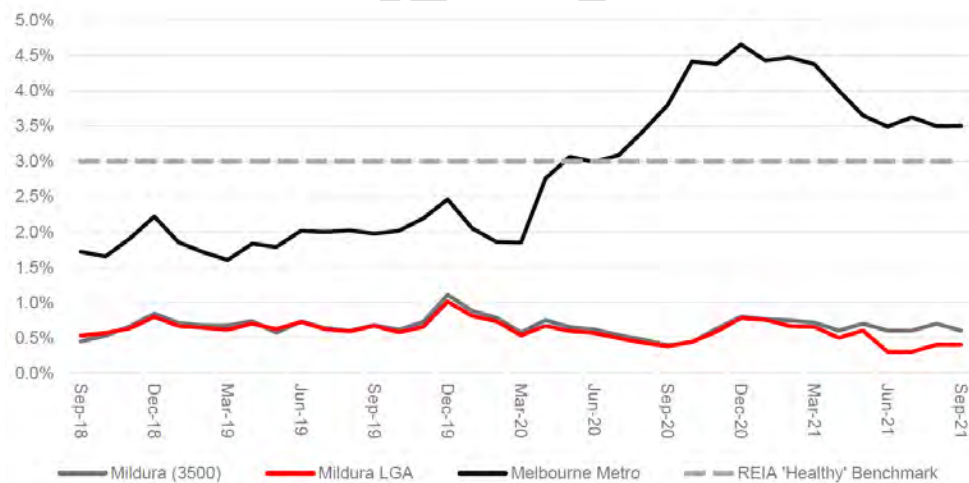
⁴ <https://alga.com.au/mildura-council-calls-for-action-to-ease-regional-housing-crisis/>

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

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

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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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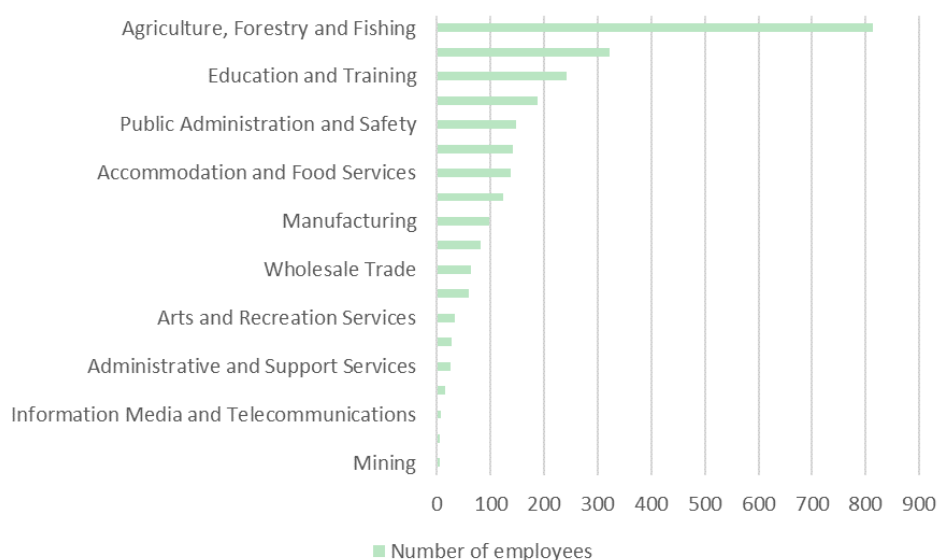
2. Context

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

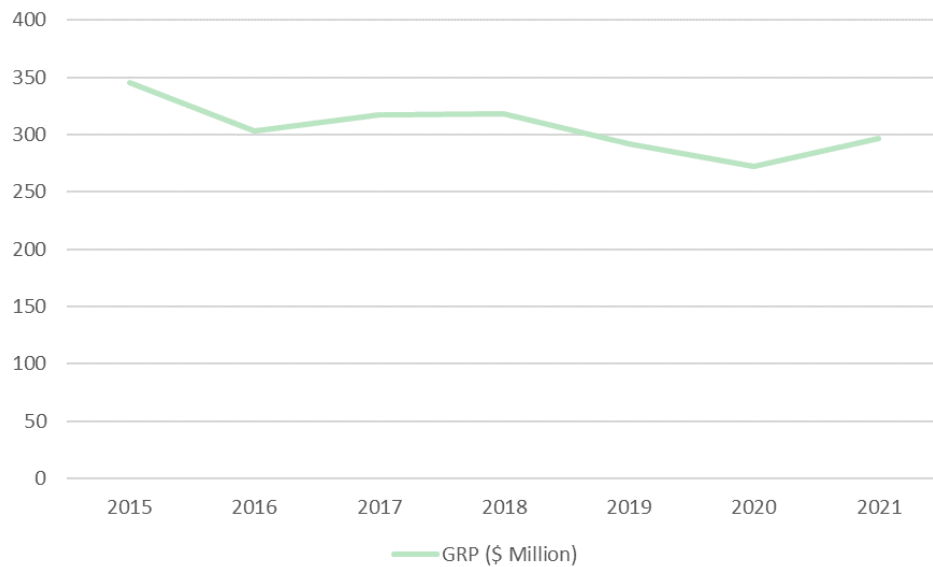
¹ <https://app.remplan.com.au/buloke/economy/summary?state=Vm4RTY2M3TNqIWrwHwqxmnrSRHJHdDa>

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

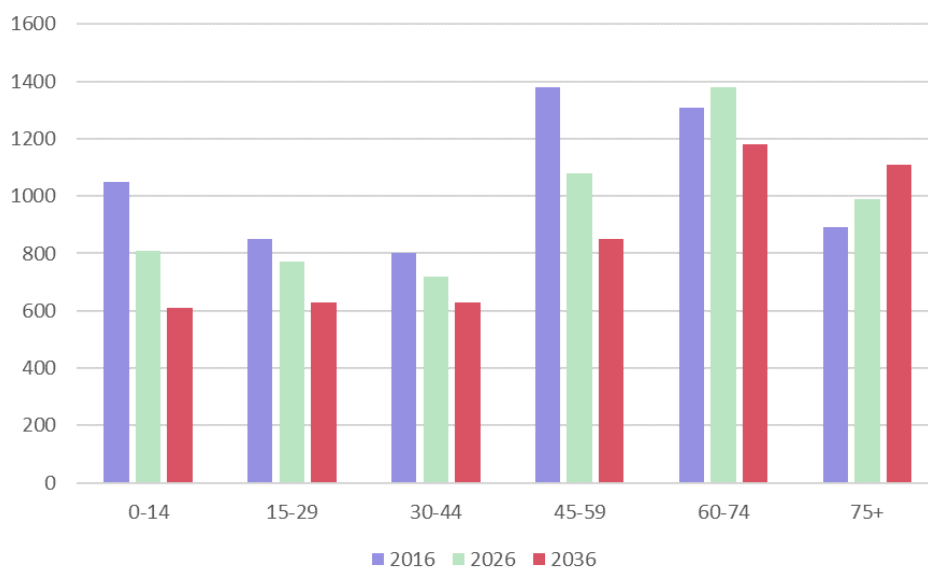
Source: NIEIR 2022

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

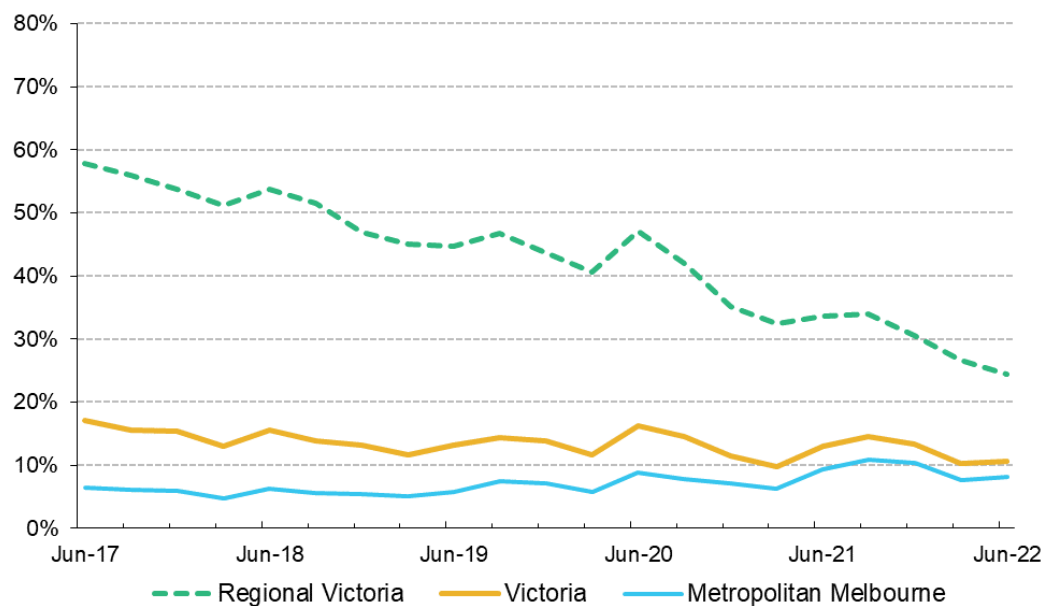
⁴ SQM Research 2022, *Residential Vacancy Rates: Region: Northern Victoria*, accessed 8 September 2022, <https://sqmresearch.com.au/graph_vacancy.php?sfx=®ion=vic%3A%3ANorthern+Victoria&t=1>

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.

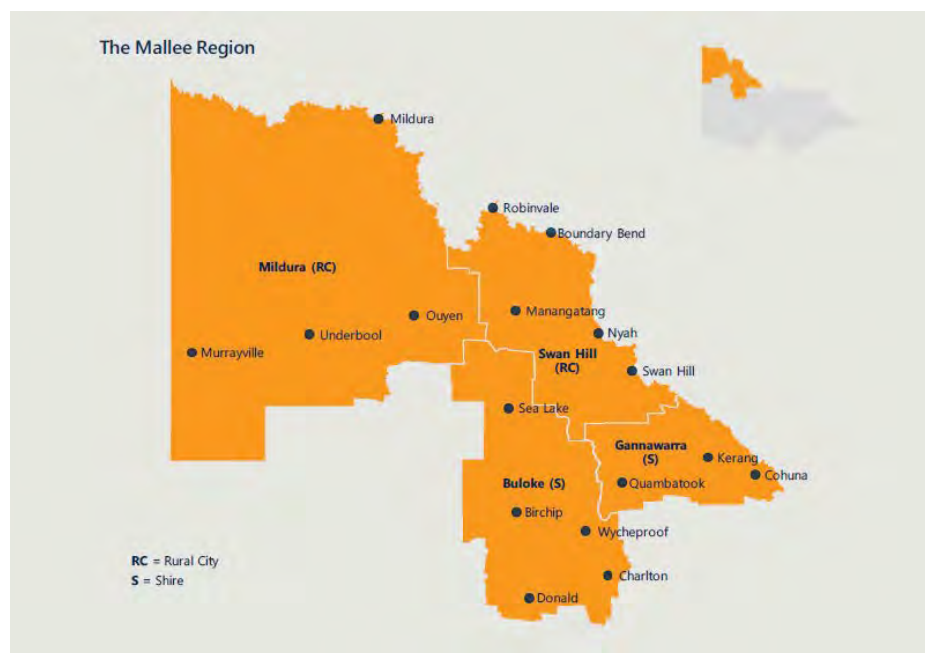
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3. Scale of the problem and effects

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

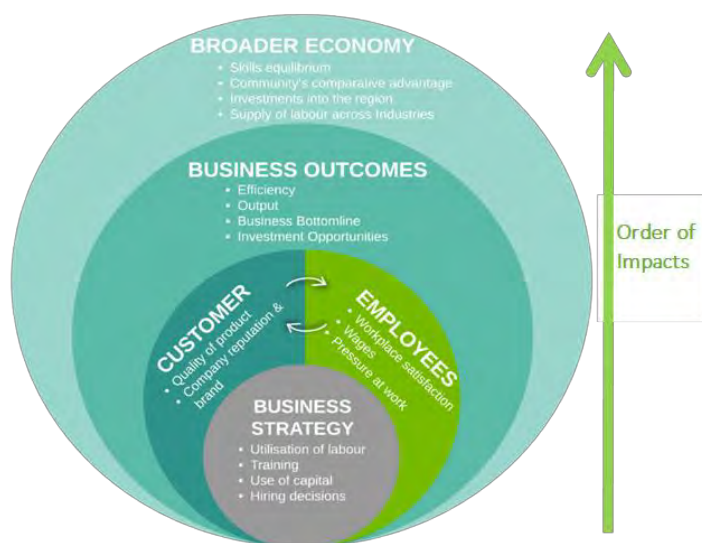
3.2 Consequences of rural worker shortage

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 NCVET (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=eyJrIjoiazlMTktZTA2My00MTBkLTg0MGQyYWU1YjI3M2NmMTRlIiwidCI6IjcyMmVhMGJLTNlMWMtNGlxMS1hZDZmLTk0MDFkNjg1NmUyNCJ9>

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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

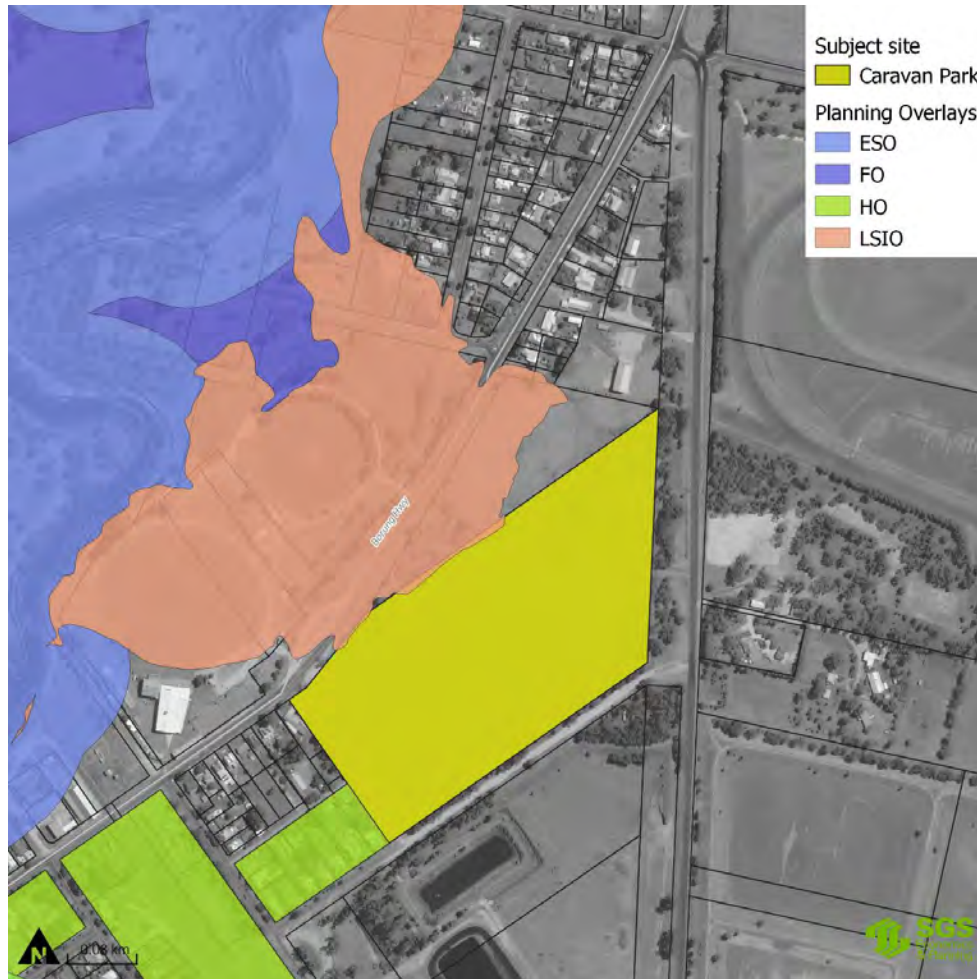
Given the key businesses, Eatwell, Kookas and EWHS, have a strong presence in Donald a more focussed discussion on potential land for worker housing in this town is worthwhile. Amongst the land identified in Donald for future housing, four key sites are identified

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).

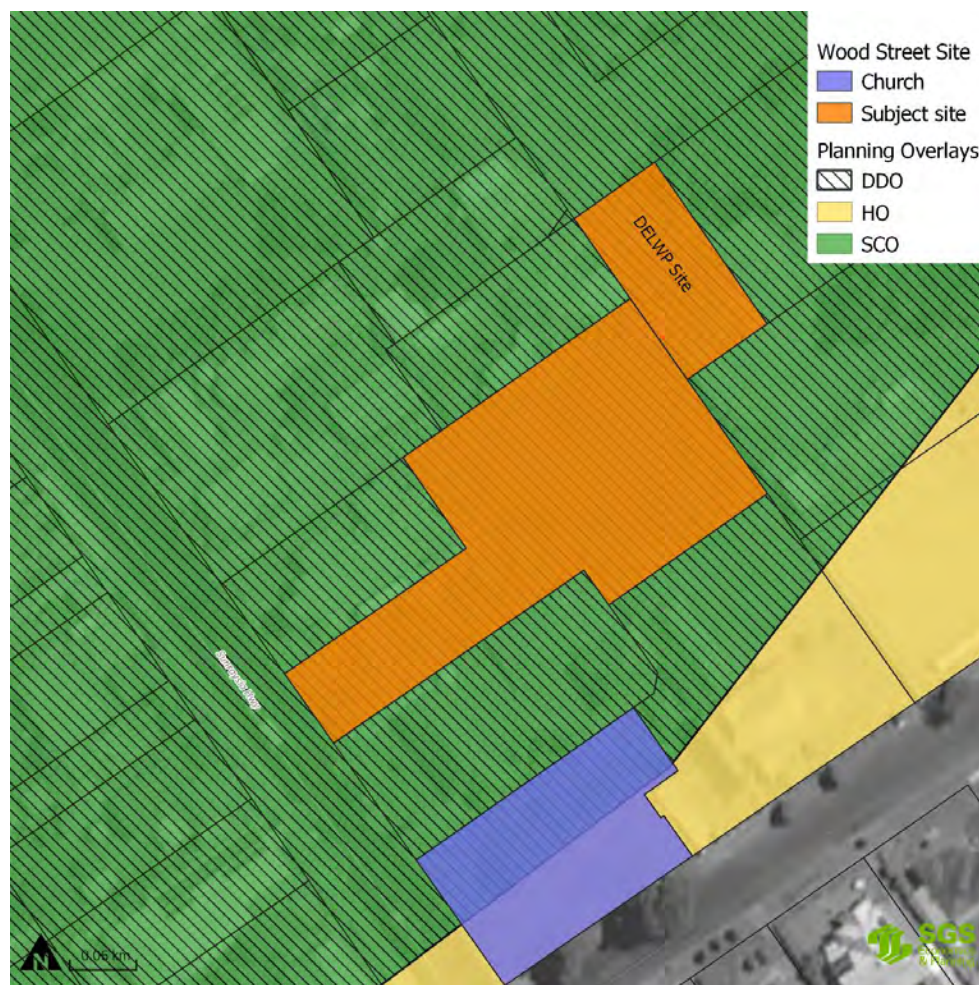
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Site C – 129 Woods Street

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)

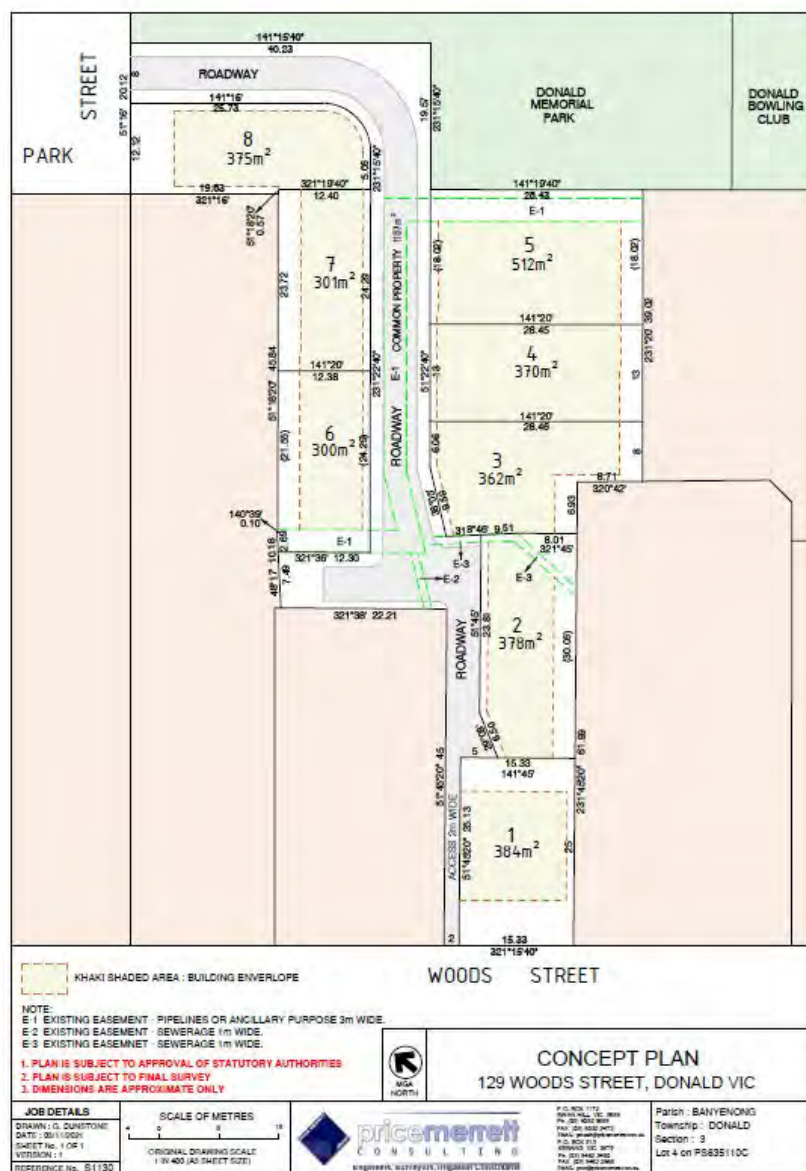


Source: Vic Plan

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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/malle-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 Centra, 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 the 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) | 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.

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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: Eddy Street Housing Proposal – Strategic Policy Guide

Prepared for Swan Hill Rural City Council

19 December 2022





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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.

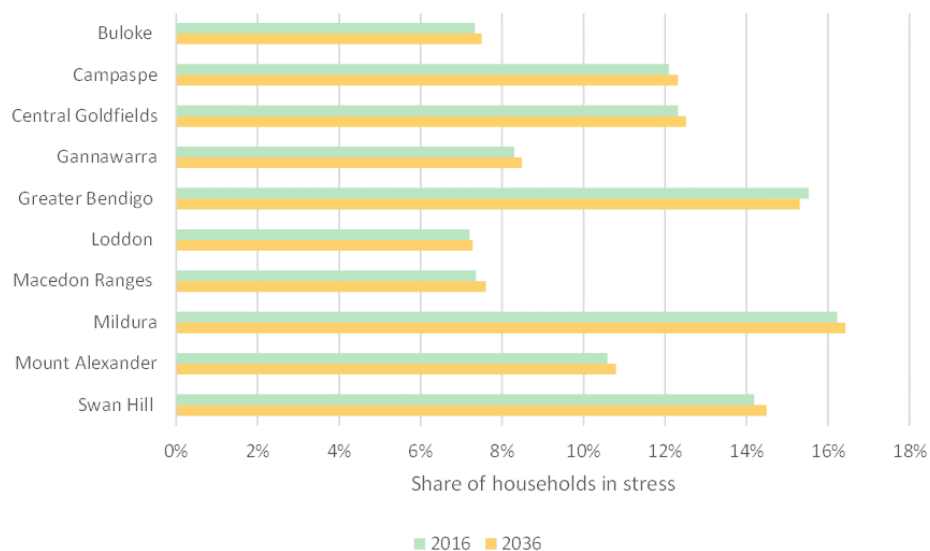
The provision of land is key to enabling an increase in housing supply more generally and for targeting the provision of social and affordable community housing. In some regional LGAs, selected State Government owned sites may be surplus to requirements and are located such as to be suitable for social 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

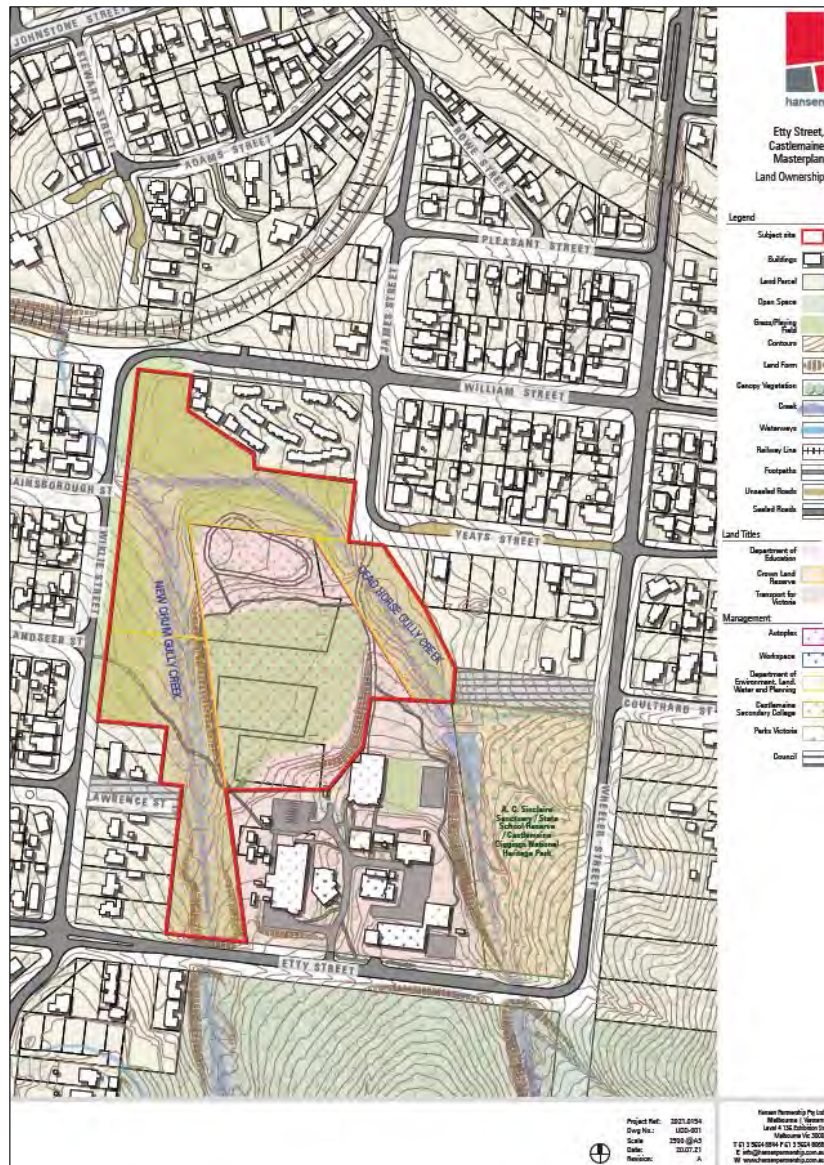


Source: Hansen Partnership, 2021:13.

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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 1337, 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 PUZZ. | 35 Ety Street, Castlemaine. <ul style="list-style-type: none"> • Main entry to the campus from Ety 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 PUZZ. | 35 Ety Street, Castlemaine. <ul style="list-style-type: none"> • Main entry to the campus from Ety 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 PUZZ. | 35 Ety Street, Castlemaine. <ul style="list-style-type: none"> • Main entry to the campus from Ety 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) | <p>Formerly Castlemaine Secondary College Senior Campus – Gravel Carpark</p> <ul style="list-style-type: none"> Currently leased to Autoplex Castlemaine. Proposed to be utilised by Workspace Australia for car parking. Currently Zoned PUZZ. | <p>35 Eddy Street, Castlemaine.</p> <ul style="list-style-type: none"> Main entry to the campus from Eddy Street to the south. |
| 5 | | | | <p>Formerly Castlemaine Secondary College Senior Campus – Former Campus Administration Building / Building A (Workspace Australia)</p> <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 'use of part of the existing buildings as an Employment Training Centre - business incubators and café, | <p>35 Eddy Street, Castlemaine.</p> <ul style="list-style-type: none"> Main entry to the campus from Eddy Street to the south. Car parking to be provided along Eddy Street (existing gravel car park) and in a new car park to the southeast of the site (PA205/2021). |

| | | | | | |
|---|--|------------|---|---|---|
| 6 | | | | <ul style="list-style-type: none"> associated buildings and works and a reduction in car parking). Currently Zoned PUZZ. | |
| 7 | | | | <p>Formerly Castlemaine Secondary College Senior Campus s – Former Campus Science Building / Building B (Workspace Australia)</p> <ul style="list-style-type: none"> Currently leased to Workspace Australia (Building B). Currently Zoned PUZZ. | <p>35 Eddy Street, Castlemaine.</p> <ul style="list-style-type: none"> Main entry to the campus from Eddy Street to the south. Car parking to be provided along Eddy 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 (of Castlemaine (| Crown Land | Minister for Education and Training (DET) | <p>Formerly Castlemaine Secondary College Senior Campus – Former Campus Canteen Building / Building C (Workspace Australia)</p> <ul style="list-style-type: none"> Currently leased to Workspace Australia (Building B). Currently Zoned PUZZ. | <p>35 Eddy Street, Castlemaine.</p> <ul style="list-style-type: none"> Main entry to the campus from Eddy Street to the south. Car parking to be provided along Eddy Street (existing gravel car park) and in a new car park to the southeast of the site (PA205/2021). |
| | | | | <p>Retained by Castlemaine Secondary College – Former Campus Library Building).</p> <ul style="list-style-type: none"> Currently used by Victorian Curriculum Assessment Authority (VCAA). | <p>35 Eddy Street, Castlemaine.</p> <ul style="list-style-type: none"> Main entry to the campus from Eddy Street to the south. |

| | | | | | |
|----|---|------------|---|---|---|
| 9 | | | | <ul style="list-style-type: none"> Currently Zoned PUZZ. | |
| | | | | Retained by Castlemaine Secondary College – Former Campus Music Building) <ul style="list-style-type: none"> Currently used by Victorian Curriculum Assessment Authority (VCAA). Currently Zoned PUZZ. | 35 Eddy Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Eddy 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 (VCAA). Currently Zoned PUZZ. | 35 Eddy Street, Castlemaine. <ul style="list-style-type: none"> Main entry to the campus from Eddy 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 Eddy 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 | Free 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 | Free 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) | Free 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 Eddy 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 Eddy Street (south). |

| | | | | | |
|----|---|--------------|-----------------------------------|---|---|
| 14 | Crown Allotment 19, Section 124, Township of Castlemaine, Parish of Castlemaine | Crown Land | DELWP as Crown Land Administrator | <ul style="list-style-type: none"> Currently Zoned as PPRZ. 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 Horse Gully Creek traverses this site. |
| 15 | Crown Allotment 7, Section 132, Township of Castlemaine, Parish of Castlemaine | Crown Land | DELWP as Crown Land Administrator | <ul style="list-style-type: none"> Currently Zoned as PPRZ. 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 Landsmeer Street. Dead Horse Gully Creek traverses this site. |
| 16 | Crown Allotment 4, Section 134, Township of Castlemaine, Parish of Castlemaine | Crown Land | DELWP as Crown Land Administrator | <ul style="list-style-type: none"> Currently Zoned as PPRZ. 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**.

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FIGURE 7: CONCEPT 2A – ETTY STREET PROJECT CONCEPT PLAN



Source: Hansen Partnership, 2021.

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2.5 Land Development Issues

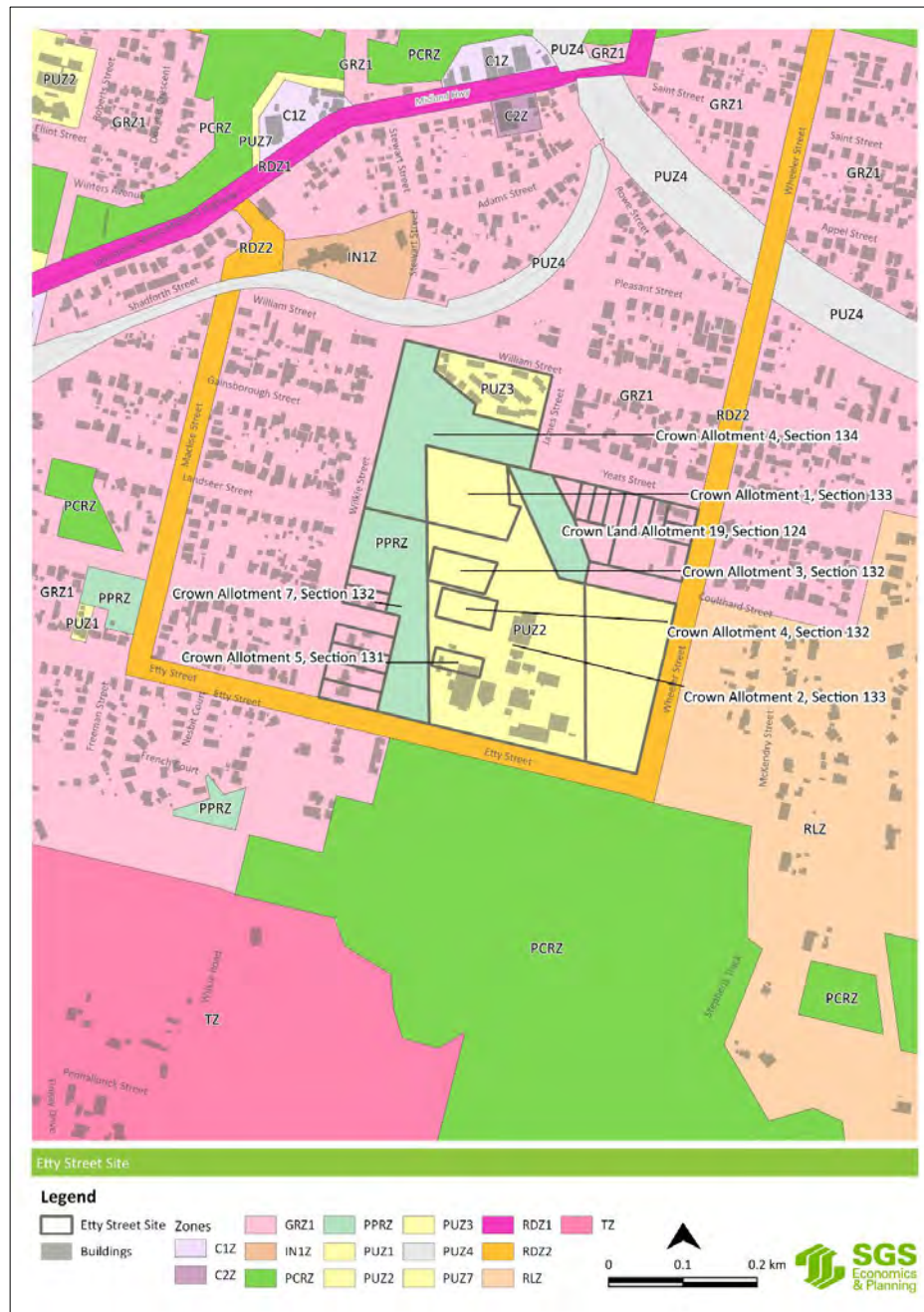
The land tenure analysis above and the concept plans prepared by Hansen Partnership show that only the northern and central parts of the site are mooted for social and affordable community housing development, and that none of the existing buildings on the former Secondary College site will be affected 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](#)

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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 | Free 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 | Free 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://chiavic.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 OPTIIONS

| | |
|--------|--|
| 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 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.fnrls.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 LUAAs: 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

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| 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 | Victorian <i>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 Wurrung 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 (TLaWCAC), 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.

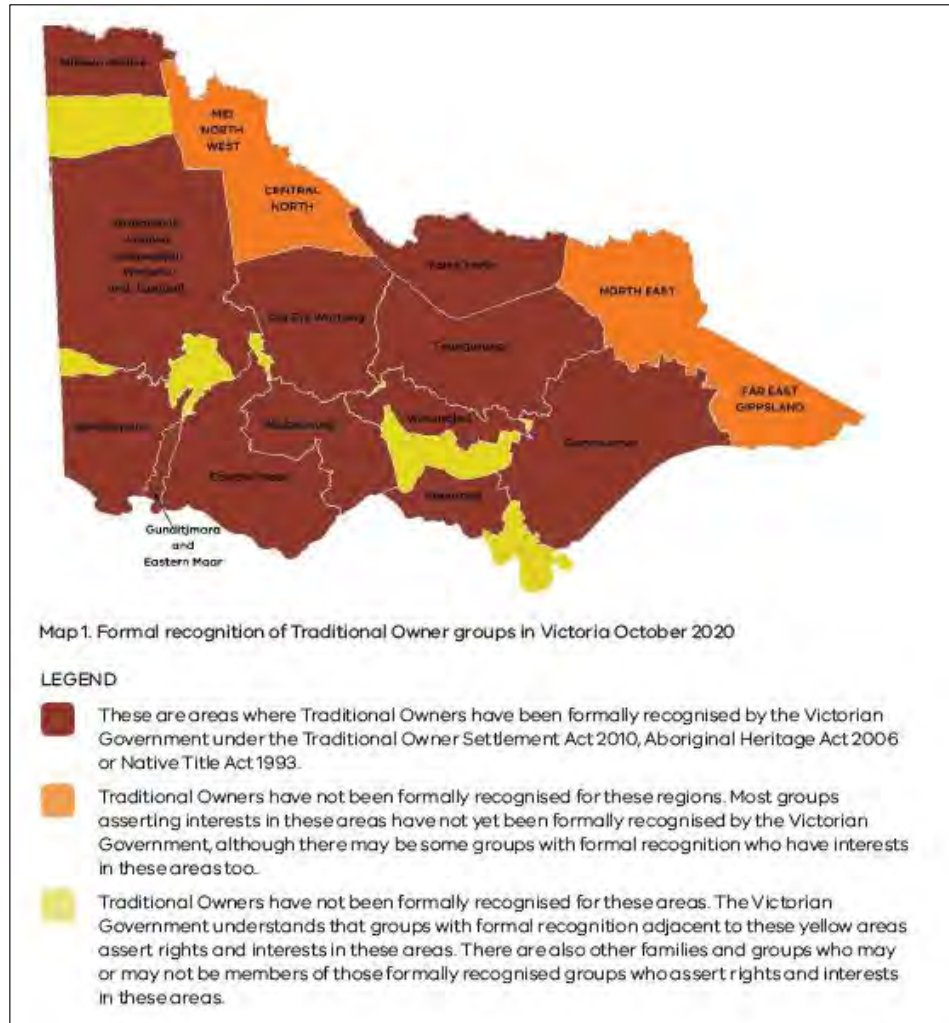
Through the Victorian Government Traditional Owner Engagement Project, a small team of staff at Aboriginal Victoria (Project Team) and an independent Indigenous Facilitator held extensive discussions with Traditional Owners, government staff and non-government bodies between December 2018 - July 2019.

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).

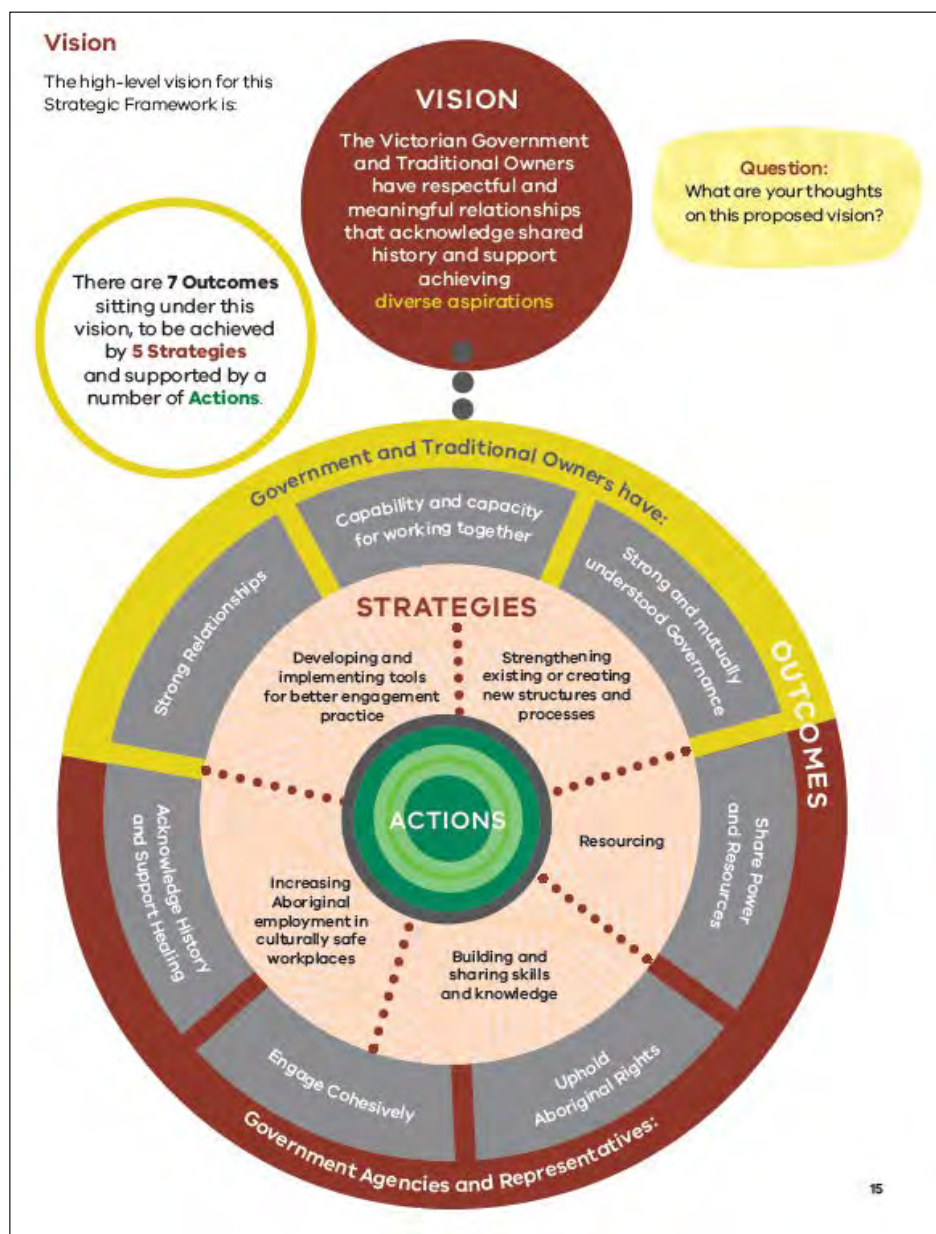
FIGURE B2: FORMAL RECOGNITION OF TRADITIONAL OWNER GROUPS IN VICTORIA, AUGUST 2019



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>

SGS ECONOMICS AND PLANNING: LODDON-MALLEE HOUSING ACTION PLAN: ETTY STREET HOUSING PROPOSAL –
STRATEGIC POLICY GUIDE

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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. |

| | |
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| 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.

Given 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-serviced 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 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 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 |
|-------|------|------|------|------|------------------|
|-------|------|------|------|------|------------------|

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

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B.23.32 SUSTAINABLE FRUIT FLY MANAGEMENT IN THE MURRAY VALLEY BEYOND 2025

Responsible Officer: Director Development and Planning
File Number: S14-01-02-06
Attachments:
1 [↓](#) Sustainable fruit fly management in the Murray Valley beyond 2025
2 [↓](#) Letter of Support - Sustainable Fruit Fly Management in the Murray Valley beyond 2025

Declarations of Interest:

Heather Green - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

This report seeks to provide Council with an overview of the 'Sustainable fruit fly management in the Murray Valley beyond 2025' position paper as released by the Fruit Fly Murray Valley (FFMV) Advisory Group. It also recommends Council to note the attached letter that was submitted as part of the feedback process on 29 March 2023, which highlighted Council's support for the position being advocated.

Discussion

Queensland Fruit Fly (Qfly) is now established in Victoria and New South Wales including within the Greater Sunraysia Pest Free Area (GSPFA) – see map below:



Map 1: Greater Sunraysia Pest Free Area

The Fruit Fly Murray Valley (FFMV) Advisory Group, made up of industry and government representatives including Council, guides and advises on the development and delivery of the Greater Sunraysia Regional Program. The Program is funded to deliver on Victoria's Fruit Fly Strategy 2021-2025 with a focus on area-wide management and transitioning to a sustainable funding model.

Over the past few months, the FFMV Advisory Group has been looking at the future of Qfly management in the region. The Victorian State Government's position is that the management of established pests such as Qfly is primarily the responsibility of land managers and there is no guarantee of ongoing funding.

The advisory group's position paper, "Sustainable fruit fly management in the Murray Valley beyond 2025", looks at the challenges the region faces in Qfly management.

The purpose of this document is to record the Murray Valley region's position on fruit fly management beyond the implementation of the current Victorian Fruit Fly Strategy 2021-2025. The position paper asserts that while horticulture growers and industry are successfully meeting on farm responsibilities, government support is necessary to continue the coordination of off-farm fruit fly management after the program ends in June 2025.

The document also outlines the position of Local Government on this topic:

Local government consider that it is the responsibility of the states to support landholders and the community to manage established pests and diseases and would not support any shift of these responsibilities to local government. The only practical way for area wide management to continue to occur is through a state or national coordinated funding mechanism.

At the most recent FFMV Advisory Group meeting held on 19 February 2023, industry representatives challenged the local government position. They argued that if ongoing funding from the State Government was to cease, industry could approach Councils and push for the introduction of a special rates scheme e.g., a 'Fruit Fly Levy' to be applied to all residents to assist in the area-wide management of Qfly.

The position paper was released for public consultation in January 2023. Local stakeholders were invited to provide feedback on the paper, including Swan Hill Rural City Council.

Attached to this report is a copy of the position paper distributed for public consultation, as well as a copy of the signed letter that was submitted on 29 March 2023 as part of the feedback process. This letter provided support for the position being advocated within the position paper, while also highlighting that Council agrees that it is the responsibility of the states/territories to support landholders and community manage established pests and diseases, and Council would not support any shift of biosecurity responsibilities to Local Government.

Consultation

Council's Environment and Sustainability Officer, represents Council at FFMV Regional Advisory Group meetings and provided input into the position of local government.

This topic was presented at the Executive Leadership Team meeting on 6 March 2023 and then to Councillors at Council Assembly on 7 March 2023 as well as 28 March 2023, where Councillors provided comments that were incorporated into the attached letter.

Financial Implications

There are no implications to Council presently, however, industry representatives noted that if ongoing funding from State Government is not forthcoming, they might

push for Councils to apply a 'Fruit Fly Levy' to residents to assist in the area-wide management of fruit fly.

In addition, without State Government support, community-based programs e.g., Fruit Fly Murray Valley, to address off-farm fruit fly risk creators will end. If this was to happen it is likely that off-farm and community enquiries regarding Qfly may be directed to Council, potentially drawing resources away from where they are needed.

Social Implications

None identified.

Economic Implications

Without state government support, any coordinated approach across growers, industry, and government to manage Qfly within the region will end. With no area-wide management, each grower will focus on protecting their susceptible commodities from infestation.

In years of high pest pressure (e.g. 2020-23 with ideal climate conditions for Qfly numbers to increase substantially), it is likely that crop loss will occur and the cost to manage will be significant.

Environmental Implications

Without state government support, any coordinated approach across growers, industry, and government to manage Qfly within the region will end. Regional Qfly numbers are likely to fluctuate in response to environmental conditions.

Risk Management Implications

None identified.

Council Plan Strategy Addressed

Prosperity - A thriving diverse economy.

Options

That Council notes both this report as well as the attached letter that was submitted on 29 March 2023, highlighting Council's support for the position being advocated.

Recommendations

That Council notes both this report as well as the attached letter submitted on 29 March 2023, highlighting Council's support for State Government funding continuation in relation to the management of Queensland fruit fly in the region.

Sustainable fruit fly management in the Murray Valley beyond 2025

FINAL DRAFT FOR PUBLIC CONSULTATION

The purpose of this document is to record the Murray Valley region's position on fruit fly management beyond the implementation of the current Victorian Fruit Fly Strategy 2021-2025.

Overview

- Queensland fruit fly (Qfly) is now established in Victoria and New South Wales including within the Greater Sunraysia Pest Free Area.
- Victoria's Fruit Fly Strategy 2021-2025 has documented its position on the management of established pests such as Qfly as primarily the responsibility of land managers.
- In the last 10 years, commercial horticultural land managers have significantly increased their knowledge and skills to manage Qfly and are meeting their responsibilities as land managers.
- Through the FFMV program, land managers in the wider community (e.g. residential properties) have been supported to increase their understanding of fruit fly management. This approach seeks to support horticultural industries through better management of off-farm Qfly populations within the region. Adoption of effective fruit fly management within the wider community is varied.
- There is no guarantee of ongoing funding from the state government to support a coordinated community-based program, such as the FFMV, beyond the current commitment to 30 June 2025.
- Growers and industry are meeting their on-farm fruit fly management responsibilities and should not be responsible for funding continued work off-farm and paying for the community at large.
- A funding mechanism coordinated at a state or national level is needed for a coordinated community-based program.
- Without government support, community-based programs to address off-farm fruit fly risk creators will end.

Introduction

Queensland fruit fly is now established in Victoria and New South Wales including within the Greater Sunraysia Pest Free Area (GSPFA). Since the first outbreaks in 2011, commercial horticultural growers have made a significant shift in increasing their knowledge and skills to manage Qfly on their properties. However, fruit fly pressure from off-farm sources (e.g., fruit trees in backyard gardens) continues to provide a risk to high value commercial horticultural production in the region.

Since 2015 the region has been supported by over \$5 million worth of investment from the Victorian Agriculture Ministers, to support the pest free area industry development committee and grants in the Sunraysia region. Along with \$1.9 million from growers (2014-18) to transition from a pest free area to managing an established pest population.

Beyond the current commitment to 30 June 2025, financial support for this regional program from the Victorian state government is likely to cease unless an alternative financial source can be found. The NSW state government has not financially contributed to the area wide management responses for several years.

The Victoria state government has detailed their position on the management of established pests such as Qfly, in that it is primarily the responsibility of land managers (Agriculture Victoria, 2021). All land managers need to meet their responsibilities to ensure Murray Valley horticulture industries can effectively manage Queensland fruit fly on-farm.



Sustainable fruit fly management in the Murray Valley beyond 2025

FINAL DRAFT FOR PUBLIC CONSULTATION

On-farm management of Qfly

Commercial horticultural growers within the region have proactively increased their understanding, knowledge, and skills in managing Qfly on their properties. They are now well-educated in knowing how to manage Qfly, continually monitoring their own farms and protecting their fruit. They have adapted their programs to meet trade requirements and produce fruit in the current environment. However, the cost of managing Qfly (increased control and crop loss) remains strongly influenced by pressure from off-farm populations.

Growers contributed to addressing off-site risk creators for four years, establishing the GSPFA Industry Development Committee in December 2014, until December 2018. Growers add value to the region through horticultural production and jobs. They are doing their part and should not be responsible for Qfly management in the wider community.

Horticulture is one of the main industries supporting the Murray Valley region, especially many of the smaller townships. Commercial horticultural growers contributed significantly to not only the economy of the region but to the economy of the state and country. The region is renowned for high-value horticultural crops, including citrus, table grapes, stone fruit, wine grapes, dried fruit, nuts, vegetables, and olives. The estimated value of Qfly-impacted crops within the region is over \$950 million annually.

Off-farm management of Qfly

Residential communities and some farming communities with lower susceptibility to Qfly pressures (e.g., wine grapes, olives, dried fruits, and avocados) continue to contribute to the pest risk in the region. High pressure seasons such as those experienced between 2020-23 associated with the La Niña weather events have demonstrated the continued need for off-site risk reduction.

Regulatory mechanisms aren't functioning adequately to ensure that commercial properties not managing Qfly are meeting their responsibilities. The current regulatory mechanisms require neighbours to report infestations, only after it is having a detrimental impact on their produce. This is too late. There are no provisions under the current regulations to address highly visible non-compliance and repeat offenders, without an infested lands notification. Community engagement is most effective if it is reinforced compliance for blatant and large-scale non-compliance (White et al 2021).

It is difficult to quantify the contribution of off-farm risk, due to seasonal variations in Qfly populations and the varied application of Qfly management activities across the region. Managing off-farm Qfly risk also involves a wide variety of stakeholders and differing circumstances – it is therefore inherently difficult to coordinate or fund. It is outside grower's capacity to coordinate off-farm risks and there is insufficient evidence that there would be a return on investment for commercial horticulture growers/industry to reduce pressure off-farm.



Sustainable fruit fly management in the Murray Valley beyond 2025

FINAL DRAFT FOR PUBLIC CONSULTATION

Vision for fruit fly management in the region beyond 2025

The FFMV Regional Advisory group (hereafter referred to as 'the group') has identified what they believe is their ideal vision for the region beyond June 2025 in that:

Murray Valley horticulture industries can effectively manage Qfly, supported by data that identifies areas of high off-farm pest pressure and delivery of targeted activities within the region. Support activities could include:

- a) Identifying sources of off-farm high or very high pest pressure, though collection, interrogation and provision of knowledge and evidence of fruit fly pressure.*
- b) Reducing high pest pressure by targeting specific off-farm areas through a combination of education and on-ground actions, backed up by a regulatory approach.*
- c) Maintaining and promoting education materials that explain the impacts of fruit fly and ways the Murray Valley community can support suppression of fruit fly populations.*

The group considers that to achieve this vision there needs to be a coordinated approach across growers, industry, and government. Growers supported by industry are providing considerable contribution to the management of Qfly within the region through implementing on-farm controls.

Management of off-farm risk is outside the remit of growers and industry. Behavioural change within the community needs to be driven at a strategic level by the government to enable a coordinated and targeted approach to off-farm risk management. Achieving behavioural change across a community as wide and diverse as the Murray Valley can take a considerable amount of time and effort. Past programs have achieved significant change within the region, with the removal of unwanted fruit trees and training programs for people willing to put the time and effort into producing clean fruit.

The Intergovernmental Agreement on Biosecurity (IGAB) identifies that it is the responsibility of the states and territories to support landholders and the community to manage established pests and diseases. The Victorian state government has met this responsibility over the last eight years, investing in both a coordinated area wide management program and in fruit fly research. There is no guarantee of continued ongoing support from the state government to support a coordinated community-based program, beyond the current commitment to 30 June 2025. Investment in research is valuable, however it is critical to ensure that investment also focuses on implementing on-ground change.

Local government consider that it is the responsibilities of the states to support landholders and the community to manage established pests and diseases and would not support any shift of these responsibilities to local government. The only practical way for area wide management to continue to occur is through a state or national coordinated funding mechanism.

The group does recognise that even at the state or national level there is a lack of options for coordination or funding of fruit fly management. There is no clear model to adopt and, it is hoped that the National Fruit Fly Resourcing Options paper will provide guidance for this. They also note that no clear direction or leadership for fruit fly management has emerged from large programs such as Sterile Insect Technology, and that this technology still requires not only a significant long-term financial investment but also considerable time to implement.



Sustainable fruit fly management in the Murray Valley beyond 2025

FINAL DRAFT FOR PUBLIC CONSULTATION

Conclusion

It remains the strong position from the members of the group that risk creators need to take responsibility for the off-farm management of Qfly. Growers and industry should not be responsible for funding continued work off-farm and paying for the community at large. Funding mechanisms for a coordinated program to support Murray Valley horticulture industries to effectively manage Qfly, need to be facilitated at state or national level.

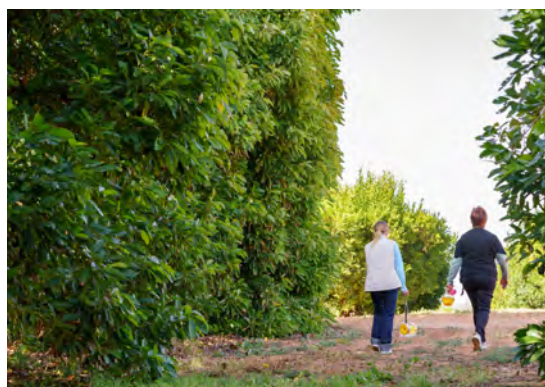
Without government support, any coordinated approach across growers, industry, and government to manage Qfly within the region will end. Regional Qfly numbers are likely to fluctuate in response to environmental conditions. Growers in susceptible industries will continue to implement control and monitoring programs on-farm. With no area-wide management, each grower will focus on protecting their susceptible commodities from infestation.

In years of high pest pressure (e.g., 2020-23 with ideal climate conditions for Qfly numbers to explode), it is likely that crop loss will occur and the cost to manage will be significant. There isn't a quantitative measure of area wide management impact, and the region hasn't experienced high pest pressure without an off-farm area wide management program. This may be prohibitive to production and threatens the economy of the region.

The group does not support the concept of industry funding off-farm fruit fly management programs. Off-farm fruit fly management requires government coordination and involve contribution from risk-creators.

References

- Australian Horticulture Statistics Handbook (2019/20), HortInnovation
- Agriculture Victoria (2021) Victoria's Fruit Fly Strategy 2021-2025, Agriculture Victoria, Department of Jobs, Precincts and Regions, State of Victoria
- Intergovernmental Agreement on Biosecurity (2019) Australian Government, Department of Agriculture Fisheries and Forestry
- White, B., Arevalo-Vigne, I., Cleland, J., Plant, M., Hooper-Worrell, T., Harris, M. 2021, APBSF Project Final Report, Strengthening the weakest link in peri-urban Medfly suppression. Canberra: Australian Plan Biosecurity Foundation.



REF: 787/22/S14-01-02-06
SB



29 March 2023

Fruit Fly Murray Valley
33 Madden Avenue
MILDURA VIC 3500

Dear Sir or Madam,

**SUSTAINABLE FRUIT FLY MANAGEMENT IN THE MURRAY VALLEY BEYOND
2025 POSITION PAPER - LETTER OF SUPPORT**

Thank you for the opportunity to comment on the final draft of the 'Sustainable fruit fly management in the Murray Valley beyond 2025' position paper.

The Swan Hill municipality is located in North-Western Victoria about 340km from Melbourne and has a population of approximately 25,000 people. The region covers over 6,000km² and is renowned for its world class produce.

Queensland Fruit Fly is Here to Stay

Council recognises that Queensland fruit fly (Qfly) is established in Victoria and New South Wales including within the Greater Sunraysia Pest Free Area.

Council acknowledges that commercial horticultural growers within our regional have significantly increased their knowledge and skills to manage Qfly and meet their responsibilities as land managers. We also acknowledge that growers supported by industry are providing a considerable contribution to the management of Qfly within in the region through implementing on-farm controls.

Due to the importance of the horticultural industry in our region, Council works closely with Fruit Fly Murray Valley to proactively assist residents and property owners to increase their understanding of Qfly management, helping to reduce the spread of Qfly off-farm.

Council understands that area wide management is the most effective way to reduce Qfly pressure on our horticultural industry and as such, strongly supports a coordinated approach to the management of Qfly that involves government agencies, industry and the community.

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ABN 97435620016

Comment of the Position Being Advocated

Upon reviewing the position paper, Council agrees that growers and industry are making efforts to fulfil their on-farm management responsibilities and that they should not be responsible for funding continued work off-farm and paying for the community at large beyond the implementation of the current Victorian Fruit Fly Strategy 2021-2025.

Council also agrees that it is the responsibility of the states to support landholders and the community to manage established pest and diseases and we do not support any shift of these responsibilities to local governments.

If ongoing funding from the state government was to cease and industry were to approach councils and push for the introduction of a special rates scheme e.g., a 'Fruit Fly Levy' to be applied to all residents to assist in the area-wide management of fruit fly, Council would not be supportive of this.

Closing Statement

Effective pest management in agriculture requires a collaborative effort among all stakeholders, including growers, industry, government agencies, and the broader community. It is crucial to have a well-coordinated and adequately funded program to manage fruit flies and other pests effectively, especially in areas where agriculture is a significant economic activity.

As such, Council strongly supports and agrees with the position being advocated as identified in the Sustainable fruit fly management in the Murray Valley beyond 2025 position paper.

Council maintains that those who create the risk should bear the responsibility for off-farm management of Qfly. Growers and industry should not be held liable for financing continued off-farm work and covering the expenses for the broader community. Funding mechanisms for a well-coordinated program to effectively manage Qfly in the Murray Valley horticulture industries should be facilitated at the state or national level.

Without government support, any coordinated approach across growers, industry, and government to manage Qfly within the region will come to a halt.

Thank you for your consideration, please feel free to contact me if you have any further question.

Yours sincerely,



Scott Barber
Chief Executive Officer



B.23.33 INSTRUMENT OF APPOINTMENT AND AUTHORISATION

Responsible Officer: Director Development and Planning
File Number: S16-08-02-04
Attachments: 1 [↓ Instrument of Authorisation form](#)
2 [↓ Instrument of Authorisation form](#)

Declarations of Interest:

Heather Green - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

As a result of significant staff shortages within Local Government nationally, Mr Warrick Fisher has been engaged as a contracted Planning Officer and requires Council approval to be an Authorised Officer in the performance of relevant duties.

In addition the Director Development and Planning should be authorised as well.

Discussion

Council's Chief Executive Officer has the power to authorise various members of Council staff under the instrument of delegation issued by Council. However, advice from Council's solicitors recommends the appointment of Planning Officers as Authorised Officers by Council under section 147(4) of the *Planning and Environment Act 1987* (the Act).

At this time the Planning Team is under staffed, with the Development Manager being the only Authorised Officer under the Act. Council has engaged the services of Mr Warrick Fisher of Fisher Planning to undertake planning duties within the Swan Hill municipality. Mr Fisher has provided periodic planning advice for Council over the past decade or more. The current Director is a qualified Town Planner and should also be an authorised Officer.

As a result of the current national staffing shortage, this report seeks Council approval for Mr Warrick Fisher and Ms Heather Green to be appointed as Authorised Officers.

Consultation

Not applicable.

Financial Implications

Not applicable.

Social Implications

Not applicable.

Economic Implications

Not applicable.

Environmental Implications

Not applicable.

Risk Management Implications

Not applicable.

Council Plan Strategy Addressed

Leadership - Excellent management and administration.

Options

Nil.

Recommendations

That Council:

- 1. Appoint Mr Warrick Fisher and Ms Heather Green as Authorised Officers as set out in the attached instruments.**
- 2. Resolve that the instruments takes effect upon signing and sealing and remain in force until varied or revoked.**
- 3. Sign and seal the instruments as soon as possible.**

In this instrument "**officer**" means -

By this instrument of appointment and authorisation Swan Hill Rural City Council -

- It is declared that** this instrument -

- This instrument is authorised by a resolution of the Swan Hill Rural City Council on 16th May 2023.

.....Councillor

.....Councillor

.....Chief Executive Officer

Instrument of Appointment and Authorisation (*Planning and Environment Act 1987*)

In this instrument "**officer**" means -

Heather Green

By this instrument of appointment and authorisation Swan Hill Rural City Council -

1. under section 147(4) of the *Planning and Environment Act 1987* - appoints the officer to be an authorised officer for the purposes of the *Planning and Environment Act 1987* and the regulations made under that Act; and
2. under section 232 of the *Local Government Act 1989* authorises the officer generally to institute proceedings for offences against the Acts and regulations described in this instrument.

It is declared that this instrument -

- (a) comes into force immediately upon its execution;
- (b) remains in force until varied or revoked.

This instrument is authorised by a resolution of the Swan Hill Rural City Council on 16th May 2023.

THE COMMON SEAL)
SWAN HILL RURAL CITY COUNCIL)
Was hereunto affixed in the presence of:)

.....Councillor

.....Councillor

.....Chief Executive Officer

B.23.34 RELOCATION OF ROBINVALE RESOURCE CENTRE

Responsible Officer: Director Community & Cultural Services
File Number: AST-PR-38091-02 AST-PR-39145-02 AST-PR-37325-02 AST-PR-48753-02
Attachments: Nil

Declarations of Interest:

Bruce Myers - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

This report informs requests the necessary funds to begin fit-out of the new Resource Centre, aligned with the sale process for 56-76 Herbert Street, Robinvale.

Discussion

Having given public notice to sell the properties by Public Tender, submissions were sought on the proposed sale pursuant to S114 of the Local Government Act 2020. No submissions against the sale of the property were received, authorising officers to proceed to request proposals for redevelopment of the land via Public Tender. The intention is have the site available for quality accommodation to address the housing shortage.

Figure 1 shows the section in question in red.

48-52 Herbert Street, the remainder of the block is privately-owned and has a vacant office building at 52 Herbert Street.



Figure 1: 56-76 Herbert Street, Robinvale.

The negotiation of a lease for the new Resource Centre site is underway, and will allow for the parallel sale of the Herbert Street site. Staff will be finalising this process within existing delegations, and the annual lease fee has been budgeted in the 2023-24 Draft Budget.

The Resource Centre is not exclusively a Council service point but also Robinvale's VicRoads and Services Australia (Centrelink) agencies. Negotiation of the lease will allow the consultation with VicRoads and Services Australia to move to the next phase to ensure the contractual requirements are met.

Outstanding OH&S and security issues with the current Resource Centre building will also be addressed at a new location. The new location will satisfy contemporary customer service and staff safety needs.

An engagement process has been ongoing with the Robinvale Network House Committee and Coordinator, to assist with identifying a viable alternative site. This engagement will be the subject of another report to Council when all discussions are completed.

Consultation

Consultation has been ongoing with the Network House Committee, to assist in identifying the alternative premises and determining what assistance is required to ensure continuity of their services.

Council will also undertake a consultation process in relation to the proposed change with the affected staff members of the Resource Centre, in accordance with Section 10 of Swan Hill Council Enterprise Agreement.

Discussions have also begun with VicRoads and Services Australia (Centrelink) concerning the potential move, and requirements from these agencies will be considered with any fit-out planning.

Financial Implications

The annual lease for the proposed building will be approximately \$35,000, with a large proportion of the expenditure to potentially be recovered by sub-letting offices to external agencies providing services to Robinvale. There will be a significant reduction in projected future maintenance costs, as the current Herbert Street building requires significant upgrades.

Council sought a formal valuation of the total Council-owned Herbert Street site in late July 2022. An updated figure is being sought to reflect current property prices.

Council will also be responsible for the relocation of the Resource Centre operations, and will assist the community-based Network House for relocation. The RSL Club also has a storage room, which will be accommodated elsewhere.

This report requests that any associated unbudgeted costs in the 2022-23 year are drawn from the Land Acquisition and Development Reserve for relocation and fit-out costs, if required. This Reserve will be reimbursed from the potential sale of the Herbert Street site in 2023-24.

Social Implications

The redevelopment will provide significant positive social benefits for potential additional quality housing for agricultural workers in Robinvale, which will stimulate growth in retail, real estate, schools, and tourism.

Quality worker accommodation developed within the township, and being nearer services and other residential areas will improve health and wellbeing outcomes for workers, rather than isolated on farms away from easy access to services.

The Council presence in Robinvale will also be enhanced, with improved access to the Services Australia and VicRoads agency services from the new Resource Centre offices.

Councillors had raised the opportunity of a Council presence in Perrin Street to enhance the growth in the main street, and this should be explored in more detail, but the issues associated with a suitable vacant building in that area have not been addressed at this point.

Economic Implications

The redevelopment will stimulate growth in retail, real estate, schools, and tourism. Accommodation for local workers is a significant issue for Robinvale and district, and a quality development on this site would increase the quantity of worker accommodation.

Leasing a purpose-built office space will also assist in invigorating the CBD area, and allow for other visiting agencies and businesses to sub-let space in the same building, increasing the number of services available to the community.

Environmental Implications

Any successful development will involve compliance with relevant construction standards, but also provides an opportunity for additional features such as solar power, effective use of rain water for example.

Risk Management Implications

There is a risk to public image and reputation associated with the poor management of the relocation of Council staff and the community-based Network House.

There is a minimal industrial relations risk to be managed in relation to the relocation of the Resource Centre operations and Council staff.

The proposed Bromley Road offices also provide access to a public car park which enhances safety of staff undertaking VicRoads vehicle assessments, removing an ongoing OH&S concern.

Council Plan Strategy Addressed

Liveability - Building Healthy Communities.

Options

Council may:

- 1. Allocate funds, if needed, in 2022-23 from the Land Acquisition and Development Reserve for relocation and refit costs associated with the Resource Centre and Network House, with unspent proceeds of the sale of the Herbert Street site replenishing the Reserve in 2023-24, or**
- 2. Allocate other resources to allow for relocation and refit costs associated with the Resource Centre and Network House.**

Recommendations

That Council allocate funds, if needed, in 2022-23 from the Land Acquisition and Development Reserve for relocation and refit costs associated with the Resource Centre and Network House, with unspent proceeds of the sale of the Herbert Street site replenishing the Reserve in 2023-24.

B.23.35 PROPOSED CHANGE OF DATE FOR SCHEDULED COUNCIL MEETING IN JUNE 2023

Responsible Officer: Chief Executive Officer
File Number: S16-05-03
Attachments: Nil.

Declarations of Interest:

Scott Barber- as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

This report seeks to change the date of the Scheduled Council meeting for the month of June from the 13 June 2023 at 2pm to the 20 June 2023 at Swan Hill.

Discussion

It is requested that Council consider changing the date of the Scheduled Meeting of Council from the 13 June to the 20 June 2023. This request is due to a conflict of appointments with the Canberra National General Assembly, which is scheduled from the 13 June to the 16 June 2023.

Council has previously resolved to send a delegation of two Councillors and the CEO.

Consultation

There has been no consultation outside the organisation in relation to this matter.

Financial Implications

Nil

Social Implications

Nil

Economic Implications

Nil

Environmental Implications

Nil

Risk Management Implications

Nil

Council Plan Strategy Addressed

Excellent management and administration. - Positive community engagement and inclusiveness.

Options

Council may choose to adopt or amend the recommendation.

Recommendation

That Council move the Council meeting scheduled for Tuesday, 13 June 2023, to the new date of Tuesday 20 June 2023 at 2pm and advertise this change of date in newspapers circulated throughout the municipality.

B.23.36 INTERSTATE TRAVEL - CANBERRA

Responsible Officer: Chief Executive Officer
File Number: S16-04-05
Attachments: Nil.

Declarations of Interest:

Scott Barber - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

This report proposes that Swan Hill Rural City Council be represented at Murray River Group of Council (MRGC) meetings with Ministers in Canberra by The Mayor or the Deputy Mayor, based on availability, and the Chief Executive Officer.

Discussion

Swan Hill Rural City Council has been a part of the Murray River Group of Councils for the past 16 years. A strong local government advocacy group in northern Victoria that comprises Swan Hill Rural City, Mildura Rural City, Gannawarra Shire, Loddon Shire, Campaspe Shire and Moira Shire Councils.

Together the six Councils work together in the interests of the northern Victorian region to promote regional priorities to support the long-term prosperity and social well-being of the region.

Over the years MRGC has built a reputation as a reliable partner and a serious advocate for our residents on key priorities such as Energy, Digital Connectivity, Agriculture, Transport, Tourism and Water.

MRGC is seeking face-to-face meetings with Ministers in Canberra to further advocate for these priorities and has requested meetings with the following ministers:

- Minister for Trade and Tourism, Senator the Hon. Don Farrell
- Minister for Water, Hon. Tanya Plibersek MP
- Minister Infrastructure, Transport and Local Government, Hon. Catherine King MP
- Minister for Immigration, Hon. Andrew Giles MP
- Minister for Communications, Hon. Michelle Rowland MP
- Minister for Energy and Climate Change, the Hon Chris Bowen MP

If confirmed, Ministerial meetings will be scheduled on a parliamentary sitting days (22 May to 1 June 2023).

It is proposed that the either The Mayor or the Deputy Mayor, based on availability, accompany the Chief Executive Officer, or delegate, to attend these meetings in Canberra.

Consultation

Nil.

Financial Implications

Accommodation and travel costs associated with attending the meetings in Canberra.

Social Implications

Not applicable.

Economic Implications

Not applicable.

Environmental Implications

Not applicable.

Risk Management Implications

Not applicable.

Council Plan Strategy Addressed

Leadership - Bold leadership, strong partnerships and effective advocacy.

Options

Council may choose to adopt or amend the recommendation.

Recommendations

That Council:

- 1. Authorise the travel of the Mayor or Deputy Mayor and the Chief Executive Officer to represent Swan Hill Rural City Council at the Murray River Group of Councils minister meetings in Canberra on the 23-25 May 2023.**
- 2. Request a report to Council upon return from the conference.**

SECTION C – DECISIONS WHICH NEED ACTION/RATIFICATION

C.23.6 SIGN & SEAL REPORT

Responsible Officer: Chief Executive Officer

Attachments: Nil.

Declarations of Interest:

Scott Barber - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

The following documents and agreements have been signed and sealed by the Councillors and the Chief Executive Officer on the respective dates. Those actions require the ratification of the Council.

Discussion

During the course of any month Council is required to sign and seal a range of documents arising from decisions made on a previous occasion(s). Examples include sale of land, entering into funding arrangements for Council programs etc.

As the decision to enter into these agreements has already been made, these documents are signed and sealed when received, with Council ratifying the signing and sealing at the next Council meeting.

The following documents were signed and sealed since the last Council meeting:

| No. | Document Type | Document Description | Date signed/ sealed |
|------|---|---|------------------------|
| 1134 | Section 173 Agreement PLN2022026 – Condition 4, 23 Garden Road, Swan Hill | Between Swan Hill Rural City Council and Anderson Transport Pty Ltd | 02/05/23 |
| 1135 | Section 173 Agreement PLN2021-189 Condition 2 179 Gray Street, Swan Hill | Between Swan Hill Rural City Council and S.C.Fioucia. | 02/05/23 |

Note: A Section 173 Agreement is typically a contract between the Council and a landowner that places use or development restrictions on the land.

They are intended to ensure compliance with conditions contained in permits granted by the Council and are often used in subdivision matters. These agreements refer to Section 173 of the Planning and Environment Act 1987.

Conclusion

Council authorise the signing and sealing of the above documents.

Recommendation

That Council notes the actions of signing and sealing the documents under delegation as scheduled.

C.23.7 COUNCILLOR ASSEMBLIES - RECORD OF ATTENDANCE AND AGENDA ITEMS

Responsible Officer: Chief Executive Officer
File Number: S15-05-06
Attachments: 1 [↓](#) Record of attendance and agenda items

Declarations of Interest:

Scott Barber - as the responsible officer, I declare that I have no disclosable interests in this matter.

Summary

The following report provides attendance details of Councillor Assemblies on a monthly basis.

Discussion

Whilst Minutes have not been recorded, Agenda items and those in attendance are reported and presented to Council.

An assembly of Councillors is defined as a meeting that is planned or scheduled at which at least half of the Council and one Officer are in attendance, and where the matters being considered that are intended or likely to be the subject of a Council decision.

No formal decisions can be made at an assembly but rather direction can be given that is likely to lead to a formal decision of Council.

Details of the most recent assemblies of Council are attached.

Consultation

Not applicable.

Financial Implications

Not applicable.

Social Implications

Not applicable.

Economic Implications

Not applicable.

Environmental Implications

Not applicable.

Risk Management Implications

Not applicable.

Council Plan Strategy Addressed

Leadership - Bold leadership, strong partnerships and effective advocacy.

Options

Council Assemblies are reported to ensure good governance and transparency.

Recommendation

That Council note the contents of the report.

COUNCILLOR ASSEMBLIES ATTENDANCE AND AGENDA

18 April 2023 at 1.00pm, Swan Hill Town Hall – Council Chambers

AGENDA ITEMS

- Presentation on Model Budget

ADDITIONAL ITEMS DISCUSSED

- Nil

ATTENDANCE

Councillors

- Cr Bill Moar
- Cr Stuart King
- Cr Les McPhee
- Cr Jacquie Kelly
- Cr Ann Young
- Cr Chris Jeffery
- Cr Nicole McKay

Apologies

- Nil

Leave of Absence

- Nil

OFFICERS

- Scott Barber, Chief Executive Officer
- Bruce Myers, Director Community and Cultural Services
- Leah Johnston, Director Infrastructure
- Bhan Pratap, Director Corporate Services
- Ash Free, Finance Officer

Other

- Nil

CONFLICT OF INTEREST

Nil

COUNCILLOR ASSEMBLIES ATTENDANCE AND AGENDA
2 May 2023 at 10.30pm, Swan Hill Town Hall – Council Chambers

AGENDA ITEMS

- Councillor Only Session
- Quarterly Updates On Major Project Progress
- NBN Update
- 5533 Murray Valley Highway Swan Hill – Use & development of a Service Station
- Mallee Regional Catchment Strategy 2022–28
- Swan Hill Art Gallery and Tourism and Cultural Hub
- Robinvale Resource Centre Building Lease
- Lake Boga Caravan Lease

ADDITIONAL ITEMS DISCUSSED

- Nil

ATTENDANCE

Councillors

- Cr Bill Moar
- Cr Stuart King
- Cr Les McPhee
- Cr Jacquie Kelly
- Cr Ann Young
- Cr Chris Jeffery
- Cr Nicole McKay

Apologies

- Nil

Leave of Absence

- Nil

OFFICERS

- Scott Barber, Chief Executive Officer
- Bruce Myers, Director Community and Cultural Services
- Leah Johnston, Director Infrastructure
- Heather Green, Director Development and Planning
- Bhan Pratap, Director Corporate Services
- Ash Free, Finance Officer
- Dennis Hovenden, Acting Economic & Development Manager
- Helen Morris, Organisational Development Manager
- Sarah Rogers, Economic Development and Event Officer/COVID Support Officer
- Azam Suleman, PMO Manager
- Nathan Keighran, Economic Development Coordinator
- Kate Jewell, Development Manager
- Tamara Broadsmith, Planning Team Leader
- Dennis Hovenden, Economic & Development Manager
- Grant Jones, Development Officer Facilities
- Dione Heppell, Liveability and Project Development Coordinator
- Brian White, PMO

Other

- Danny & Debbie White; Ricky & Jennifer Pickering; Objectors 5533 Murray Valley Highway, Swan Hill
- Peter Breckenridge, Tract Consulting
- Gerald & Wendy Foott, Owners 5533 Murray Valley Highway, Swan Hill
- Jo Latta, Mallee CMA

CONFLICT OF INTEREST

Nil

**COUNCILLOR ASSEMBLIES ATTENDANCE AND AGENDA
8 May 2023 at 2.00pm, Swan Hill Town Hall – Council Chambers**

**Joint Council Meeting with Murray River Council & Swan Hill Rural
City Council**

AGENDA ITEMS

- Australian Farming Systems - Almond Processing Plant
- Murray Downs Development Planning
- Swan Hill Development Planning
- Economic Development/alignment of events and exploration of opportunities
- Swan Hill Bridge and Tooleybuc Bridge
- Swan Hill District Health
- MRC Overall update
- SHRCC Overall update

ADDITIONAL ITEMS DISCUSSED

- Nyah Bridge - speed limit on approach
- Cross-border water issues
- Flood recovery – roads infrastructure

ATTENDANCE

Councillors SHRCC

- Cr Bill Moar
- Cr Stuart King
- Cr Les McPhee
- Cr Jacquie Kelly
- Cr Ann Young
- Cr Chris Jeffery
- Cr Nicole McKay

Councillors MRC

- Cr Chris Bilkey
- Cr Nikki Cohen
- Cr Kron Nicholas
- Cr Ann Crowe
- Cr Neil Gorey

Apologies

- Cr Tom Weyrich
- Cr Dennis Gleeson
- Cr Geoff Wise

Leave of Absence

- Nil

OFFICERS SHRCC

- Scott Barber, Chief Executive Officer
- Bruce Myers, Director Community and Cultural Services
- Leah Johnston, Director Infrastructure
- Heather Green, Director Development and Planning
- Bhan Pratap, Director Corporate Services

OFFICERS MRC

- Terry Dodds – Chief Executive Officer
- Sarah Ryan – Director Community & Economic Development
- Rod Croft – Director Planning & Environment
- Stephen Fernando – Director Corporate Services
- Jack Bond – Director Infrastructure.
- Sandra Gordon – Manager Governance & Risk
- Courtney Dean – Communications Coordinator

Other

- Craig Davey, Australian Farming Systems
- The Hon. Peter Walsh MP, Leader of The National, Deputy Leader of the Opposition
- Senior Electorate Officer Michelle Carter (representative from office of Helen Dalton MP, Member for Murray)

CONFLICT OF INTEREST

Nil

SECTION D – NOTICES OF MOTION

D.23.2 2023 SWAN HILL BRIDGE PREFERRED ALIGNMENT

Having given due notice, **Councillor Stuart King MOVED that Council:**

- 1. Reaffirm its support for the McCallum Street Bridge alignment as our preferred option.**
- 2. Correspond with relevant associated parties (Murray River Council, Transport for NSW, Department of Transport and Planning Victoria) notifying them of this resolution.**
- 3. Correspond with relevant State & Federal MP's notifying them of this resolution and urge them to continue advocacy for a new bridge at Swan Hill.**
- 4. Advocate to, and work with, relevant parties to address the issue of the heritage status of the existing bridge abutment on the Victorian side of the bridge, which is a contributing factor to the delays with this project.**

Preamble

The Swan Hill bridge replacement has been a topic of conversation for at least the last 30 years with various actions taken but no outcomes actually produced.

The intent of this motion is to once again formalise Swan Hill Rural City Council's position on the proposed alignment of a new Swan Hill Bridge and continue our advocacy for it. At a recent joint meeting with Murray River Council it was noted that it was not explicitly clear that the two cross border Councils were in agreement on the preferred alignment so this motion will rectify any discrepancies.

D.23.3 INCREASING OUR URBAN TREE CANOPY, A STRATEGY FOR COOLING OUR TOWNS

Having given due notice, **Councillor Jacquie Kelly MOVED that:**

Council investigates and brings a report back to a future Council meeting on how to increase our Urban Tree Canopy (UTC) in our towns to a goal level of 30%.

Preamble

With consideration of some of the following:

- measure and monitor our Urban Tree Canopy (stats., data)
- effectiveness of current Urban Tree Management Plan 2020
- how many trees are we planting in our towns per year?
- use of qualified Arborists
- what strategies could we use to increase it?
- Is tree replacement occurring?
- preparedness for a warming climate
- trees as an economic asset.
- where is Urban Heat Island Effect occurring in Swan Hill?
- plan for community education, input and participation
- a targeted program of replacing and planting
- launching a program called “One Each For Greening” to have trees on nature strips.
- updating our Significant Tree Register
- case studies into where the trees have gone, why have we lost so many trees (drought, management, vandalism, disease) and priority areas for planting.
- setting up a Tree Committee/advisory group to oversee project

General comments:

Trees are assets and contribute to sustainability. An Urban Tree Canopy (UTC) of 30% is the accepted standard according to experts like Dr Greg Moore.

Community wants action.

Be pro-active around schools, shopping centres, public reserves, high use pedestrian streets.

Plant now so that the future is cooler.

In a climate emergency there is only a certain amount of actions we have jurisdiction over. Increasing our UTC and reducing the Heat Island Effect is one such action.

Swan Hill was a green city in a parched land, once known as Oasis of the North. It had tree lined streets, Elms, Jacarandas, Natives, Paper barks. Somehow this has deteriorated and we find ourselves looking and feeling hot.

Trees help with:

- Amenity
- Cooling
- Beautification
- Habitat
- Climate
- Protecting infrastructure
- Drainage/storm water
- Health benefits
- Increasing property values

Benefits of increasing UTC include preventing reputational damage and making our towns more attractive to residents and visitors.

Related Policies and Legislation include:

Environmental Management Policy 2021

- “To achieve significant environmental sustainability Council will continue to implement and devise a wide range of management strategies and action plans...”.
- Provide for the protection, enhancement and rehabilitation of Swan Hill’s natural environment on land and waters controlled by Council”.
- “Protect and enhance our local environment”.
- “Take into account the effects of climate change on Council operations and undertake strategic actions that enable adaptation and mitigation”.

Sustainable Living Strategy 2017-2027

EMS: ISO AS/NZS 14001

Climate Change Act 2010

Planning and Environment Act (1987)

D.23.4 GOVERNMENT BUYBACKS OF WATER ENTITLEMENT

Having given due notice, **Councillor Bill Moar MOVED that Council:**

- 1. Does not support any further water buybacks from irrigators to fulfil recovery targets under the Murray Darling Basin Plan.**
- 2. Supports the extension of timelines for water saving projects which will satisfy existing water saving targets.**
- 3. Buybacks impact on Council Rates distribution across Categories**

Preamble

Swan Hill Rural City Council supports the balanced implementation of the Murray Darling Basin Plan, to sustain the long-term viability of our regional economy and the wellbeing of our communities and to deliver the environmental outcomes that will protect and preserve our region's ecosystems.

Water is the lifeblood of our communities.

Agriculture and food manufacturing drive our northern Victorian economy. Agricultural commodities in the Swan Hill Rural City Council region have combined a value in excess of \$4 billion. Together, the agriculture and food manufacturing sectors account for, a third of all economic output, 43% of all local expenditure and one in four jobs in our region. Around half of all farm businesses in our region rely on irrigation.

The rivers, floodplains, lakes and wetlands of northern Victoria have enormous environmental value and are fundamental to our regional identity. Our region is home to four Ramsar wetlands: Hattah-Kulkyne, Kerang Wetlands, Gunbower and Barmah as well as numerous other forests and wetlands on the remnant floodplain.

Our communities depend on a healthy Murray River system for drinking water, agricultural production and for recreation. Our tourism industry relies in large part on a healthy Murray River and lakes system as the single main attraction for the region.

All these depend on the careful management of the Murray Darling Basin water resources in partnership with Basin communities.

Swan Hill Rural City Council believes that communities must be at the centre of the delivery of the remaining Basin Plan commitments and must be properly engaged and heard to rebuild trust across the Basin.

Key Issues

- Entitlement buybacks divide the community and cause cumulative harm to our communities
- Future water recovery must be subject to the socio-economic neutrality test for the overall community
- Completion of the Victorian SDLAM projects is vital to the health of our floodplains and a compromise between key floodplain environment assets and all other water users including towns, rural residents, stock, agriculture and others.
- Rates payers with access to water pay a high percentage of Council rates. When land loses access to water, a rates shortfall is redistributed across others.

Buy backs divide and cause cumulative harm to communities

Our communities are alarmed at the prospect of Commonwealth Government buy backs particularly if they aim to recover significant volumes of water.

Northern Victoria's irrigation districts have contributed 803.3GL, of predominantly high security water entitlement, to meet the Basin Plan's environmental water recovery targets. This exceeds the Basin Plan water recovery target for these catchments of 786.1GL.

In our region, over one fifth of total pre-Basin Plan water entitlements or have been transferred to environmental water holders. 91per cent of these were recovered through buy backs.

Open market buy backs harm communities. Extensive published analyses clearly demonstrate that buy backs have had negative cumulative impacts on our region. Purchasing more water from the consumptive pool in the southern connected Basin will do significant further damage.

Buy backs put upwards pressure on water prices by reducing the total amount of water in the consumptive pool. They increase farming risk for those exposed to the allocations (temporary water) market. In Victoria they have left irrigation districts with drastically reduced deliveries over a largely unchanged geographic area. This has increased distribution prices for remaining customers. Further water recovery will put the future viability of the Goulburn Murray Irrigation District into question.

Some 750 farm jobs were lost due to buy backs in our region and over 1600 jobs losses across the region are attributed by the MDBA to water recovery.

Buy backs caused milk production in northern Victorian to decline by 28%.

Future water recovery must be subject to the socio-economic neutrality test

In recognition of the cumulative harm done to communities, in 2019, Water Ministers listened and unanimously agreed to put in place clear socio-economic criteria that would ensure the Basin Plan's requirement that water recovery be socially and economically neutral.

Swan Hill Rural City Council believes that the socio economic neutrality test is an integral part of the Basin Plan and that any future water recovery must be subject to it.

Socio-economic Impacts on Council rates and Community

In Victoria, Council rates are calculated using the Capital Improved Value (CIV) of each property. Council then provides a tax rate (also known as ad valorem rate) for each property known as 'the rate in the dollar'.

The CIV is multiplied by the rate in dollar to give the total the amount of annual rate raised.

Within the Swan Hill municipality, if a farming block is permanently dried off when an individual sells their water, the ad valorem rate is reduced by 20% from 0.00474769 to 0.00379815 in the dollar of CIV. If irrigated land is permanently dried-off then up to 20% reduction of approximately \$1.6M will need to be redistributed across the remaining Customer Rating Categories.

Currently farms with access to water contribute around 31.8% of the rates. The table below broadly shows contributions by Customers Rating Category.

Table 1 Percentage Contribution by Customer Rating Category for 2022-23

| General Rates | % General Rates |
|--|------------------------|
| Residential | 42.5% |
| Commercial Rates | 6.45% |
| Industrial Rates | 3.03% |
| Dryland farming | 16.16% |
| <i>Properties that can access water</i> | 31.78% |
| Recreational Rates | 0.07% |
| Total | 100.00% |

An affect will be that less people are employed within this Irrigated Agriculture sector. These employees contribute to rates with Residential Category within Table 1.

With current staff shortages within the municipality, these people may move into other roles but, there will be a net loss of wealth from the irrigated Agriculture segment. Further analysis will be required.

Within our communities, the economic multiplier effect of irrigated Agriculture will be lost to the communities. This affect is beyond the scope of this Notice of Motion but covered in reports such as the 2022 update of the "Frontier Economics / Tim Cummins Social and Economic Impacts of Basin Plan Water Recovery in Victoria" report shows recent impacts and various future scenarios for Victoria, predominantly the Goulburn-Murray Irrigation District and the Mallee region for Victoria. It assessed the different water licence categories and associated crop reductions associated with water removed from the consumptive water and placed into environmental water.

Completion of the Victorian SDLAM projects is vital to the health of our floodplains

Swan Hill Rural City Council believes it is more important to achieve environmental outcomes than to pursue arbitrary deadlines and targets set over a decade ago.

Swan Hill Rural City Council supports efforts by the Victorian government to meet its Basin Plan Sustainable Diversion Limit Adjustment Mechanism (SDLAM) commitments. The need for complex community engagement, Covid, recent record flooding have all delayed these projects

They are vital because without the pumps and regulators they will install, it is not possible to get water to the floodplain for the right duration of time (without big floods that will flood towns, private land etc). It is simply not possible to water these ecosystems without the works of the SDLAM projects.

Swan Hill Rural City Council supports a common sense approach to extending the timelines for these projects giving them the best possible chance of long term success.

If the deadline is not extended, then these projects could fail and then the Commonwealth will be forced to Buy Back the equivalent water. Should this happen, there will be the perverse outcome of water flowing down the river (doing damage to banks) past dead and dying red gums, dead and dying communities and dry wetlands

These wetlands are important to our communities' health and wellbeing for recreation and are an integral part of our tourism industry.

SECTION E – FORESHADOWED ITEMS

SECTION F – URGENT ITEMS NOT INCLUDED IN AGENDA

SECTION G – TO CONSIDER & ORDER ON COUNCILLOR REPORTS

SECTION H – IN CAMERA ITEMS