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AGENDA OF THE ORDINARY COUNCIL MEETING

To be held on Monday 3 March 2025 at 6:00pm

**This Council Meeting will be held at Council Chamber,
350 High Street, Preston.**

**This meeting will be a scheduled hybrid meeting, at which
both councillors and members of the public may
participate either in person or virtually.**

**This meeting will also be livestreamed and may be
accessed from Councils website www.darebin.vic.gov.au.**

Persons wishing to observe the meeting in person, submit a Question or make a Submission, are required to register by 12pm on the day of the meeting.



ACKNOWLEDGEMENT OF TRADITIONAL OWNERS AND ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES IN DAREBIN

Darebin City Council acknowledges the Wurundjeri Woi-Wurrung people as the Traditional Owners and custodians of the land we now call Darebin and pays respect to their Elders, past, present and emerging.

Council pays respect to all other Aboriginal and Torres Strait Islander communities in Darebin.

Council recognises, and pays tribute to, the diverse culture, resilience and heritage of Aboriginal and Torres Strait Islander people.

We acknowledge the leadership of Aboriginal and Torres Strait Islander communities and the right to self-determination in the spirit of mutual understanding and respect.



English

These are the Minutes for the Council Meeting. For assistance with any of the items in the minutes, please telephone 8470 8888.

Arabic

هذه هي محاضر اجتماع المجلس. للحصول على المساعدة في أي من البنود في المحاضر، يرجى الاتصال بالهاتف 8470 8888.

Chinese

这些是市议会会议纪要。如需协助了解任何纪要项目，请致电8470 8888。

Greek

Αυτά είναι τα Πρακτικά της συνεδρίασης του Δημοτικού Συμβουλίου. Για βοήθεια με οποιαδήποτε θέματα στα πρακτικά, παρακαλείστε να καλέσετε το 8470 8888.

Hindi

ये काउंसिल की बैठक का सारांश है। सारांश के किसी भी आइटम में सहायता के लिए, कृपया 8470 8888 पर टेलीफोन करें।

Italian

Questo è il verbale della riunione del Comune. Per assistenza con qualsiasi punto del verbale, si prega di chiamare il numero 8470 8888.

Macedonian

Ова е Записникот од состанокот на Општинскиот одбор. За помош во врска со која и да било точка од записникот, ве молиме телефонирајте на 8470 8888.

Nepali

यी परिषद्को बैठकका माइन्युटहरू हुन्। माइन्युटका कुनै पनि वस्तुसम्बन्धी सहायताका लागि कृपया 8470 8888 मा कल गर्नुहोस्।

Punjabi

ਇਹ ਵੈੱਸਲ ਦੀ ਮੀਟਿੰਗ ਵਾਸਤੇ ਸੰਖੇਪ ਸਾਰਾਂਸ਼ ਹੈ। ਸੰਖੇਪ ਸਾਰਾਂਸ਼ ਵਿਚਲੀਆਂ ਕਿਸੇ ਵੀ ਆਈਟਮਾਂ ਸੰਬੰਧੀ ਸਹਾਇਤਾ ਵਾਸਤੇ, ਕਿਰਪਾ ਕਰਕੇ 8470 8888 ਨੂੰ ਟੈਲੀਫੋਨ ਕਰੋ।

Somali

Kuwaani waa qodobadii lagaga wada hadlay Fadhiga Golaha. Caawimada mid kasta oo ka mid ah qodobada laga wada hadlay, fadlan la xiriiir 8470 8888.

Spanish

Estas son las Actas de la Reunión del Concejo. Para recibir ayuda acerca de algún tema de las actas, llame al teléfono 8470 8888.

Urdu

یہ کاؤنسل کی میٹنگ کا ایجنڈا ہے۔ ایجنڈے کے کسی بھی حصے کے بارے میں مدد کے لیے براہ مہربانی 8470 8888 پر فون کریں۔

Vietnamese

Đây là những Biên bản Họp Hội đồng Thành phố. Muốn có người trợ giúp mình về bất kỳ mục nào trong biên bản họp, xin quý vị gọi điện thoại số 8470 8888.

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Agenda

1. OPENING OF MEETING AND MEMBERSHIP

Cr. Kristine Olaris OAM (Mayor)
Cr. Emily Dimitriadis (Deputy Mayor)
Cr. Matt Arturi
Cr. Connie Boglis OAM
Cr. Gaetano Greco
Cr. Ruth Jelley
Cr. Julie O'Brien
Cr. Alexandra Sangster
Cr. Vasilios Tsalkos

2. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

3. APOLOGIES

4. DISCLOSURES OF CONFLICTS OF INTEREST

5. CONFIRMATION OF THE MINUTES OF COUNCIL MEETINGS

| |
|-----------------------|
| Recommendation |
|-----------------------|

That the Minutes of the Ordinary Meeting of Council held on 24 February 2025 be confirmed as a correct record of business transacted.

6. COUNCIL'S OCCUPATIONAL HEALTH AND SAFETY RESPONSIBILITIES

7. QUESTION AND SUBMISSION TIME

Members of the public can lodge questions for Council to answer or make a Comment or Submission prior to a specific item listed on the Agenda of an Ordinary Council meeting.

QUESTIONS

Members of the public can ask up to three (3) questions at an Ordinary Council meeting. Members of the public wishing to ask a question must register their question using the Questions and Submission Time Form before 12 noon on the day of the meeting.

Questions that are not lodged by 12 noon on the day of the Council Meeting will not be accepted, and **no questions will be taken from people *in attendance on the night of the Council Meeting***.

In accordance with the Council Governance Rules 2020, the Chairperson may disallow a question if it:

- a) relates to a matter outside the duties, functions or powers of Council;
- b) is defamatory, indecent, abusive, offensive, irrelevant, trivial or objectionable in language or substance;
- c) may lead to a breach of Council's statutory obligations;
- d) relates to a Notice of Motion, Petition or item of urgent business;
- e) deals with a subject matter already answered;
- f) is aimed at embarrassing a Councillor or an Officer; or
- g) deals with a matter that should be, or has been, considered as a confidential matter or relates to any matter in respect of which Council may close the Meeting to the public under section 66 of the *Local Government Act 2020*.

No questions directed at an individual Councillor or Officer will be allowed

SUBMISSIONS

Members of the public wishing to make a 2 minute submission on a report listed on the Agenda (unless not permitted pursuant to the Councils Governance Rules) must register online before 12 noon on the day of the Ordinary Council Meeting or Hearing of Submissions Meeting and be in attendance on the day of the Meeting to make their submission.

If the person wishing to make a submission or their representative is not in attendance (including virtual attendance for a scheduled hybrid meeting) when the Agenda item is to be considered, their submission will not be read out.

The person making the submission must clearly state their name and their suburb. The name of the submitter will be recorded in the Minutes, as an official record.

No member of the public can make a submission to a Notice of Motion, Petition (unless originator of petition, Governance Rule 16.3(6)) or item of Urgent Business presented at a Council meeting.

HOW TO REGISTER TO ATTEND THE MEETING, SUBMIT YOUR QUESTION OR MAKE A SUBMISSION

Members of the public who wish to observe the meeting in person, ask a question, or make a submission to an agenda item, at an Ordinary Council Meeting are required to register by 12pm on the day of the meeting in one of the following ways:

- (a) online at darebin.vic.gov.au;
- (b) by calling the customer service team on 8470 8888, or
- (c) by mail to PO Box 91, Preston 3072

Council meetings can be viewed at the 'Watch Council and Planning Committee' meetings page via Council's website.

Agenda's will be available for viewing on Council's website at the 'Meeting Agendas and Minutes' page up to 6 days prior to the date of the meeting.

8. PETITIONS

9. CONSIDERATION OF REPORTS

9.1 RESERVOIR LEISURE CENTRE SCOPING STUDY

Author: Leisure Major Projects Officer
Manager Recreation & Libraries

Reviewed By: General Manager Community

EXECUTIVE SUMMARY

Through the 2023-24 Budget process, Council requested officers undertake a Reservoir Leisure Centre (RLC) Scoping Study. This report shares the outcomes of the RLC Scoping Study, the community consultation and engagement, and next steps.

The study has considered options to deliver positive impacts for the community now and into the future, while being cognisant of financial pressures currently facing Council.

The RLC Scoping Study brings together the findings from previous consultation and engagement, studies and reports, and provides information and evidence to support Council decision-making.

RLC is an important and valued community facility that serves many Darebin community members. RLC will be at the end of its life in around 10-15 years (currently identified as 2039, but there is some level of risk as this date nears). It is essential that Council plans for beyond this timeframe and, as such, Council progressed this scoping study.

Council-only funding options are limited and bringing forward the RLC redevelopment creates significant budget pressures for Council. These are outlined in the RLC Scoping Study report (Confidential **Appendix A**) and in the Financial Management section (below).

It's worth noting the condition of RLC is not diminishing current usage. RLC's positive indicators, e.g. new memberships and participation, are trending up, while negative indicators, e.g. cancelled and expired memberships, are trending down. RLC key performance indicators can be found in **Appendix B**.

| |
|-------------------------------|
| Officer Recommendation |
|-------------------------------|

That Council:

- (1) Notes the outcomes of the RLC Scoping Study report and the recommended next steps.
 - (2) Endorses the release of the RLC Scoping Study (Confidential **Appendix A**) to our community.
-

BACKGROUND / KEY INFORMATION

RLC has been an important community facility for many decades, with increasing community calls for upgrades to meet contemporary standards and expectations. Technical assessments undertaken over several years have reinforced these concerns, highlighting a need for continued investment in the facility to keep RLC operational as well as deliver improved conditions in the facility.

The RLC Scoping Study found the following:

- RLC is a valued community asset needing significant investment. Community members emphasised the need for enhanced aquatic facilities, modernised fitness areas and spaces that promote social connection and mental wellbeing to better serve Darebin's diverse population.
- Our community are seeking a redevelopment that reflects the Reservoir community and its needs, an opportunity for a contemporary community hub with a focus on health and wellbeing rather than a regional recreation destination. Diverse community groups emphasised the importance of creating a welcoming, inclusive and accessible facility that supports affordability, with targeted programming and culturally safe spaces.
- Demographic analysis identifies the need to plan for a growing and changing community. These trends translate into a need for flexible, inclusive spaces that can adapt to evolving community needs.
- Given Council's existing financial constraints, the study recommends a staged approach to the redevelopment over a 10-year period. There are proposed short-term actions to improve current operations while continuing work on the long-term redevelopment of the facility.
- There is an opportunity for targeted investment to improve the current experience of RLC customers. Key areas of focus include: upgrade of the change rooms and hot water systems; improving the outdoor area and developing partnerships to support the activation of consulting rooms to provide health and wellbeing services.
- There is significant community interest in the RLC Scoping Study and its outcomes. It is important to keep our community updated on the engagement findings and share next steps and the associated timelines. A communications plan will support the release of the RLC Scoping Study following Council consideration of this report.

Current RLC Functional Areas

Current facilities at RLC include: three indoor pools (25 metre pool, learn to swim pool and hydrotherapy pool); three outdoor pools and waterslides; spa, sauna, and steam room; male and female changerooms; five family changerooms; two group fitness studio areas; gym and cycle rooms; staff and administration areas; and consulting rooms.

Completed works and initiatives

In recognition of its importance to our community, numerous works have been undertaken on site, all of which have come out of community consultation studies, which are outlined in the RLC Scoping Study report (**Appendix A**).

- Identified works from the Macutex Report were implemented alongside look and feel improvements to contribute to a better visitor experience, which have received positive community feedback. (2018-2022)
- Disused creche room activated with Keon Park Boxing Club (2023)
- Spa and sauna maintenance and repair (2024)

- Space frame inspection and roof works to address leaks and support structural safety (2024)
- Switchboard compliance works to ensure electrical safety (2024)
- New equipment and rearranged gym layout to improve access (2024)
- Trialled outdoor kiosk over summer (2024-25)
- Review of group fitness programming to ensure fit-for-purpose to meet customer demand and expectations (2024)

Upcoming works and initiatives

- Introduction of Reformer Pilates Studio and Recovery Room facilities (2025-26)
- New Point of Sale system and app to support membership management and bookings online (2025)
- Voices of RLC imagery and stories to share diverse community participation and benefits (2025)
- Exploring women-only and transgender access and participation opportunities (2025)
- Exploring partnerships to activate allied health consulting rooms (2025)

Previous Council Resolution

At its meeting held on 26 April 2022, Council resolved in part:

'That Council:...

- (2) *Endorses the proposed vision (with options for different size pools to respond to community needs) which is to develop Reservoir Leisure Centre into a local wellness hub that connects the East Reservoir and the total catchment of Reservoir, North Preston, Kingsbury, Bundoora and Macleod to quality health, wellbeing and recreation experiences...'*

Through the 2023-24 Budget process, Councillors requested officers undertake a Reservoir Leisure Centre (RLC) Scoping Study, rather than proceeding to early design concepts as previously resolved by Council in April 2022.

At its meeting held on 26 June 2023, Council adopted the 2023-24 Budget which included the following key action with \$300,000 funding in the Capital Works Program:

- *'Undertake minor renewal works at Reservoir Leisure Centre while commencing scoping for the longer-term options for the redevelopment and rebuilding of the centre to enhance health, wellbeing and socioeconomic outcomes.'*

At its meeting held on 1 February 2024, Council resolved in part:

'That Council:...

- (3) *Receives a report in March 2024 on:*
 - a. High-level costing estimates for different options on a new rebuilt RLC.*
 - b. Funding strategy using Council's own sourced funds and external State and Federal government funding.*
 - c. Establishing a specific Future Fund for the redevelopment and rebuild of a new RLC in the near future.*

- d. *Steps and processes on Council committing to and achieving the building of a new RLC in the coming years.'*

At its meeting held on 25 March 2024, Council resolved:

'That Council:

- (1) Notes the report as requested by Council on 1 February 2024 addressing high-level costing estimates, funding strategy options including a specific Future Fund and next steps to achieve the building of a new Reservoir Leisure Centre.*
- (2) Notes the indicative steps and timelines outlined in this report to immediately progress the comprehensive RLC Scoping Study requested by Council and already included in the 2023/2024 budget, which is outlined in Table 1 of this report and notes that officers will use best endeavours to meet these.*
- (3) Notes that the outcomes of the RLC scoping study will come back to Council and requests that at that point officers provide advice on costs and a funding approach associated with undertaking a concept design, informed by the outcomes of the RLC Scoping Study, including exploring external funding opportunities and the contribution that would need to be made by Council for developing a concept design.'*

At its meeting held on 16 December 2024, Council resolved:

'That Council:

- (3) Reservoir Leisure Centre*
 - (a) Notes the timelines on the Council Website on the future redevelopment of the Reservoir Leisure Centre as follows:*
 - (i) Community consultation - 8th August 2024 - 15th September 2024 (completed)*
 - (ii) Analysis of feedback and development of options - October 2024- November 2024 (active)*
 - (iii) Report to Council on engagement outcomes, recommended options and next steps - December 2024 (incomplete).*
 - (b) Accordingly receives a Council report in February 2025 on engagement outcomes, recommended options and next steps.'*

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

2.1 We will deliver equitable and accessible infrastructure to provide opportunities for our community to live well

2.5 We will invest in services and the built environment to improve access for our residents and visitors

Big Action 2: Plan infrastructure for decades to come by commencing scoping for the redevelopment of Reservoir Leisure Centre...

2-2: Redevelop Reservoir Leisure Centre, incorporating opportunities to enhance health, wellbeing and socioeconomic outcomes

DISCUSSION

The RLC Scoping Study proposes a 3-stage approach to RLC’s redevelopment, which aims to balance immediate community needs with long-term redevelopment, while maintaining RLC’s role as a welcoming and accessible community facility.

Based on advice at the time of the RLC Scoping Study, available capital funding and building lifecycle, any major redevelopment works at RLC were unlikely to occur in the next 10 years.

Proposed Next Steps

| Activity | Details | Action |
|--|---|---|
| Prepare a Business Case with component options, final concept design plans, and opinions of cost | Prepare a Business Case that includes: <ul style="list-style-type: none"> • Componentry based on the needs articulated in the RLC Scoping Study • Up to three concept designs and opinion of cost to be prepared for consideration • Consideration of operating requirements, including operating models | Engage a recreation professional and an architect to prepare |
| Prepare an Advocacy and Funding Plan | Develop a plan demonstrating the need and demand for a redeveloped RLC and identify advocacy and funding opportunities and options | Identify funding and related advocacy opportunities |
| Identify potential partners | Consider partners to identify compatible visions and goals which may provide alternative avenues to access capital funding for the project. This includes exploring opportunities to diversify the range of services and programs that could be delivered from RLC | Research and undertake high-level discussion/s with identified potential partners |
| Confirm concept design and opinion of probable costs | Review concept design and Council endorse preferred concept design Ensure alignment with Council Long-term Financial Plan and Council Plan objectives | Council resolution to endorse preferred RLC concept plan |
| Detailed design and documentation prepared | Detailed designs and Quantity Surveyor (QS) report are required to confirm the project costs | Engage a principal architect and Quantity Surveyor |
| Due diligence risk report | A financial risk profile takes into consideration quantum of funding required (funding capacity) to deliver the project and construction risks (financial) – this may be dependent on the success of the advocacy strategy and securing of partners | Engage a financial consultant to carry out this activity |

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

Council's current financial sustainability responsibility as well as escalated building costs necessitates a considered and different approach to funding the redevelopment of RLC than what was delivered for the Northcote Aquatic and Recreation Centre. The Scoping Study informs communities priorities.

The outcomes of the RLC project will need to be considered within the context of Council's Long-term Financial Plan and Capital Works Program.

Council has assessed high-level costs and options for redevelopment of the site and this was reported to Council in March 2024. This report identified the costs (in 2024 dollars) for the following options:

- \$124M to knock down and rebuild an expanded centre
- \$65M to knock-down and rebuild based on similar building footprint as the current centre
- \$56M or \$65M to refurbish the centre depending on the particular option (close RLC during refurbishment or keeping wet or dry side of RLC open while refurbishing the other).

A high-level analysis of funding availability as at 2033 has also been undertaken. More recently, modelling has been undertaken to prepare for Council's 4-year and Long-term Financial Plan.

Overcoming the affordability challenge will require securing funding partners, optimising the business case and exploring creative delivery options. All these activities will take time and finalising scope details will need to be done at a later date after substantial progress on the other key work. The opportunity to explore either or both of State and Federal funding opportunities is and will remain an important component of a funding strategy for the development of RLC. To outline the health benefits of sports and aquatic centres and the opportunities for these centres to support community, advocacy letters were sent to State Member for Preston, Nathan Lambert and Federal Member for Cooper, Ged Kearney in January 2025 (as per the Council resolution on 16 December 2024

There are several other potential funding partners Council could explore working with:

- Tertiary education providers who specialise in health may be willing to partner with local governments on provision of shared facilities.
- There are commercial operators now offering fitness, health and learn-to-swim services, including investing private funding to construct these in parts of Melbourne. If commercial operators could be attracted to Reservoir as part of a 'hub', private sector investment may be able to be leveraged to construct and manage significant parts of this development.

To ensure Council can maximise the total investment in community services (via itself, partners and other providers), several creative delivery options and business case optimisation options are also recommended for investigation and consideration:

- This site is a PPRZ site and ancillary commercial uses can be considered. Work could be done to explore and maximise commercial opportunities within any redevelopment at this site, although this would generally be expected to be 'marginal' to the overall costs discussed in this report.

- There are other large sites nearby that Council owns, which are public use zones. There is potential in the long run to explore public-private partnerships to develop these sites for a mix of public and private purposes.
- There are other large sites that potential partners own nearby – Council could consider whether any of these would be appropriate sites for a future facility.
- Opportunities to support community to access facilities others own or run, e.g. by providing transport and negotiating low-cost entry.

The RLC Scoping Study to date has considered scope for redevelopment on the current site; it has not considered the sites touched on above.

Councillors may also wish to consider the development of a precinct master plan for TW Andrews Reserve to complement and support the RLC redevelopment. This would enable consideration of the Reservoir Senior Citizens Centre and Reservoir Neighbourhood House and how they might fit within a community hub facility. This would significantly increase costs to demolish and rebuild. This is a much larger investigation.

Community Engagement

A community engagement plan for the RLC Scoping Study was developed. The engagement approach and timelines are outlined in the RLC Scoping Study report.

Should Councillors endorse the release of the RLC Scoping Study report, this will be supported through an associated communications plan.

COUNCIL POLICY CONSIDERATIONS

Equity, Inclusion, Wellbeing and Human Rights Considerations:

An Equity Impact Assessment (including a Gender Impact Assessment) was undertaken and identified engagement outcomes to be considered in the development of the RLC Scoping Study. This included a comprehensive approach focused on engagement with a diverse cohort of community, individuals, organisations, user groups and interest groups.

The study has achieved significant community engagement, particularly from the Reservoir and Kingsbury community, including service providers and special interest groups.

Legal and Risk Implications

Risks include:

- Managing community expectations – predecessors of this project have been underway for a number of years. There is potential for community frustration and fatigue and this risk will be managed through the communications plan.
- Budget constraints – with financial sustainability, building costs and current Council borrowings, managing community expectations about the timeline and funding for the redevelopment is challenging, as a rebuild or redevelopment will require significant funding.
- Advocacy efforts are underway. Should funding commitments be made with multiple partners that commit Council to an unrealistic timeframe or larger than financially sustainable contributions by Council, Council will need to consider how best to position its response.



IMPLEMENTATION ACTIONS

- Council consider the inclusion of targeted facility upgrades in response to community feedback and condition data as part of the 2025-26 Council Budget process.
- Develop the business case, including concept designs, for the longer-term redevelopment of RLC.
- Continue to advocate for funding partnerships and further develop the funding plan and strategy.

RELATED DOCUMENTS

- Council Report – 25 March 2024 – Reservoir Leisure Centre – High-level Costs, Funding Strategy Options and Next Steps

ATTACHMENTS

- Reservoir Leisure Centre Scoping Study (**Appendix A**) Confidential - enclosed under separate cover
- Reservoir Leisure Centre (RLC) Key Performance Indicators: 2016-2025 (**Appendix B**)
 

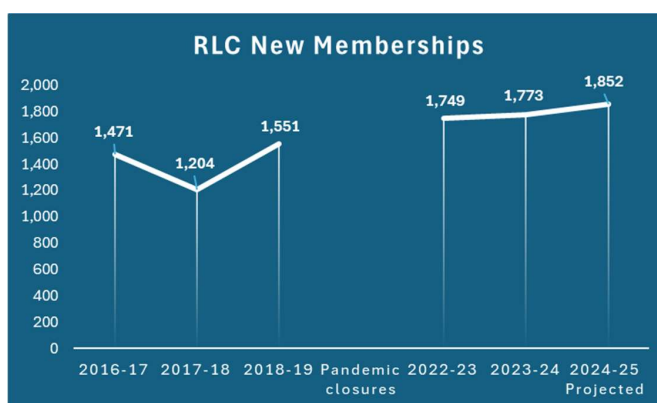
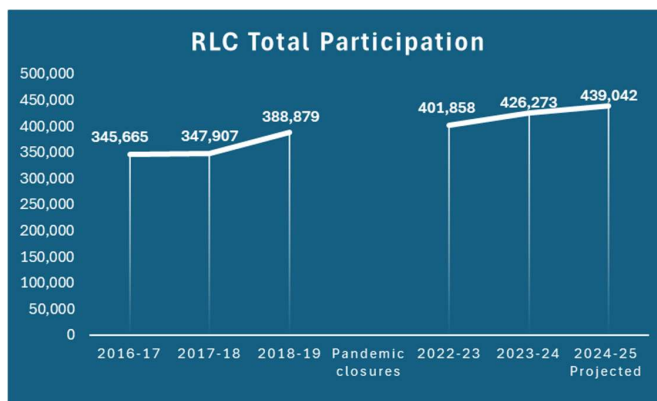
DISCLOSURE OF INTEREST

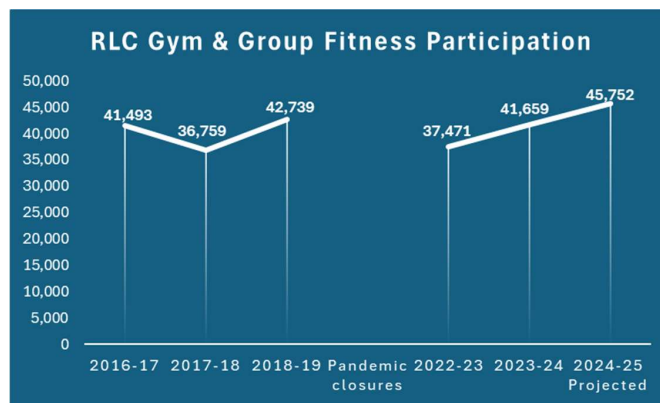
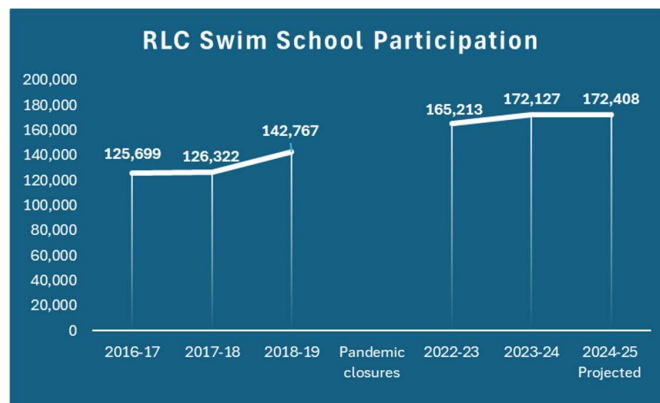
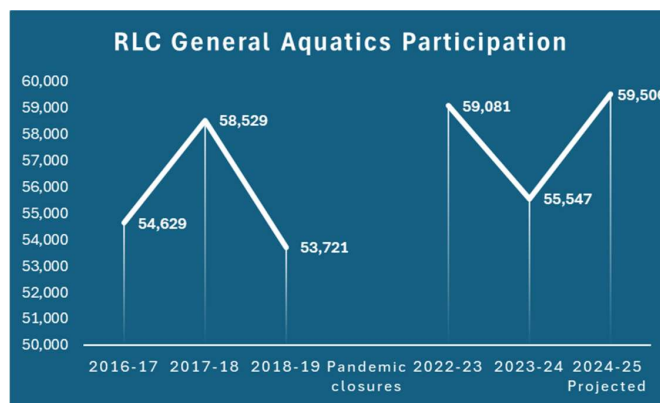
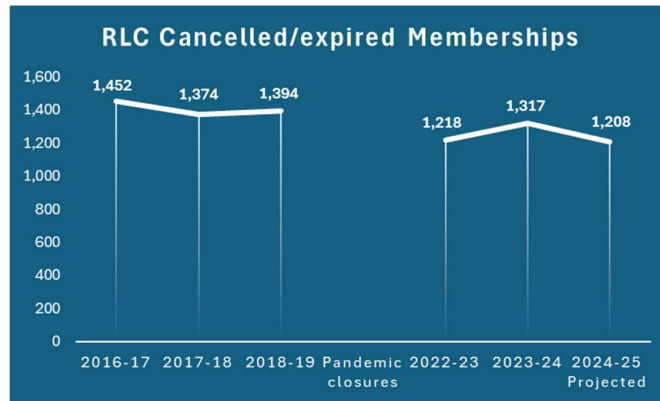
Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Reservoir Leisure Centre (RLC) Key Performance Indicators: 2016-2025

| | 2016-17 | 2017-18 | 2018-19 | 2022-23 | 2023-24 | 2024-25 <i>Projected</i> |
|-----------------------------------|---------|---------|---------|---------|---------|-----------------------------|
| Gym & group fitness participation | 41,493 | 36,759 | 42,739 | 37,471 | 41,659 | 45,752 |
| Swim school participation | 125,699 | 126,322 | 142,767 | 165,213 | 172,127 | 172,408 |
| General aquatics participation | 54,629 | 58,529 | 53,721 | 59,081 | 55,547 | 59,506 |
| Cancelled/expired memberships | 1,452 | 1,374 | 1,394 | 1,218 | 1,317 | 1,208 |
| New memberships | 1,471 | 1,204 | 1,551 | 1,749 | 1,773 | 1,852 |
| Total facility participation | 345,665 | 347,907 | 388,879 | 401,858 | 426,273 | 439,042 |





9.2 PRESTON CENTRAL - ACTIVITY CENTRE PROGRAM SUBMISSIONS

Author: Senior Strategic Planner

Reviewed By: General Manager City Sustainability and Strategy

EXECUTIVE SUMMARY

This report provides an update for Council on the Activity Centre Program and recommends Council continues its engagement with the State Government to achieve the best outcomes for the High Street Activity Centre and community.

On 18 December 2023 Council endorsed its draft Preston Central Structure Plan, with planning controls, to start its own planning scheme amendment. This decision followed extensive community engagement and technical work. The fast-tracked State-led amendment through the Activity Centre Program will replace Council's amendment.

On 27 September and 4 October 2024 officer-led submissions were made under delegation to provide feedback to the State Government on their draft Activity Centre Plan for the Centre. These submissions are included as **Appendix C** and **D**.

A Standing Advisory Committee has reviewed the draft planning controls and consultation feedback.

On 23 February 2025, the Minister for Planning released updated plans for the centre via a factsheet with a summary of controls including boundaries and heights. Further key details about the planning controls are still to be released. The Minister for Planning will gazette the new planning controls for the Centre by the end of March, including the walkable catchment zone.

Officers are recommending Council note the officer submissions, write to the Minister for Planning and continue pursuing the Memorandum of Understanding between Council and the State Government. This approach is likely to benefit Central Preston and the soon to be announced 25 additional activity centres for planning control changes.

| |
|-------------------------------|
| Officer Recommendation |
|-------------------------------|

That Council:

- (1) Continues to support the intent of the Victorian Government's Housing Statement and Activity Centre Program to update planning controls to ensure that more good quality homes can be built in Preston Central, as per Council's own Draft Preston Central Activity Centre Plan.
- (2) Welcomes the opportunity to continue partnering with the State Government to improve planning and investment into the Preston Central Activity Centre.
- (3) Notes that at the 14 August 2024 Special Council meeting, Council resolved on its advocacy principles and outcomes for the Central Preston Activity Centre (Minute No. 24-129).
- (4) Notes the following officer submissions made to the State's engagement process for the Activity Centre Program for Preston (High Street) Activity Centre:

- a. 27 September 2024 submission in response to the State's calls for public submissions at **Attachment C**
 - b. 4 October 2024 technical submission made in response to the Department of Transport and Planning's request for Darebin Council feedback on its draft Activity Centre Controls, at **Attachment D**.
- (5) Writes to the Minister for Planning to seek a meeting, and to share Council's endorsed principles and outcomes for the Central Preston Activity Centre and community, including:
- a. That the Activity Centre Program ensures more good quality homes, including social and affordable housing, can be built in Central Preston.
 - b. Community consultation is central to the State's ongoing Activity Centre Program, and that the new catchment area zone should be reviewed in consultation with councils and the community 18 months following its introduction to ensure outcomes are actively monitored.
 - c. Planning controls to be released to Councils as soon as possible and be generally consistent with Council's draft Preston Central Structure Plan including its vision and principles and mandatory Floor Area Ratio approach as per C218dare.
 - d. Value capture mechanisms and infrastructure contributions are built into planning controls, which ensures investment is directed to the local area in addition to Council's current Development Contributions Plan.
 - e. Built form controls that promote environmental sustainability and net zero communities, and planning provisions informed by transport assessments that enable public transport, active and sustainable transport use.
- (6) Writes to the relevant State Members of Parliament to share Council's priorities.
- (7) Requests the CEO continues:
- a. negotiations to enter into a Memorandum of Understanding between the State Government and Council to continue to ensure the best outcomes are achieved for the Preston Central Activity Centre and community, including State funding to support the creation of a well-connected, vibrant, safe and economical viable centre
 - b. to lead Council's advocacy in order to achieve Council's endorsed principles and outcomes for the Central Preston Activity Centre and community.
-

BACKGROUND / KEY INFORMATION

Council's draft Preston Central Structure Plan

Council has prepared its own draft structure plan and planning controls for Preston Central. This work began in 2018 and included technical work and two rounds of community consultation. On 18 December 2023 Council endorsed the draft Preston Central Structure Plan and resolved to ask the Minister for Planning for approval to start to planning scheme amendment process.

Central to the draft controls developed by Council is the Floor Area Ratio approach. It controls the amount of floor area that can be created in a development depending on the size of the site. It provides flexibility over building height and results in developments with better amenity and urban design outcomes. The enhancements can include greater setbacks, providing small public open space and communal open space. This approach provides certainty for developers as they know exactly how much floor area can be created. It can also be designed to support higher ratios if affordable housing was part of the development proposal.

State Government housing and planning reforms

Preston is part of the State's pilot Activity Centre Program (ACP). The ACP aims to deliver 60,000 new homes across 10 activity centres by amending built form and land use controls being implemented as part of the State Government's [Housing Statement](#).

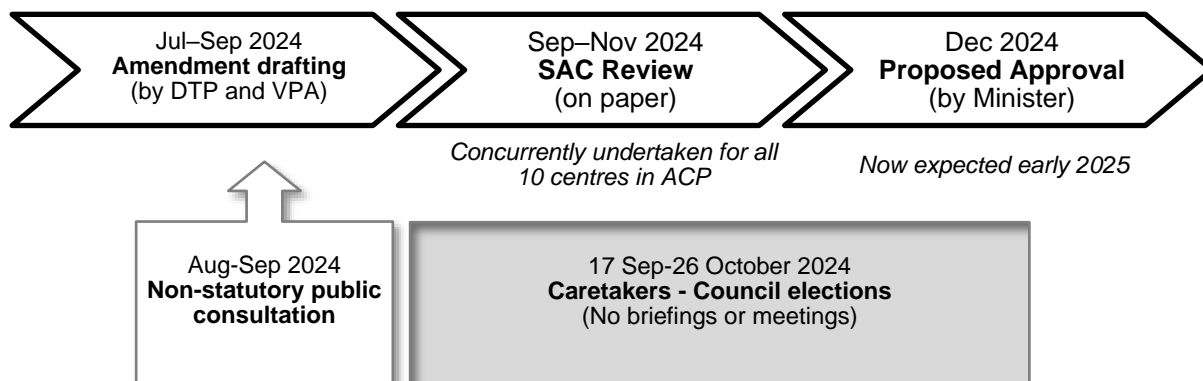


Figure 1: Indicative stages and timing of the Activity Centre Program

State-led amendment will be implemented through a fast-tracked pathway as shown in Figure 1 afforded under Section 20(4) of the *Planning and Environment Act 1987*.

State’s draft Activity Centre Plan

On 22 August 2024, the Victorian Planning Authority (VPA) released a draft Preston (High Street) Activity Centre Plan (see [VPA's document](#) for details). This high level draft Plan introduced a housing target of 11,800-15,300 new dwellings, with buildings up to 10 storeys high in the commercial core (referenced to Council’s 2023 Draft Preston Central Structure Plan), and proposed a new 800m walkable catchment zone where residential buildings can be between 3 and 6 storeys high if lots are greater than 1000 m² in area and with 20m frontage.

Council’s engagement with the State

Over the past year, Council has engaged with State agencies to help ensure that the planning framework for Preston aligns with local needs and fully promotes the adoption of Council’s own amendment to update the built form (C218dare amendment). A summary of some of this engagement is outlined:

- **Memorandum of Understanding (MoU):** Continued negotiation of an MoU with the State to guide planning for the Centre. It seeks to cover land use changes, well-designed housing transitions, and funding for infrastructure like public and open spaces, transport, and civic realm upgrades, and good integration of Preston Market redevelopment into the Centre. The draft MoU is still outstanding, having been discussed at CEO and Executive Director level.

- **Advocacy with other Councils:** In July 2024, Mayors from five Councils called for stronger State-Local partnerships to guide better housing options and to fund local infrastructure along with inclusionary mechanisms for affordable housing. Ongoing opportunities exist to collaborate with other Councils on shared priorities and promote collaboration between Councils and the State Government.
- **Officer engagement and coordination:** Participating in one State Community Reference Group meeting (Council was unable to attend the second workshop during the electoral period.)
- **Meetings** with State officials and MP, providing technical information and feedback at the request of State officials, and proactively seeking information and updates from State officials.
- **Formal submissions:** Officers provided a:
 - submission to the State's public consultation process on 27 September 2024
 - a technical submission to the Victorian Planning Authority and Department of Transport and Planning (DTP) on 4 October 2024, responding to their draft Activity Centre Controls. DTP provided the draft controls to Council officers on 20 September 2024 on a confidential basis. This detail was not shared by the State as part of the public consultation process.

Previous Council Resolution

Appendix A includes a copy of the Council resolutions from:

- the Ordinary Council Meeting on 18 December 2023 where Council adopted the draft Preston Central Structure Plan and requested approval from the Minister for Planning to start the planning scheme amendment process.
- a Special Council Meeting on 14 August 2024 where Council adopted advocacy actions and principles to guide officer submissions.

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

4.4 We will ensure major changes in our city achieve significant improvements in our City

DISCUSSION

Activity Centre announcement - including Preston Central

On 23 February 2025, the Minister announced updated plans following a Standing Advisory Committee and consultation process. The announcement included a fact sheet, but no detailed planning controls and stated the controls will be gazetted at the end of March.

The summary of planning controls include:

- A maximum height of 10 storeys in the Preston Activity Centre commercial core, aligning with the City of Darebin's *Draft Preston Central Structure Plan 2023*.

- A new streamlined planning process for the commercial core, including removing notice and review rights and new 'deemed to comply' standards. If a proposal meets the standards, it cannot be refused.
- Lower-rise apartments and townhouses in a catchment zone within 10 minutes walk of the activity centre core.
- Catchment areas will be split into two: inner and outer. Inner catchments are closer to the core and will have the same four-storey limit, or up to six storeys on larger blocks. Outer catchments are farther from the core and will have a new three-storey limit, or up to four storeys on larger blocks.
- Rename of the new 'Walkable Catchment Zone' to the 'Housing Choice and Transport Zone'
- Notice and appeal provisions still apply in the catchments, as do any existing heritage overlays which will still apply as normal
- A simplified infrastructure funding system to help provide direct contributions for council and State Government to deliver infrastructure, commencing 1 January 2027.

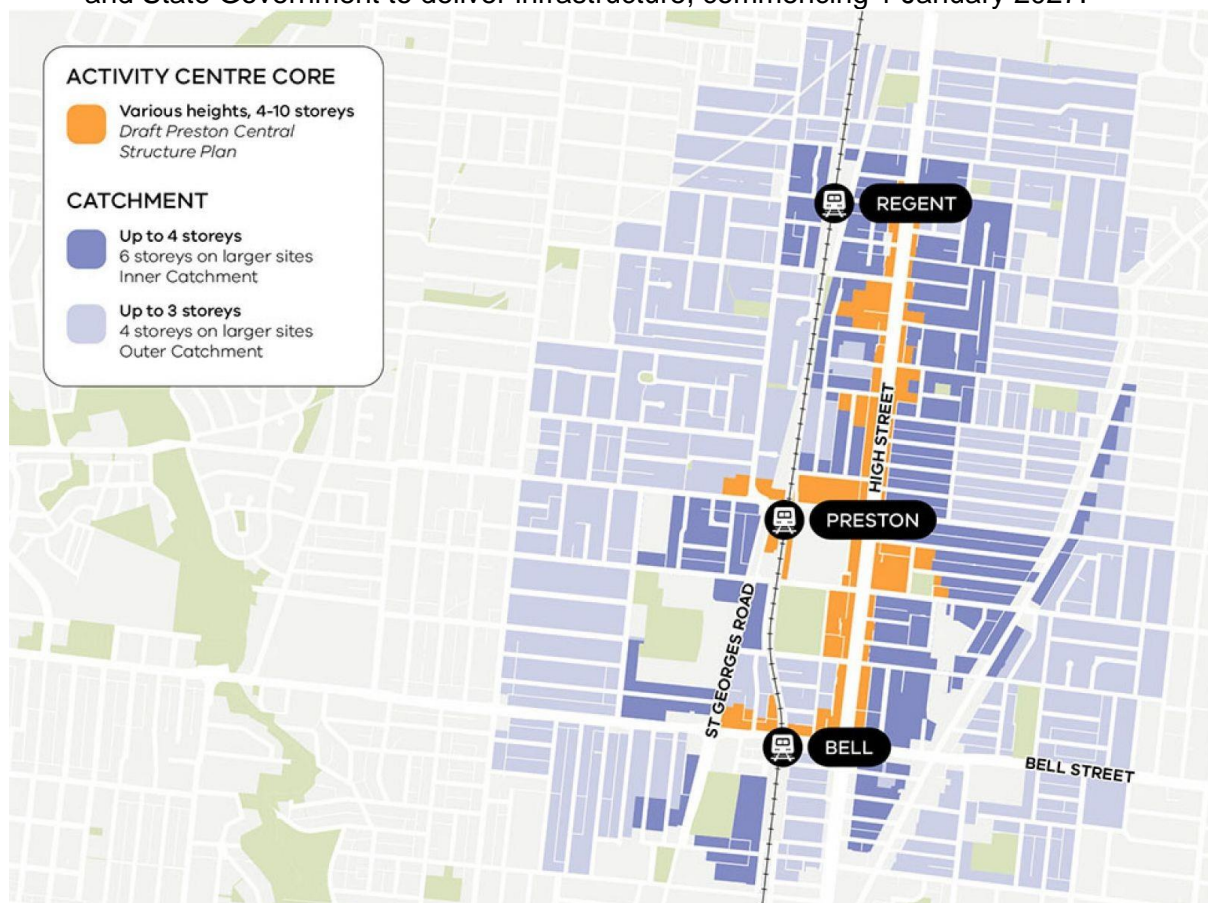


Figure 2: Map of the Preston Activity Centre, Department of Transport and Planning, 23 February 2025

Only limited information has been released. The final planning controls will be needed to understand the full implications.

Formal submissions to the State Government

The State called for submissions during the local government electoral and caretaker period, which placed constraints on how Council could participate. Officers prepared and made two officer, technical submissions to State officials during this period on a confidential basis.

The second submission was requested by the State from Council only, and not the broader community, so was treated as confidential. Officers have confirmed with State officials that this submission can now be made public by including it as Appendix D to this report.

Officers responded in line with Council's 14 August 2024 resolution. Both submissions are technical and lengthy. A brief overview of both submissions has been prepared at **Attachment B**.

Key elements of the submissions are:

- Welcoming the intent of improvements to planning controls that can facilitate more good quality homes, more quickly to address the housing crisis.
- Establishing clear, equitable value capture mechanisms, mandatory affordable housing provisions, and infrastructure contributions to support housing growth.
- Providing infrastructure to support Centre's growth by securing net community benefits, such as affordable housing, and improvements to open space, public realm, and social infrastructure.
- Delay the implementation of Walkable Catchment Zone to a later stage of the Activity Centre Program until its impact is well understood in consultation with community and Council.
- Publicly release the Standing Advisory Committee Reports to maintain transparency in the planning process.
- Negotiating a Memorandum of Understanding with Council to plan and fund the Centre in alignment with Council's vision for the Centre as outlined in the draft Preston Central Structure Plan.

For detailed submissions see **Appendix C** and **D**.

The State Government established a Standing Advisory Committee to review and provide advice to the State about its draft controls. Unlike most Standing Advisory Committees, the Committee was allowed to conduct their review 'on the papers' without public hearings. State officials advised Council officers that the two technical officer submissions were provided in full to the Committee. Officers understand the Committee was established on 24 August 2024, and that it has provided its finding to Government.

The proposed planning controls are likely in the final stages of being considered by the Minister for Planning for imminent release.

To ensure the best possible outcome is achieved for the Preston Central Activity Centre and community, officers are recommending that Council:

- writes to the Minister to seek a meeting, and to share again the principles and outcomes it is seeking for Preston
- asks its CEO to continue negotiating an MoU with the State Government. Officers have progressed negotiations to a draft agreement. A clear partnership agreement will support critical outcomes like strengthening place, value capture to provide infrastructure for a growing community, and addressing the shortfall of social and affordable housing.

Council has the option to make changes to Council's previously endorsed principles and outcomes, and to the content of the officer submissions at **Appendix C** and **D**. Because the State previously advised it would announce its new planning controls by December 2024, there is likely to limited opportunity influence the planning amendment.

Further expansion of the Activity Centre Program

On 20 October 2024, the Premier of Victoria announced plans to add 50 new 'train and tram zone' activity centres aiming to deliver over 300,000 new homes by 2051. The first 25 of these centres are along key transport lines in south-eastern Melbourne.

The final 25 activity centres are likely to be announced with the release of *Plan for Victoria* and may include some of Darebin's other activity centres.

Council will need to work with State Government on these new centres and their development intensity, while also considering changes to Council's draft Housing Strategy (2024) based on revised housing targets.

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

No funding is allocated for the amendment in 2024-25 budget year, and none is expected to be required as the State are driving the amendment. While the proposed C218dare amendment awaits Ministerial authorisation, State is collaborating with Council on the Centre's planning.

Council's endorsed principles include seeking value uplift and funding support to ensure services and infrastructure can meet the needs of a significantly growing community.

Community Engagement

Council led community engagement processes: Before Preston Central was included in the Activity Centre Program Council conducted community engagement in 2018 and 2022. These consultations focused on vision, transport, urban design, built form, and land use in the commercial core which informed the draft Preston Central Structure Plan and planning controls.

State led consultation processes: The State has led two consultation phases, one in April and another in September 2024. *Phase 1 Engagement* included media releases, postcard drops, publication of online materials, and a Community Reference Group (CRG) meeting (8 May 2024) where Darebin's Mayor was the deputy chair. The findings from this meeting are on the VPA website. *Phase 2 Engagement* involved informal public notice and consultation, running for four weeks, concluding on 29 September. Feedback was sought on the draft Activity Centre Plan. A second CRG meeting was held on 3 September 2024, with Council officers abstaining due to electoral obligations.

Other Principles for consideration

Overarching Governance Principles and Supporting Principles

(f) collaboration with other Councils and Governments and statutory bodies is to be sought;

Public Transparency Principles

(c) Council information must be understandable and accessible to members of the municipal community;

(d) Public awareness of the availability of Council information must be facilitated

Strategic Planning Principles

(d) strategic planning must identify and address the risks to effective implementation;

Service Performance Principles

(a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;

Environmental Sustainability Considerations (including Climate Emergency)

The final planning controls have the potential to achieve sustainable outcomes in the Centre, by focusing on energy efficiency, urban greening, water management, and active transport. This approach would align with Council's draft structure plan. Infrastructure investment from the State would support new planning controls and growth of the Centre.

Equity, Inclusion, Wellbeing and Human Rights Considerations

To foster greater transparency and accountability in the State-led process, officers have advocated for inclusive community engagement following the principles of equity, inclusion, wellbeing, and human rights.

Economic Development and Cultural Considerations

The draft Structure Plan aims to transform High Street into a vibrant "main street" and drive economic development. Finalising this plan would enable an ongoing program of civic and place-making investments in the Centre including advocacy for State and Federal funding, through grants and seed funding to support the planning, piloting, and delivery of these initiatives.

Operational Impacts

Further advocacy for the program can be undertaken within current resources. The scale and scope of future State announcements on Darebin's activity centres could potentially impact Darebin's housing strategy implementation and influence other priority strategic planning projects requiring adjustment to course and reprioritisation.





Legal and Risk Implications

The State's implementation of the new planning controls may have implications for Council land in the Centre should it trigger a Windfall Gains Tax Assessment and financial liability. Indicative advice received by officers from a property valuer indicates that the nature of this liability is likely to be negligible given the area is already zoned for higher-density development

RELATED DOCUMENTS

- Darebin Council Preston Central YourSay [webpage](#)
- [Activity Centres Program – Preston \(High Street\) webpage](#)
- Engage Victoria: Activity Centre Program Phase 1 (Preston) engagement [webpage](#)
- Engage Victoria: Activity Centre Program Phase 2 (Preston) engagement [webpage](#)
- Announcement by Premier of Victoria "[More Homes To Come Near Transport, Jobs and Services](#)", 23 February 2025

ATTACHMENTS

- Council Resolutions Related to the Preston Central Structure Plan (**Appendix A**) [↓](#) 
- Summary of officer-led submissions to the State-led Activity Centre Program in 2024 (**Appendix B**) [↓](#) 
- Darebin officer Submission to Activity Centre Program - 30 Sept 24 (**Appendix C**) [↓](#) 
- Darebin officer submission to Activity Centre Program 4 Oct 24 (**Appendix D**) [↓](#) 

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Council Resolutions Related to the Preston Central Structure Plan

On 18 December 2023 Council resolved:

That Council:

- (1) Adopts the draft Preston Central Structure Plan (2023) (**Appendix A**) and Preston Central Built Form Framework (2023) (**Appendix B**)
- (2) Requests the Minister for Planning authorise the preparation and exhibition of Amendment C218dare to the Darebin Planning Scheme (**Appendices A-F**) and supporting document (**Appendix G**), pursuant to section 8A of the *Planning and Environment Act 1987*
- (3) When authorised by the Minister for Planning, exhibit Amendment C218dare to Darebin Planning Scheme in accordance with notice requirements under section 19 of the *Planning and Environment Act 1987*
- (4) Seeks community stakeholder feedback as part of the exhibition period, on the draft Preston Central Structure Plan and proposed changes to the Darebin Planning Scheme.
- (5) Authorises the Manager City Futures to make changes to Amendment C218dare documentation prior to lodgement of the authorisation request with the Minister for Planning and/or exhibition period, where the changes do not affect the purpose or intent of the amendment.
- (6) Authorise the Chief Executive Officer to negotiate and execute a Memorandum of Understanding with the Department of Transport and Planning (DTP) to progress planning for Preston Central and Preston South, generally in accordance with **Appendix H**.

Meeting minute number 23-129

On 14 August 2024, at a Special Council meeting, Council resolved:

That Council:

- (1) Supports the intent of the Victorian Government's Housing Statement and Activity Centre Program to update planning controls to ensure that more good quality homes can be built in Preston Central, as per Council's own Draft Preston Central Activity Centre Plan.
- (2) Welcomes the opportunity to partner with the State Government to improve planning and investment into the Preston Central Activity Centre.
- (3) Resolves that negotiations to support the proposed Memorandum of Understanding between the State Government and Council continue to ensure the best outcomes are achieved for the centre and community.
- (4) Resolves to advocate for the following principles and outcomes for the Central Preston Activity Centre:

a. Process and engagement

- i. Community input is critical to the success and vibrancy of our activity centres.
- ii. Decisions are informed by an inclusive and welcoming engagement and communications process that is designed to reach our diverse community, and that provides the opportunity for the community to write submissions to inform the outcomes of any planning changes.
- iii. Public transparency is achieved through an independent panel that considers submissions and draft planning controls and provides advice to the Minister on the final planning provisions. This report is publicly released within 10 days following submission.
- iv. Ministerial gazettal occurs in early 2025 at the earliest to allow independent review and for Councils to form a considered position on draft planning controls and outcomes of any independent advice, for the Minister to consider ahead of final approval.

b. Planning outcomes

- i. Planning controls are generally consistent with Council's draft Preston Central Structure Plan including its vision and principles and Floor Area Ratio approach as per C218dare.
- ii. Planning controls provide a considered interface between the commercial core and the newly adopted Preston Market precinct controls.
- iii. Value capture mechanisms and infrastructure contributions are built into planning controls, informed by a Community Infrastructure Needs Assessment. Any funding is collected by local government, or if centralised then mechanisms are in place to ensure investment is redirected to the local area. This is in addition to Council's current Development Contributions Plan.
- iv. Social and affordable housing shortfalls are mitigated through introduction of mandatory affordable housing planning mechanisms.
- v. High-quality design and controls are provided that incentivise lot consolidation within residential transition areas in the Centre.
- vi. Built form controls promote environmental sustainability and net zero communities as our built form legacy for decades to come.
- vii. Planning provisions are informed by transport assessment outcomes and promote public transport, active and sustainable transport in the Centre.

c. Civic realm outcomes

- i. State and Federal funding is available to support the planning, piloting and delivery of data-driven place-making initiatives that support economic revitalisation of the Centre.
 - ii. Public spaces are enhanced through community-led place-based initiatives, with a focus on streetscape improvements along High Street.
 - iii. State funding is available to increase the capacity of public and active transport needed to serve a growing community and mitigate congestion that will occur if there are no real alternatives offered to private car use.
- (5) Council delegates to the CEO the preparation and approval of a Council submission to the State Government in response to any state-led Activity Centre decision making, including a planning scheme amendment, in general accordance with the principles and outcomes for the Preston Central Activity Centre, as per Resolution (4).
- (6) Resolves to submit to the State Government that the current form of zoning (Priority Development Zone or similar) of the Civic Centre and other Council land within the centre be retained in any state-led planning scheme amendment, noting that it may be subject to the Windfall Gains Tax.
- (7) Writes to the Minister for Planning, inviting the Minister to partner with Council to achieve the key principles in Resolution (4) and seek a decision on Council's Planning Scheme Amendment C218dare which proposes to implement Draft Preston Central Structure Plan, currently before the Minister.
- (8) Writes to the relevant State Members of Parliament to share Council's priorities outlined at resolution (4).

Meeting minute number 24-129

Appendix B: Brief overview of Officer Submissions

Below is a brief summary of officer-led submissions to the State-led Activity Centre Program in 2024. Refer to Appendix A and B for the submissions in full.

Submission 1: Draft Activity Centre Plan submitted 30 September 2024 (see **Appendix A**) focused on the draft Activity Centre Plan, the only document the public has been consulted on. Key points raised were:

- Implement a transparent engagement process to ensure meaningful community participation, including public consultation on draft planning controls including the release of the Standing Advisory Committee reports.
- Align closely with the draft Preston Central Structure Plan to facilitate good design with environmentally sustainable and context-sensitive outcomes.
- Establish clear, equitable value capture mechanisms, mandatory affordable housing provisions, and infrastructure contributions to support growth.
- Address concerns over the broad catchment area, focusing on impacts to local character, poor residential transition, and improving incentives for land consolidation.
- Increase investment in public and active transport infrastructure to reduce congestion, support population growth, and reform parking rates for new development.
- Secure funding from State and Federal Governments to enhance public spaces along High Street, fostering economic revitalisation and strengthening community identity.
- Enter into a Memorandum of Understanding (MoU) with Council to establish a robust partnership to achieve our shared vision for Preston Central, ensuring a vibrant, welcoming, and greener Centre.

Submission 2: Proposed draft planning provisions for the Centre, submitted 4 October 2024 (see **Appendix B**), responded to the State government's release of detailed planning controls. Key points raised were:

- Review the proposed target of 15,300 new homes for the Centre, the highest of the 10 pilot centres, and ensure adequate infrastructure to support the growth
- Implement value capture mechanisms to secure net community benefits, such as affordable housing, and improvements to open space, public realm, and social infrastructure.
- Focus implementation of new controls for the commercial core only and reconsider the Walkable Catchment Zone to a later ACP stage.
- Allow public consultation and testing for potential adverse outcomes that would impact local character and amenity.
- Allow local variations for site coverage, landscaping, and tree canopy requirements.
- Review standardised, deemed-to-comply mechanisms in the ACP program as these may not be context sensitive or incentivise good design outcomes. Implement C218dare for Preston to align with Council's site coverage and FAR controls, alongside discretionary provisions to deliver high-quality developments.
- Undertake transport assessments and consider reforms to parking provisions to mitigate congestion impacts of increased density within the Centre.

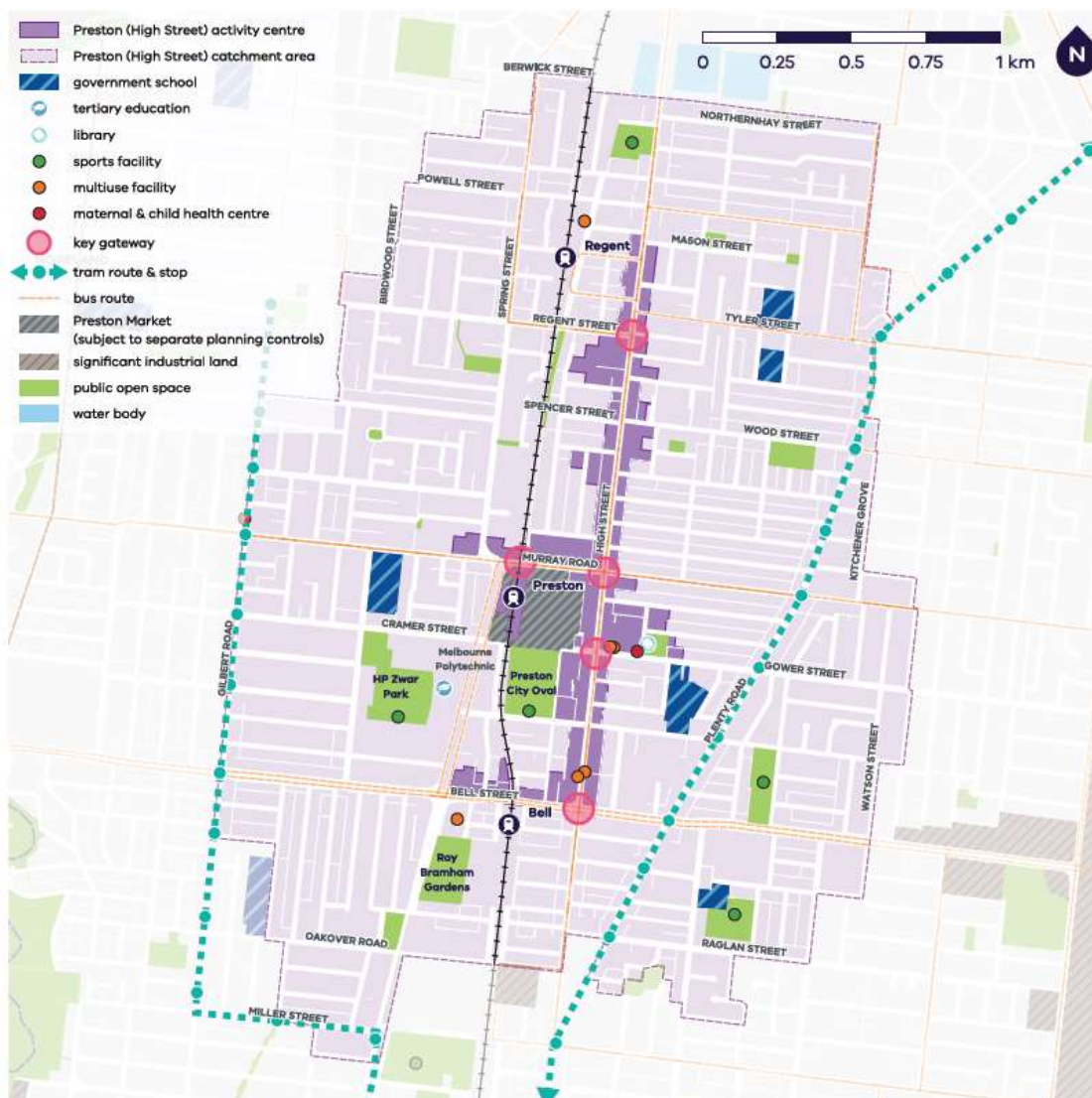
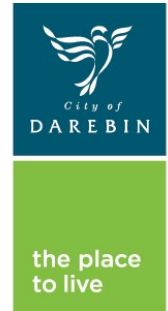


Figure 1: Extent of Preston Activity Centre’s commercial core (dark purple) and 800m walkable catchment (light purple). (Preston Market is not part of the amendment.) Source: draft Activity Centre Plan, VPA



City of Darebin

Preston (High Street)

Submission to Activity Centre Program

27/09/2024

Acknowledgement of Country

Darebin City Council acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners and custodians of the land and waters we now call Darebin and affirms that Wurundjeri Woi-wurrung people have lived on this land for millennia, practising their customs and ceremonies of celebration, initiation and renewal. Council acknowledges that Elders past, present and emerging are central to the cohesion, intergenerational wellbeing and ongoing self-determination of Aboriginal and Torres Strait Islander communities. They have played and continue to play a pivotal role in maintaining and transmitting culture, history and language.

Council respects and recognises Aboriginal and Torres Strait Islander communities' values, living culture and practices, including their continuing spiritual connection to the land and waters and their right to self-determination. Council also recognises the diversity within Aboriginal and Torres Strait Islander communities.

Aboriginal and Torres Strait Islander people and communities have had and continue to play a unique role in the life of the Darebin municipality. Council recognises and values this ongoing contribution and its significant value for our city and Australian society more broadly.



Submission: Preston (High Street) Activity Centre Plan

Introduction

Darebin is pleased to contribute to the engagement process for the 'Preston (High Street)' Activity Centre Plan (Preston AC Plan), which establishes a framework for growth and urban development for Preston Central (the Centre) through to 2034.

Darebin welcomes this opportunity to work with the Victorian Government to enhance planning and investment in the Centre. We support the intent within the Housing Statement and Activity Centre Program to update planning controls, aimed at increasing housing supply and diversity, and enhancing public spaces and community infrastructure in the Centre.

Council is encouraged by the Victorian Government's intention to use our Draft Preston Central Structure Plan to inform their plan. This plan, developed through comprehensive community consultation by Council, will guide the Centre's development in addressing housing needs while promoting sustainable and inclusive growth.

Our submission is based on key advocacy principles resolved at the Special Council meeting held on August 14, 2024, and provides local insights on the following areas: (i) engagement process, (ii) built form and housing, (iii) infrastructure planning, (iv) transport planning, and (v) place making.

Engagement process

Transparent planning processes and community engagement

Council has made significant progress in planning for the Centre, supported by extensive technical work and community engagement. We have sought authorisation to prepare and exhibit Amendment C218dare to implement the draft Structure Plan and Built Form Framework. Council is still awaiting the Minister's decision on authorisation of the amendment. To help the community understand the planning process, it is important that a decision on Amendment C218dare and how it feeds into the state's new work is communicated.

Community involvement and transparency are vital for aligning the Preston AC Plan with local needs and

goals. Darebin strongly believes that community input is critical to the success and vibrancy of our activity centres. To this end, decisions must be informed by a welcoming engagement and communications process designed to reach our diverse community by clearly sharing the proposed changes to the planning settings.

The current consultation being undertaken by the Victorian Government limits meaningful community and Council involvement. The consultation includes no detailed information on proposed planning provisions, controls, and maps, without which public understanding on the level of impact and change to current planning processes is limited.

A typical Standing Advisory Committee (SAC) process is intended to involve input from councils and local communities. However, the current proposal lacks adequate public or Council input and omits a public hearing. Darebin advocates for a more participatory SAC review process that includes contributions from both the community and the Council.

Improving transparency in the engagement process can lead to better outcomes. Findings from independent panels or an advisory committee should be publicly released to enable informed and transparent decisions. Darebin urges that these findings be accessible before the Minister's final decision and recommends that the report from any independent panel be released within 10 days of its submission.

Allowing sufficient time for community and stakeholder engagement is crucial for informed decision-making and improved planning outcomes. The Preston AC Plan suggests expediting the planning scheme amendment process to make land "development-ready". While it's important to be efficient, a rushed process without clearly tested planning provisions for the Centre and its catchment could lead to incoherent implementation of controls that are not sufficiently informed by community and stakeholder feedback.

To ensure a thorough review, Darebin encourages delaying the gazettal of planning changes until no earlier than early 2025. This would allow the newly elected Council sufficient time to review proposals



Submission: Preston (High Street) Activity Centre Plan

thoroughly after local government elections later this year, and to form a considered position on draft planning controls and independent advice given to the Minister for consideration ahead of final approval.

What we would like to see:

- Incorporate a transparent engagement and planning process that actively seeks and values local community input to ensure the success and vibrancy of the Centre.
- Decisions are informed by an inclusive and welcoming engagement and communications process that is designed to reach our diverse community, and that provides the opportunity for the community to write submissions to inform the outcomes of any planning changes.
- Maintain public transparency by establishing an independent panel to consider submissions and draft planning controls, advise on final planning provisions, and publicly release its report within 10 days of submission to the Minister.
- Ministerial gazettal occurs in early 2025 at the earliest to allow independent review and for Council to form a considered position on draft planning controls and outcomes of any independent advice, for the Minister to consider ahead of final approval.

Alignment of state-led planning with local objectives

Council has advanced planning for the Centre based on years of technical work and community engagement. It is important that that state-led planning provisions align with Council's draft Preston Central Structure Plan, and are consistent with the vision, principles, and mandatory Floor Area Ratio approach outlined in Amendment C218dare. This will contribute to a cohesive approach to planning for the centre which builds on previous community engagement.

Council-owned land within the Centre has great potential for social housing, public spaces, and community infrastructure. For example, Council has supported social housing development at its car park

on Townhall Avenue. To preserve the development potential of these lands for public benefit, we urge the State government to maintain the flexibility provided by the current zoning (Priority Development Zone) or similar zoning for land in the Civic Precinct and other Council owned land in the Centre.

What we would like to see:

- Ensure planning controls are consistent with Council's draft Preston Central Structure Plan, reflecting its vision, principles, and Floor Area Ratio approach, and as outlined in Amendment C218dare.
- Maintain the current, or similar zoning for Council-owned land in the Civic Precinct and Centre (in Priority Development Zone) to preserve development flexibility for future development that would increase public benefits like social housing, public spaces, and community and civic infrastructure.

Further officer comments:

The Preston AC Plan promotes itself as a 'transparent' alternative to traditional structure plans developed by councils with community input. However, the introduction of potentially extensive 'deemed-to-comply' mechanisms for high density development undermines this transparency. Unlike traditional plans, which allow for discretionary assessments tailored to local needs, deemed-to-comply standards impose rigid, one-size-fits-all requirements that may overlook unique local contexts. This issue is exacerbated by the lack of transparency in setting the built form controls, with no ability for council or the public to consider draft planning controls.

For example, Preston AC Plan defers to Council's novel controls for the activity centre core area which includes not only mandatory, but also a range of discretionary provisions. The introduction of deemed-to-comply mechanism reduces Council's ability to negotiate development outcomes to achieve good design outcomes. This could result in poor and homogenised development outcomes that do not achieve key outcomes like design excellence and local design objectives. There is also reduced ability



Submission: Preston (High Street) Activity Centre Plan

to reflect or enhance community values and identity established through structure planning processes.

While streamlining planning controls and expediting approvals aims to make land development-ready more quickly, it may sacrifice the flexibility needed to address evolving local needs and priorities. Efficient amendment pathways and permit processes are important but should not replace the nuanced, context-specific evaluations implemented through traditional structure plans. Deemed-to-comply mechanisms should complement, not replace, traditional planning processes.

Retaining local council discretion for high density development in our cities is essential to ensure developments align with and adapt to the unique needs and characteristics of each community.

Notably the draft Preston AC Plan provides no background or detail on the proposed deemed-to-comply standards. Council should be consulted during the development of any such mechanisms in the form of draft controls and local schedules.

For example, the Preston AC Plan defines catchment areas for future residential intensification with a standardised 800-metre walkable distance. Council's catchment area should be used instead as it follows best practice standards outlined in planning practice notes. It includes a thorough analysis of local context, covering topography, access to open spaces, key activity destinations, potential sites for future growth, and interactions with other activity centres.

To make strategic planning meaningful and transparent, the AC Plan should clearly outline how catchment areas are defined and characterised so that future development is contextually sensitive and responsive.

What we would like to see (officer-comment):

- Ensure decisions in the expedited planning amendment process are informed by community and stakeholder feedback on detailed draft planning provisions proposed for the Centre and its catchment.
- Develop any proposed new deemed-to-comply provisions and local schedules in consultation with Council to ensure they support local

discretion and flexibility, align with intended development outcomes with the community values outlined in the draft Preston Central Structure Plan.

- Refine the walkable catchment to be closer in line with Council's work to ensure the residential catchment area criteria and its planning reflect best practice catchment planning and the Centre's unique characteristics.

Infrastructure planning

Infrastructure contributions and value capture mechanisms

As the Centre grows, infrastructure improvements must be synchronised with housing development to prevent strain on existing services and to ensure growth is accompanied by investment in community facilities, streetscapes, active and public transport, and open spaces. Funding these upgrades will better equip the Centre to meet the needs of its expanding community, ensuring a vibrant and well-supported environment for residents.

It is essential to fairly allocate funds and direct investments to benefit Preston's local community. The Preston AC Plan's introduction of value capture mechanisms and infrastructure contributions marks a promising step in supporting housing growth, however uplift capacity will be minimal, and this should not replace broader standardised contributions mechanism for activity centres.

The Plan must be paired with an alternative funding mechanism and distribution model and focusing on directing funds to local projects, the Preston AC Plan can maximise the positive impact of these contributions, fostering the Centre's growth and long-term development. Key areas for investment should include upgrading transport infrastructure, enhancing public spaces, and developing community facilities, which are essential for sustaining growth and improving quality of life.

What we would like to see:

- Value capture mechanisms and infrastructure contributions are built into planning controls,



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informed by a Community Infrastructure Needs Assessment. Any funding is collected by local government, or if centralised then mechanisms are in place to ensure investment is redirected to the local area. This is in addition to Council's current Development Contributions Plan.

Further officer comments:

We recognise that new standardised development contributions systems will require changes to the *Planning and Environment Act 1987* and that this will need to be a separate process. However, the state government should endeavour to introduce standardised development contributions provisions at the same time as increasing the development capacity of the 10 activity centres to support this growth. And if that is not possible, make a firm government commitment that links it to this program.

New build-to-rent developments do not involve subdivision and are exempt from open space contributions despite increasing the demand for open space. It is important that Preston Central contributions mechanism accounts for these models and ensures open space provisions are sufficient to match the growth. This will improve recreational areas and enhance the Centre's overall attractiveness and resilience.

What we would like to see (officer comment):

- Ensure new standardised infrastructure contributions are introduced at the same time as the implementation of new controls through the Activity Centres Program.
- Provide clear and transparent practice notes and guidelines on the operation of any new planning provisions and controls like standardised development levies and value capture mechanisms.

Built form and housing

Housing affordability and diversity

Darebin supports the Victorian Government's commitment to creating walkable neighbourhoods

and advancing transit-oriented developments, recognising these as essential for a vibrant, liveable future. To ensure that development aligns with these goals while respecting local heritage and neighbourhood characteristics, we call for several key measures to enhance the effectiveness of the Preston AC Plan.

The voluntary contributions by developers towards affordable housing are insufficient to meet the municipality's needs effectively. Implementing mandatory social and affordable housing requirements aligns with Darebin's longstanding vision for inclusive growth by addressing diverse housing needs in both the Centre and the municipality.

While the Preston AC Plan aims to facilitate affordable housing in the Centre, it is unclear if these measures will be mandatory or where they apply. We urge the state government to enforce clear and robust affordable housing requirements in implementing the Preston AC Plan.

What we would like to see:

- Implement mandatory affordable housing planning mechanisms across the Centre to mitigate social and affordable housing shortfalls.

Design excellence and environmental sustainability

Council's draft Structure Plan identifies residential transition areas that are closely aligned with the Centre's commercial and transit core as suitable for higher-density development. However, this is contingent on further analysis of the feasibility and impact of denser forms on internal and external amenity. We urge the state government to provide leadership in implementing lot consolidation incentives and addressing design concerns related to the potential amenity impacts of proposed four to six-storey developments under the Preston AC Plan.

Furthermore, we recommend a considered interface between Preston Central with the Preston Market redevelopment.



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Darebin declared a climate emergency in 2016, which was followed by over 2,351 governments worldwide. Council has recently endorsed its Climate Emergency Plan 2024–30, which sets forth ambitious goals around emissions reductions by 2027.

The Preston AC Plan currently lacks detailed environmentally sustainable development provisions for both the core and catchment areas. To address this gap, it is crucial to extend sustainability efforts beyond individual building standards. This includes implementing built form controls that support environmental outcomes and encourage sustainable transport options. New developments within the Centre should aim for net-zero carbon emissions to align with climate goals.

Council seeks Ministerial approval for the CASBE amendment, which would elevate Environmentally Sustainable Development Targets and ensure high environmental standards for development within the Centre.

What we would like to see:

- Design planning controls to provide a considered interface between the commercial core and the newly adopted Preston Market precinct controls.
- Implement high-quality design and controls that incentivise lot consolidation within residential transition and catchment areas.
- Built form controls promote environmental sustainability and net zero communities as our built form legacy for decades to come.
- Embed ESD standards in the Centre's planning provisions by securing Ministerial approval for the CASBE led amendment and implementing the Elevating ESD Targets to ensure high environmental standards in new developments.

Further officer comments – proposed catchment areas:

Balancing density with local character requires a tailored approach. Concentrating development near the activity centre core, as outlined in the Council's draft Structure Plan, ensures that growth is supported by adequate infrastructure and is responsive to community needs.

Council urges flexibility in defining the 800-metre catchment area for housing growth. The Draft Structure Plan outlines defined transition areas for intensification, and Council is currently consulting on its Draft Housing Strategy. Together, these strategic documents identify suitable housing growth areas, unaffected by environmental or planning constraints, suitable for increasing housing supply. The proposed catchment extent does not fully reflect local conditions or development opportunities.

The AC Plan identifies examples of four, five and six storey residential development types for the Centre's 800 m catchment area. Most of the examples in the AC Plan however, are based on lots significantly larger than 700 sqm, which are not representative of the majority of lots in the catchment. For example, within the catchment area nearly three quarters of the lots are under 500 sqm. Only 2% of the lots exceed 750 sqm and are readily suitable for accommodating such built forms (See map). There are no individual lots over 1000m², however there could be multiple adjacent lots in one ownership. The lack of suitable lots for higher density infill redevelopment highlights the challenge of managing density and intensifying residential development within the Preston activity centre catchment.

Further consideration should be given to ways to require or incentivise lot consolidation to achieve density ambitions. Larger lots will facilitate higher-quality, sustainable developments with sufficient private and public open space, fostering cohesive communities.

Moreover, larger lots are unevenly dispersed within the catchment area with many located at its edges. This raises concerns about uneven development with poor built form transition and design outcomes, which may affect the Centre's character.

Effective management of transitions of built form between the activity centre core and surrounding residential areas is essential for developing a cohesive built form character.

Addressing climate change and enhancing resilience in our community, infrastructure, and built environment requires a coordinated approach to tackle emerging threats and risks such as flooding.



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Darebin urges coordinated effort between state, local authorities and Melbourne Water to impacts of urban intensification and flood risk in the centre.

What we would like to see (officer comment):

- Collaborate with Council to adjust the 800m catchment area to better reflect local conditions and infrastructure capacity.
- Implement a balanced approach to density with a focus on development intensification in the activity centre core and manage transitions between the activity centre and surrounding residential areas with attention to local conditions.
- Collaborate with Council to develop any deemed-to-comply components that seek to implement Council's draft built form controls and objectives stated in the draft Structure Plan.
- Ensure local government decision-making powers are maintained in the planning frameworks for the Centre.
- Adopt a more efficient, state-led approach to flood management and enhance community resilience against climate hazards.

Transport planning

Public and active transport integration

The state government, through its Preston AC Plan, must make a clear commitment to expanding both public transport and active transport opportunities. While building new homes near public transport and employment hubs is a positive step, it does not guarantee that current infrastructure can support the projected population growth. As the Centre expands, prioritising and upgrading transport systems is essential. However, the Preston AC Plan lacks clear direction on how it will integrate public and active transport to meet these challenges.

Effective transport planning also depends on the state's support for comprehensive assessments to guide infrastructure investments. This will ensure that public and active transport solutions improve connectivity, accessibility, reduce reliance on private vehicles and address congestion within the Centre.

To achieve these goals, substantial state investment is required. The state government must provide the necessary funding to expand the capacity of bus, tram, and train services, ensuring they can accommodate the growing population and prevent overcrowding and longer commutes.

Additionally, the development of active transport infrastructure is crucial. This includes creating a comprehensive network of bike paths and pedestrian-friendly streets, to promote walking and cycling as attractive alternatives to driving.

What we would like to see:

- Planning provisions are informed by transport assessment outcomes and promote public transport, active and sustainable transport in the Centre.
- Supporting reforms to parking requirements in the planning scheme to improve land use efficiency and promote a sustainable transport network, alongside necessary infrastructure and public transport investments.
- Provide state funding to expand and upgrade public and active transport infrastructure, including buses, trams, and trains, as well as bike paths and pedestrian routes.
- The state government makes a clear commitment to increasing the capacity and coverage of public transport services to meet the needs of the growing population and alleviate congestion.

Place making

Civic realm enhancement

The civic realm plays a crucial role in enhancing community well-being and quality of life within the centre. Although the Preston AC Plan recognises the need for improved public spaces and facilities, it lacks specific strategies and funding commitments essential to transform the area into a vibrant, thriving Centre.

The draft Structure Plan proposes substantial improvements to the civic realm, with a focus on revitalising High Street. Transforming High Street from



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a transit route into a vibrant 'main street' will create a dynamic public space that better supports the community and boosts the Centre's economy.

In a rate-capped environment, coordinated federal and state funding and investments are critical for supporting effective place-making and improving civic infrastructure. Such funding will enhance public spaces and streetscapes, boosting the economic vitality of the Centre and supporting its growth. Council welcomes the opportunity for state and federal funding to support the planning, piloting, and delivery of place-making initiatives to support this growth.

What we would like to see:

- State and Federal funding is available to support the planning, piloting and delivery of data-driven place-making initiatives that support economic revitalisation of the Centre.
- Public spaces are enhanced through community-led place-based initiatives, with a focus on streetscape improvements along High Street.
- State funding is available to increase the capacity of public and active transport needed to serve a growing community and mitigate congestion that will occur if there are no real alternatives offered to private car use.
- Ensure the proposed planning provisions implement Council's draft structure plan and provisions, while consulting with council in its design.
- Implement mandatory affordable housing provisions and incentives for lot consolidation to provide diverse and accessible housing options.
- Establish clear development contribution and value capture mechanisms to reinvest in local infrastructure, ensuring that growth benefits the community.
- Expand public and active transport networks to support sustainable growth and reduce reliance on private cars.
- Prioritise proactive enhancements to the civic realm and streetscapes, supported by state and federal funding and community-led initiatives, to improve public spaces and foster a vibrant environment.
- Enter into a Memorandum of Understanding (MoU) with Darebin City Council to establish a robust partnership to achieve our shared vision for Preston Central, ensuring a vibrant, welcoming, and greener Centre.

Conclusion

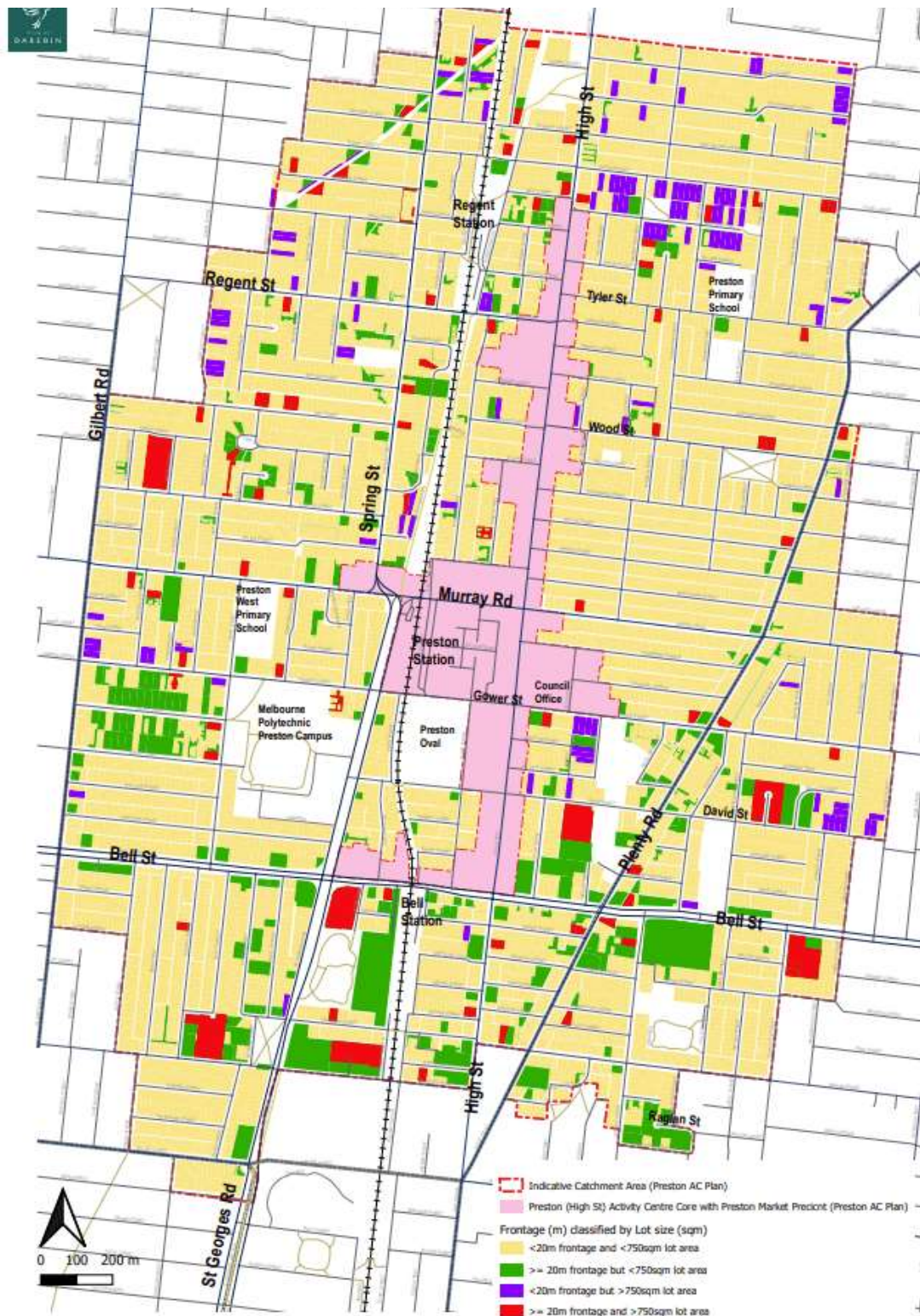
Darebin welcome's the state government's recognition of the centre's role in a growing Melbourne and focus on planning reform and investment into the 'Preston (High Street)' Activity Centre. We support the state's goals of ensuring more good quality homes are built in the centre but urge that this does not come at the cost of proper and transparent planning and quality and sustainable design.

Council seeks the following key actions:

- Ensure transparent and inclusive planning, ensuring meaningful community engagement to align with local needs and aspirations.

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Map 1 – Lot size within Preston AC Plan 800m walkable catchment area





City of Darebin

Preston (High Street)

Officer Submission: Draft Activity Centre Controls

4/10/2024

Note: This submission contains officer-level feedback that has not been endorsed by Council due to the caretaker period

Acknowledgement of Country

Darebin City Council acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners and custodians of the land and waters we now call Darebin and affirms that Wurundjeri Woi-wurrung people have lived on this land for millennia, practising their customs and ceremonies of celebration, initiation and renewal. Council acknowledges that Elders past, present and emerging are central to the cohesion, intergenerational wellbeing and ongoing self-determination of Aboriginal and Torres Strait Islander communities. They have played and continue to play a pivotal role in maintaining and transmitting culture, history and language.

Council respects and recognises Aboriginal and Torres Strait Islander communities' values, living culture and practices, including their continuing spiritual connection to the land and waters and their right to self-determination. Council also recognises the diversity within Aboriginal and Torres Strait Islander communities.

Aboriginal and Torres Strait Islander people and communities have had and continue to play a unique role in the life of the Darebin municipality. Council recognises and values this ongoing contribution and its significant value for



Introduction

We welcome the opportunity to partner with the Victorian Government to enhance planning and investment in the Preston (High Street) Activity Centre (the Centre). We support your government's vision with the Housing Statement and Activity Centre Program to update planning controls, which aim to increase housing supply and diversity while improving public spaces and community infrastructure.

Our previous submission, which was based on key advocacy principles resolved at the Special Council meeting on August 14, 2024, has already provided important local perspective on the draft Preston (High Street) Activity Centre Plan focused on: (i) engagement process, (ii) built form and housing, (iii) infrastructure planning, (iv) transport planning, and (v) place making and should be read in conjunction with this submission.

We are pleased to offer further officer-level feedback on the draft controls for the Built Form Overlay, Walkable Catchment Zone controls and Clause 58 standards reforms for the Centre, received on Friday, September 20, 2024. We note, however, the limited timeframe given for our response, compounded by the timing of the documentation's release during the Council caretaker period, has significantly reduced our ability to undertake a thorough evaluation of proposed controls.

We welcome Victorian Government's reform efforts to tackle the housing crisis and strongly advocate for a transparent process that builds trust and ensures that all voices are heard in shaping our urban environment. We are encouraged by the state government's intention to align built form and land use outcomes with our Draft Preston Central Structure Plan for the activity centre's commercial and civic core and we ask that our officers be involved in finalising the Built Form Overlay schedule.

We have significant concerns about process that has been undertaken, and our previous submission stands. This submission will not repeat these points unless they relate to the further information provided.

Overall officers have significant concerns about the proposed Walkable Catchment Zone in its current form and application and recommend it be removed from this phase of the Activity Centre Program. It is unclear what additional benefits this zone would provide beyond the existing zoning tools. The community and elected representatives at Council have not had the opportunity to consider these proposed draft planning controls.

Technical officer submission

The proposals set out in the Built Form Overlay, Walkable Catchment Zone controls and Clause 58 standards reforms for the Centre, if implemented in their current form, would be a major change and that officers consider risk reducing current and future liveability for Preston Central.

For this reason, officers are submitting a technical officer submission to meet the department's two-week timeline, aligned with Council's relevant policies, strategies and Council resolutions. **This officer submission must be kept in the strictest of confidence by the Department of Transport and Planning.**

We remain concerned that this decision-making process does not meaningfully allow our community to participate in decisions that will significantly change their place. Engaging the community in our Preston Central work has been a vital input to Council's decision making.

After the caretaker period, Council may make another submission.

Activity Centre Program

Context-sensitive housing targets

An analysis of housing targets by centres within the Activity Centre Program suggests Preston is set to accommodate between 11,800 and 15,300 new dwellings, making it a Centre with the highest target among others in this program.

Table 1 Cumulative housing targets for activity centre core and catchment areas

| Activity Centre | Cumulative housing target for centres and their catchments |
|---------------------|--|
| Preston High St | 11,800 – 15,300 |
| Epping | 9,800 – 13,900 |
| Ringwood | 8,200 – 12,200 |
| Camberwell Junction | 7,500 – 10,100 |
| Chadston | 6,500 – 8,000 |
| Moorabbin | 5,000 – 6,800 |
| North Essendon | 5,100 – 6,200 |
| Frankston | 4,000 – 6,300 |
| Broadmeadows | 3,000 – 4,500 |
| Niddrie | 3,400 – 3,900 |

Curiously, some of the centres with the most advanced planning have some of the highest housing targets. We are concerned that the larger catchment area that is being considered for the new zone in Preston is likely to place excessive strain on local infrastructure and services. Together this raises questions about the methodology used to determine cumulative housing targets. We recommend a comprehensive review and release of the methodologies used to determine housing targets, ensuring that they are appropriate for the local context and infrastructure capabilities.

Extent of planning reform and limited consultation

We commend the state government's initiative to improve and clarify planning mechanisms and standards. And are encouraged by the intent to incorporate the Council's innovative built form controls into a new Built Form Overlay (BFO) schedule.

Reform and streamlined amendments are appropriate in some instances to expedite the planning process for issues and areas of regional significance and importance. However, they can have the effect of limiting opportunities for adequate stakeholder consultation and should only be used in special circumstances. The undersupply of housing is a systemic issue with a combination of factors contributing to the problem that will not be effectively addressed by band aid solutions.

The extent of planning reform proposed in an expedited process with limited meaningful community and stakeholder engagement also runs the risk of resulting in ill-considered planning controls that could lead to poor development outcomes that we'll have to live with for decades to come. The extent of planning reforms proposed by the Activity Centre Program are characterised by:

- the introduction and wide span application of a new intensive residential zone in the Walkable Catchment Zone
- the extent of new deemed to comply mechanisms for high density buildings that limit the ability of councils to negotiate good design outcomes
- increased heights and density that could have offsite amenity impacts on landowners and occupants in these areas.



For such substantial reforms, the introduction of new controls must follow the well-established principles of formal consultation and independent review of draft planning provisions. We recommend implementing a more structured consultation process and independent panel review to effectively engage all stakeholders and the community and receive adequate input into long term plans for our city, with the removal of the Walkable Catchment Zone provision from this phase of the Activity Centre Program. Additionally, the inability to vary provisions and the introduction of deemed-to-comply mechanisms warrant further discussion.

A more detailed response is provided below, addressing key themes for each of these controls and standards.

Balancing innovation and standardisation

Council's development of controls for Preston Central has informed the state government's proposed schedule to the Built Form Overlay for the Centre and broader activity centre planning. Council officers commend state governments intent at incorporating bespoke planning approaches alongside standards, as these can address unique local contexts, promoting community identity and cohesive urban fabric.

Bespoke approaches are sometimes criticised for resulting in lengthy planning schemes with repetitive text. However, local specific adaptations can result in innovations that cater to specific needs of place and community rather than forcing a one-size-fits-all approach. Over-reliance on standardised guidance and training can stifle innovation and local adaptation to suit local needs.

The proposed Activity Centre Program allows for both bespoke and standardised planning methodologies for activity centres which is commendable as it allows councils to utilise a simple or more complex approach depending on the needs of the centre. However, the degree of standardisation proposed by the broader Activity Centres Program in its application in many of the other 10 centres appears at odds with the principle of bespoke solutions for local contexts. This is compounded by the introduction of a very blunt and widespread tool in the Walkable Catchments Zone.

We understand that the proposed 'deemed-to-comply' provisions aim to streamline the planning process by offering developers greater certainty and faster approvals for projects that meet set guidelines, such as heights and setbacks. However, these provisions risk creating a 'check-box' approach, potentially compromising design quality. By focusing solely on compliance with technical standards, the provisions reduce opportunities to evaluate whether developments deliver good design outcomes that respond to the local context and character and should be used only where good design outcomes are certain.

Role of structure planning

The Activity Centre Program is proposed as a simpler and quicker alternative to structure plans. More guidance and refined tools are welcome. However the introduction of a rigid structure plan methodology and extensive deemed to comply mechanisms risks imposing a rigid one-size-fits-all approach and homogenous and poor quality design across Melbourne's varied urban environments.

Council's draft structure plan introduces innovative built form controls that deliver outcomes in line with the community vision, developed with a thorough understanding of the local context in consultation with the local community and key stakeholders.

Further, the state's expansion of the activity centre boundary (proposed walkable catchment area) extends 800m from the activity centre core. This approach does not adequately consider the range of criteria to develop a contextually responsive planning framework as outlined in the planning practice notes for defining structure plans.

We recommend that the state government develops clear guidance for activity centre planning to align with established planning practices and to ensure clarity and consistency for future planning of other centres.



What we would like to see:

- Separate out implementation of the Walkable Catchment Zone from the current phase of the Activity Centre Program, and refine and test it further in consultation with Councils and community. Darebin City Council has a resolution to partner with you – through an MoU - to pilot new approaches for our residential transitional areas around the core of the activity centre. Our proposed inclusions for the MoU were shared with Departmental officials on 21 June this year for the Department’s consideration and endorsement.
- Review and release the methodologies used to determine housing targets for activity centres by conducting a comprehensive analysis to ensure they are appropriate for local contexts and infrastructure capabilities. There is no apparent strategic justification for the proposed yield of 15,300 for Preston Activity Centre.
- Maintain quality and fairness in strategic planning processes by balancing faster amendment processes with structured stakeholder consultation to improve community engagement and consideration of long-term impacts on our cities.
- Balance standardisation and simplification with local innovation by ensuring that unique local contexts can be effectively addressed in new planning controls.

Built Form Overlay controls and draft schedule

The proposed Built Form Overlay (BFO) has the potential to guide future development effectively, but it requires refinement. Establishing a robust community benefit framework and ensuring consistency in built form controls, including clear definitions, will support context-responsive development.

Officers also recommend a stronger alignment of the draft BFO schedule with Council’s draft Built Form Framework (BFF) and draft Activity Centre Zone 2 (ACZ2) provisions.

Value capture framework and contribution mechanisms

Council welcomes the development outcomes that integrates various planning tools, such as development framework and typologies, master planned sites, and value capture frameworks within the BFO.

However, the current draft BFO lacks clear guidance for developing a cohesive value capture framework for these centres. Without this framework, there is a risk that new developments may fail to deliver essential community benefits, including affordable housing, public realm enhancements, and improved transport infrastructure.

Additionally, the interaction between the Development Contributions Plan Overlay (DCP) and Open Space Levy (OSL) mechanisms with the proposed development levy remains unclear. We recommend that the state government provide clear guidance to develop integrated value capture mechanisms. This will ensure that developers contribute appropriately to community benefits, including affordable housing and improved transport, open space, and civic realm enhancements within activity centres.

We recommend establishing clear standards and best practices for the value capture framework to maximise its effectiveness and ensure consistency across local governments, enabling better investment in public amenities and infrastructure.

The need for affordable housing exists across various contexts, including city centres and middle Melbourne. Uplift provisions can be part of the solution to address the housing crisis, but should not be a replacement for a broader mandatory affordable housing mechanism.

However, potential to utilise the value capture control will be limited in many non-CBD or Major Activity Centre locations. For example, uplift provisions for smaller centres are not always possible due to sensitive interfaces



limiting greater intensification and density. There may therefore be very limited application of this clause outside of the CBD context and therefore limited value capture through uplift provisions.

Officers recommend developing context-sensitive uplift provisions and strategies that reflect the specific characteristics of each centre and its catchment.

Naming and Definitions

The title of the new proposed 'Built Form Overlay' is not clear and there is an opportunity to align the title with its purpose, particularly distinguishing it from the other built form overlay – a Design and Development Overlay. Its name should be more contextual to its intended purpose and application – e.g. Activity Centre Overlay or Intensive Development Overlay.

Several key planning terms, including "building separation," "transitional locations," and "building envelope," remain undefined in the draft Built Form Overlay (BFO). This lack of clarity can lead to inconsistencies in how the draft BFO is applied across different developments.

Additionally, while the concept of building separation outcomes is referenced, critical definitions such as "primary and secondary outlooks" are omitted in the draft BFO schedule. We recommend providing clear definitions for these essential terms to ensure consistent application of standards across all developments within the Centre and its catchment.

The term "transitional locations" lacks clarity within the draft BFO. It is unclear how these locations are defined or treated. This ambiguity creates uncertainty for local governments in applying the overlay. Establishing a standard approach will reduce confusion and facilitate better planning outcomes. We recommend that the draft BFO clearly define "transitional locations" and outline their treatment in relation to the core.

Built form outcomes and standards

The following comments are provided on built form matters:

- The introduction of outcomes and standards into an overlay control may cause confusion and clash with the Clause 58 apartments controls that also provide similar outcomes and standards.
- Does not adequately address building site coverage. It is noted that the head provision also incorporates opportunities for future centres to accommodate FAR based controls but lack clear pairing with site coverage requirements. Implementing FAR without addressing site coverage may lead to poor design outcomes. For example, without site coverage controls, there is a risk that new developments can propose large floor plates at lower levels, which can negatively impact the amenity of future occupants and neighbouring properties.
- Only specifies building heights as the key measure to manage development outcomes. In contrast, the Walkable Catchment Zone (WCZ) considers both heights and storeys. Council's draft Built Form Framework (BFF) recognises storeys as a vital control measure. This approach offers greater flexibility in accommodating built form outcomes that respond effectively to context and manage amenity impacts and environmental risks, such as flooding. We recommend that the draft BFO specify both building heights and storeys.

Public realm and interface requirements

- The draft BFO schedule introduces a standard stating that pedestrian connections through laneways within new developments must be clear-to-sky "where possible." However, this standard lacks a defined proportion of clear-to-sky area, making it difficult to implement effectively. We recommend providing a clear specification of the percentage of the laneway that must remain open to the sky.



- The draft BFO schedule omits the glazing percentage requirement at ground level for active frontages, as specified in the draft Activity Centre Zone 2 (ACZ2). This omission weakens the schedule's capacity to ensure safety and transparency on the street. We recommend retaining the glazing percentage requirement to enhance street-level engagement and improve safety for pedestrians.
- While Council supports the draft BFO's focus on minimising impacts on proposed street trees, more measures are needed to create vibrant and active streetscapes. We recommend strengthening guidelines for better public realm integration along main street frontages within private developments. This will foster lively, pedestrian-friendly environments that encourage community interaction.

Setbacks, separation, and solar access

- The standards regarding basement extensions and the treatment of walls above ground level require greater clarity as these aspects directly affect street-level activation and the pedestrian experience. We recommend providing clearer guidance on how standards for basement extensions and walls apply to new developments in the Centre, ensuring that there is extensive activation at ground level, particularly along High Street.
- We support the introduction of standards that require assessment of additional overshadowing impacts from stairways and ramps on adjacent private open space.

Exemptions to notice and review:

The proposed exemption from notice and review requirements under the schedule to the draft BFO aims to streamline planning processes to address housing supply. We recognise the same restrictions apply in current Activity Centre Zones. However, this exemption was formed on the basis that the control provides a comprehensive planning control that is developed with extensive strategic planning and community consultation, and with review by an independent panel.

That is not the case with the Activity Centres Program. The amendment process is rushed with little community and council engagement and no panel hearing. Further, the introduction of deemed to comply mechanisms reduce Council's ability to use discretion to ensure good design outcomes. This exemption should be reconsidered in this light.

Growth and lack of clarity on transport provisions

The draft BFO currently lacks defined standards for car parking rates, and therefore it remains unclear whether access to public transport connections is prioritised alongside walkability over private vehicle use.

Council's own transport modelling for Preston Central indicates that Preston will face significant congestion by 2031 by becoming grid-locked under current planning settings. Improving alternative transport modes can alleviate congestion and improve the overall experience for residents and visitors.

We recommend that the state government collaborates with Council to identify and discuss transport provisions and infrastructure and service needs in and around the Centre and supports direct transport investment into projects that assist in alleviating congestion while improving alternative sustainable modes of transport.

We recommend that the state government brings leadership in establishing clear parking standards that prioritise public transport access and walkability within the Centre. To achieve a cohesive approach, an integrated transport assessment is necessary.

Draft Darebin Built Form Schedule

The following comments are provided on the draft schedule:



- The state government's intent to incorporate Council's Floor Area Ratio (FAR) approach into the draft BFO schedule is very welcome. We ask that you please continue to work directly with Council to refine it.
- The current draft schedule to the BFO does not include an affordable housing mechanism and the uplift provisions do not apply (see our comments on problems with uplift mechanisms in lower order centres). This represents significant uplift in the centre compared to current planning heights with no requirement to share this value with the community by way of affordable housing contributions.
- The draft BFO schedule aims to define preferred scale and character across different precincts. We recommend you work with Council to ensure these definitions are consistent with the character and outcomes outlined in the draft BFF and draft Activity Centre Zone 2 (ACZ2) precinct guidelines. This alignment is crucial for achieving cohesive urban development within each precinct.
- Council's draft ACZ2 for the Centre identifies large sites as those that are 1,000sqm or more. However, the proposed BFO schedule removes this reference, which risks hindering comprehensive planning of sites that offer significant development opportunities. Without clear guidance on the master planning of such sites, there is a risk of uniform and suboptimal development outcomes. We recommend defining large sites that can accommodate significant new developments while ensuring that the master planning requirement for large sites is included in BFO schedule.
- Changes to solar access requirements within the draft BFO schedule are concerning. For example, the draft BFO schedule shifts the assessment time for overshadowing of the opposite side of the High Street footpath from the spring equinox to the winter solstice. It remains unclear why this change has been made, and whether further modelling work has been undertaken to support this standard. We are concerned that this introduces new risks on whether the intended development outcomes can be achieved within the Centre. We recommend that the state government either align solar access with the documentation in C218dare or provide additional information used to assess impacts on solar access at these locations.

Zoning uncertainty for Preston activity centre core

We understand the new Built Form Overlay approach for the commercial core seeks to separate out the built form from the land use zoning. Preston Central and Council's draft planning controls in its C218dare amendment utilise special purposes zones, the Priority Development Zone and Activity Centre Zone (ACZ) respectively.

The implications of rezoning for the activity centre core are significant. It remains unclear whether the state government plans to rezone or retain the current zoning for the commercial and civic core of the Centre. The Council's draft ACZ clearly defines the land use and built form outcomes it seeks to implement. It proposes transitioning the activity centre core from a Priority Development Zone to an Activity Centre Zone. This proposal aligns with Ministerial guidance included in the 2018 Planning Advisory Note, confirming that future use of the PDZ will be restricted and phased out.

We recommend that any new amendment utilises Council's ACZ or retain current zoning, potentially with the built form aspects stripped out, to align with current and planned more bespoke land use outcomes. Council's draft zone includes targeted land uses in specific precincts, opportunities for creative industries, vertical zoning to encourage diverse uses above the ground floor, mixed-use outcomes in the civic precinct.



What we would like to see:

- Ensure AC Plans align with best practice guidelines for developing structure plan by refining catchment areas based on detailed local analysis and allow local variations in methodology.
- In the Activity Centres Program new structure planning approach, balance standardisation of controls with local discretion and variations. The extensive application of deemed to comply mechanisms in some other Melbourne centres is concerning.
- There is no proposed zoning for Preston High Street to pair with the proposed Built Form Overlay. Either apply Council's preferred Activity Centre Zone or fully integrate the targeted land-use outcomes of Amendment C218dare into any proposed zoning for the activity centre commercial and civic core.
- Provide detailed guidance on value capture frameworks to ensure community benefits are clearly implemented to enhance the planning outcomes for the Centre.
- Include standard on site coverage, particularly integrating site coverage with FAR based standards to ensure development is responsive to local conditions and provides adequate landscaping.
- Consider more useful value capture tool framework for moderate density centres and integrate findings into BFO schedules for Preston Central to ensure the equitable distribution of community benefits.
- Establish parking provisions by undertaking integrated transport assessments to manage car parking rates within the Centre and its catchment and develop sleeving controls to prioritise public transport, walkability, and vibrant street environments.
- Work with Council to carefully integrate the Built Form Overlay (BFO) schedule with the Council's Built Form Framework (BFF) and draft ACZ2 outcomes, including an affordable housing requirement.
- Provide detailed modelling to justify changes regarding Council's schedule overshadowing impacts on High Street interface to ensure that public amenity is not compromised.

Walkable catchment

The rationale behind a Walkable Catchment Zone (WCZ) to incentivise greater development opportunities in areas closest to activity centres is supported and has the potential to represent a promising planning reform for enhancing urban density and promoting walkability by channelling growth around activity centres.

However, the current format, proposed application and process will present councils with considerably challenges in implementation and undermine its effectiveness.

Key issues include the apparently unrefined and widespan application of the WCZ in the Preston Activity Centre hinterland, a rigid application of standards and insufficient flexibility with the zoning control, and inadequate consideration of local contexts. These are discussed further below.

Currently, the WCZ lacks adequate safeguards to ensure appropriate transitions from the activity centre core to residential areas. Therefore, we strongly urge the state government to reconsider and delay the introduction of the WCZ in its present form and application.

Instead, we urge state agencies to collaborate with local authorities to refine the proposed WCZ as part of a second stage to the Activity Centre Program. We have made this offer in our 21 June MOU request as we remain committed to partner with you. Such collaboration is crucial to prevent hurried and ill-considered implementation of controls that could have significant impacts on our community for decades to come.



Title and Purpose

The purpose, when considering the typical Residential Growth Zone, appears to be to incentivise lot consolidation and mid-rise apartment buildings, and remove ability for councils to introduce local variations to achieve neighbourhood character or other contextual planning needs.

The draft title of this zone describes a characteristic of an area rather than alignment with the general objective of the control. For example, it sounds like a transport provision which could create confusion with the community. Its name should be more contextual to its intended purpose and application and residential nature – e.g. Residential Opportunity Zone, Accessible Areas Residential Zone, etc. Or indeed amend the Residential Growth Zone to accommodate intended reforms.

Walkable Catchment Zone extent

The intention to increase density within an 800m-radius of local jobs, services, and public transport is commendable. Yet, the blanket application of this catchment radius does not take into account effective walkability to key destinations and does not integrate essential local factors, such as topography, variations in lot sizes, and the presence of heritage areas.

In contrast, Council's draft Preston Central Structure Plan and draft Residential Development Framework (RDF) employs a more nuanced approach that takes such local characteristics into consideration. We recommend the State's work with Council to implement a broader application of the Residential growth zone around the Preston Activity centre in line with our draft housing strategy.

Inflexibility of standards and risk of poor development outcomes

The rigid implementation of ResCode standards with no ability for Councils to introduce local variations through schedules constrains the WCZ's ability to deliver liveable activity centres. Specifically, the WCZ lacks provisions for adapting site coverage, landscape controls, and canopy tree requirements which hampers the integration of new developments into the local context and manage the unique context and character of Melbourne's diverse neighbourhoods.

A tool intended for such widespread application should not be so rigid. For example, if the WCZ is creating demonstrably poor outcomes in an area, Council would have to "backzone" in order to address a potentially straightforward contextual issue. The introduction of a schedule to the zone allowing rescode variations would fix this, noting it needn't be utilised unless strategically justified through a planning scheme amendment process.

We recommend revising the WCZ to allow local councils to adapt development standards while specifically introducing provisions for varying site coverage, landscape controls, and canopy tree requirements.

Lot consolidation and development incentives

Council broadly supports lot consolidation mechanisms, however Council officers have concerns about the lack of sophistication in the proposed 'planning tool' and incentive approach. Without a developer having the luck to source and purchase and consolidate two to three adjacent lots, most properties in the Preston proposed walkable catchment zone have mandatory height caps at three storeys, limiting the WCZ's potential for achieving desired densification more broadly.

We recommend a more targeted application of the Residential Growth Zone with lot consolidation mechanisms and incentives built into an overlying Design and Development Overlay.

The outcome of the proposed control will is very likely to lead developers to favour side-loaded and poorly designed townhouse construction (typically two or three storeys) over three-plus storey apartment buildings, especially if economic feasibility for higher-density developments is not assured.



The lack of a clear underdevelopment policy allows many areas to continue operating under “business as usual,” which risks suboptimal outcomes despite new zoning provisions.

To avoid underdevelopment, mechanisms should be introduced to ensure higher densities are achieved; for example, proposals for one dwelling on a lot should necessitate a planning permit regardless of lot size. This would empower local councils to evaluate development appropriateness, particularly in areas where higher densities are desired.

Stronger incentives for lot consolidation must be created to achieve smoother transitions in height and density, thus preventing abrupt shifts in built form between the activity centre core and surrounding residential areas.

Additionally, options for achieving appropriate six-storey outcomes on corner lots or land adjacent to parklands and other non-sensitive interfaces should be evaluated. We recommend establishing robust incentives for lot consolidation and clear underdevelopment policies to facilitate appropriate transitions.

Discretionary 6 Storey Heights in WCZ

The absence of mandatory height limits for the defined larger lots within the WCZ generates uncertainty, as the preferred height is stated as three storeys with a maximum of six storeys but lacks binding restrictions.

This ambiguity allows developers to exploit the permissive language of “should” instead of “must,” potentially resulting in poor development outcomes on larger lots that misalign with community objectives.

Establishing mandatory height limits will provide necessary certainty regarding height and storeys within the WCZ.

Integration of building heights in low density areas

Officers are concerned about how six-storey developments integrate with the existing one- and two-storey context, particularly those with heritage controls. Without proper transitions, these taller buildings could appear visually jarring and create significant amenity impacts on adjacent residential properties.

We recommend revisiting the proposed building height provisions in the spatial context of the Centre and improving transition standards to ensure a more seamless integration of taller buildings within lower-scale neighbourhoods.

Further consideration needs to be given to the interaction of allowing these heights in predominantly single-storey residential heritage areas and areas of strong neighbourhood character. Maintaining safeguards is essential for maintaining planning quality, particularly in heritage precincts and minimal change areas, which require sensitive approaches to development proposals.

Additionally, given Clause 58.04-1, which addresses amenity standards, have been relaxed and replaced with new provisions, it is necessary to model and understand the potential amenity impacts from taller developments on neighbouring residents. We recommend enhancing the existing standards to better safeguard the amenity of existing residents while considering the interplay between varying built forms in the area. This will help ensure that new developments contribute positively to the neighbourhood.

Housing diversity and community needs

A significant concern is the omission of housing diversity from the WCZ’s purpose. Unlike the Residential Growth Zone (RGZ), which explicitly supports diverse housing types, the WCZ lacks a similar focus, thereby restricting the potential for a variety of housing options to meet diverse community needs. While it is acknowledged that existing single detached dwellings and infill developments can coexist with new developments, promoting housing diversity should be integral to WCZ’s purpose. We recommend integrating housing diversity into the WCZ’s objectives to ensure a broader range of housing options are planned and delivered.



Car parking provisions

Variations to car parking provisions should be considered as part of the change to the WCZ. The current standards often attract objections, particularly when reductions in car parking are advertised. State leadership is needed to reform this strategy to mitigate such objections. For example, the state government could rely on census data to amend Clause 52.06 specifically.

It is also important to recognise that even after lot consolidation, development feasibility hinges on car parking provisions at ground level. Aligning car parking standards such as those proposed under the Future Homes initiative, where one car parking space per dwelling is proposed regardless of bedroom count, can potentially assist in improving development feasibility while prioritising more sustainable modes of transport. We recommend reforming the parking policy and rates for WCZ to achieve its intent for urban intensification and improve walkability.

What we would like to see:

- Remove the Walkable Catchment Zone from the current phase of the Activity Centre Program so it can be further refined in consultation with local councils and community.
- Reduce and refine the proposed widespread application of the 800m catchment criteria for the High Street Preston catchment area in consultation with Darebin council.
- Reassess the impacts of allowing six-plus storey developments in broad single storey residential areas by refining the application of the control, the type of control, and appropriate character and amenity protections to prevent abrupt shifts in built form between the activity centre core and surrounding residential area.
- Reconsider effectiveness of proposed lot consolidation incentives, including considering working with property and financial sectors to identify broader lot consolidation impediments.
- Consider interaction of control with heritage places and precincts by ensuring respectful transitions in built form that achieve appropriate and sensitive development adjacent to heritage and 'minimal change' areas.
- Introduce the ability to 'schedule in' flexibility in the application of ResCode standards to allowing local variations in site coverage, landscape controls, and canopy tree provisions.
- Reconsider the type of planning control and its ability to achieve intended outcomes, and consider whether reforms to current suite of controls can achieve desired outcomes.
- Due to the level of housing intensification proposed in catchment areas, reform parking policies and rates in the WCZ to mitigate undesirable transport impacts of urban intensification and promote the use of more sustainable modes of transport.

Clause 58 reforms for WCZ

New Clause 58 reforms are proposed to be introduced for apartments within the proposed WCZ and aim to encourage apartment development that delivers reasonable standards of amenity for both existing and new residents.

In summary, while the new Clause 58 standards offer potential for enhancing urban development, they must be adaptable to local contexts. We recommend a thorough review of these provisions to ensure they promote balanced growth and protect community interests. Collaboration between state agencies and local authorities is essential to refine these standards. This collaboration will ensure they are thoughtfully developed and rigorously evaluated, leading to more successful outcomes.

Detail comments are provided:



- The new Clause 58 standards are intended to mitigate amenity impacts for apartments in low density areas as allowed by the WCZ. Their discretionary nature may present challenges in achieving good quality outcomes for such a critical new issue being introduced by the proposed reforms.
- It remains unclear how these or similar provisions apply for lower-scale but intensive developments such as townhouses in the context of Clause 55 standards. We recommend providing clearer guidance for lower-scale developments to protect amenity in the proposed WCZ, particularly in the absence of a proposed schedule.
- Strengthen other important apartment standards in clause 58 provisions related to sunlight access, privacy, and overshadowing controls should be strengthened to achieve protection for the living conditions of neighbouring properties, especially in transition zones.

Front setbacks

- *Proposed street setbacks:* We support the proposed street setbacks, particularly the average of 4.5m from neighbouring buildings. This approach is a good starting point for enhancing the streetscape. However, for developments featuring ground-floor apartments, a minimum setback of 3m should be established. This requirement will ensure adequate internal amenity for residents while promoting passive surveillance of the street. We recommend implementing this minimum setback to balance amenity and safety effectively.
- *Addressing the challenges of matching adjoining setbacks:* The current requirement for developments to match the setbacks of adjoining buildings can lead to challenges, particularly in areas where neighbouring properties are built to the front edge. This could result in new developments having zero setbacks for ground-floor apartments, negatively impacting amenity. To prevent this, we recommend that a minimum setback of 2.3m to 3m be provided for ground-floor apartments, irrespective of adjacent buildings' setbacks. This measure will help maintain consistent amenity standards throughout the precinct.
- *Tailoring setback requirements to local context:* The Preston Walkable Catchment Zone (WCZ) encompasses a variety of streets, including St. Georges Road and residential avenues, each with distinct characters and preferred land uses. A generalised setback approach may not be suitable for these diverse contexts and could lead to undesirable outcomes. We recommend that street setbacks be tailored to specific land uses and the desired future character of each street. This approach will ensure that new developments complement the existing urban fabric and meet community amenity considerations.
- *Enhancing flexibility for corner sites:* In corner sites where there are no existing side buildings, the minimum required setback can limit design flexibility, activation, and street presentation. Limiting height to 11m may also unnecessarily restrict development potential, particularly if taller buildings are envisioned. We recommend allowing for greater flexibility in setbacks on corner sites to encourage innovative design solutions that enhance street vitality and the creation of local landmarks. Additionally, any setback requirements should consider the intended ground-floor use—especially if it is retail or commercial—rather than relying solely on zoning considerations.
- The guidelines for street setbacks contribute positively to the urban landscape. However, concerns arise when new developments have smaller setbacks than neighbouring buildings. This can disrupt street alignment. We recommend reconsidering setback requirements on corner sites to ensure street alignment is preserved while allowing for appropriate design flexibility.



- Zero setbacks for ground-floor retail or commercial spaces in residential areas are essential for vibrant streetscapes. We recommend establishing setback requirements based on land use rather than zoning categories to facilitate effective street activation.

Side and rear setbacks

- *Consistency of height limits and simplifying setback standards:* The height limit of 25m referenced in the standards is inconsistent with the maximum height limit of 21m for the Walkable Catchment Zone (WCZ). This inconsistency may create confusion for developers and hinder effective planning. We recommend aligning the height and setback references to ensure clarity and compliance.
- *Clarifying wall definitions:* Clear definitions of wall types are essential for effective planning. Differentiating between primary and secondary outlooks as well as blank walls will help developers understand design expectations. We recommend providing clear guidelines on wall types to facilitate better design outcomes.
- *Avoiding wedding-cake like designs:* The rear setback requirement that increases by 1m for every meter of height over 9m could lead to a "wedding cake" effect. This design outcome may not be visually appealing and could result in poor aesthetics. We recommend clearly defining the maximum setbacks to avoid this issue and create more cohesive built forms.
- *Tiered setback requirements:* While the setback from residential interfaces is generally aligned with Council's design excellence framework, taller buildings should adhere to stricter requirements. A 3m setback is appropriate for most developments, but a 5.5m setback should apply to buildings exceeding three storeys. We recommend implementing these tiered setback requirements to enhance amenity and design quality.
- *Guidelines for narrow sites:* The application of setbacks on narrow sites remains unclear, which could complicate development outcomes. We recommend developing specific guidelines for setbacks on narrow sites to ensure consistency and practicality.
- *Considering laneway access:* The inclusion of motorable laneways should be considered when determining side and rear setbacks. This flexibility can help create better design outcomes and enhance accessibility and permeability of the street network. We recommend incorporating laneway considerations into the setback guidelines to support improved urban design.

Walls on boundaries

- The provision regarding walls on boundaries, which permits construction only if there is a simultaneously built wall on the adjoining site, raises questions about its intent. This is particularly relevant for heritage buildings. We recommend clarifying this provision to enhance its applicability in various contexts particularly in heritage / minimal change areas.

Building separation within a site

- We support the introduction of building separation within a site standard. However, we note that these standards vary from Council's draft ACZ2 which is based on its design excellence framework. This variance could create inconsistent outcomes within the Centre's core and catchment areas.
- *Variability in building separation standards:* Building separation standards are linked to building heights and exhibit variation from Council's design excellence framework also referenced in the draft ACZ2, with greater separation proposed for the first four floors but lesser separation for floors above. We



recommend establishing consistent separation criteria for the core and catchment areas to simplify compliance and maintain consistent design outcomes.

- *Guidance for narrow lots:* The proposed standards do not adequately address developments on narrow or smaller lots. These lots present unique challenges that require tailored solutions. We recommend developing specific building separation guidelines for narrow lots to ensure that standards are practical and effective in such contexts.

Light courts

- The standards for light courts are generally satisfactory. However, there is a need to specify that light courts should only be used for secondary outlooks or bedroom areas. Living rooms with balconies should not rely solely on light courts for their outlook, as this arrangement may not provide sufficient light or amenity.
- We recommend explicitly defining these uses to enhance the liveability of residential units and ensure adequate natural light and ventilation. Clear guidelines will lead to better design outcomes and improved quality of life for residents.
- Council officers also recommend establishing clear triggers against large floor plates to ensure that developments remain contextually appropriate and do not create amenity and visual impact.

What we would like to see:

- ➔ Provide clearer built form guidance for more intensive built form in the proposed catchment areas as outlined in this submission, including townhouse developments under 4 storeys to achieve context-specific outcomes and maintaining design quality (in WCZ in particular).
 - ➔ Enhance design flexibility for corner sites by allowing more adaptable setback requirements to achieve innovative designs and street activation that positively contribute to the public realm while maintaining urban design integrity.
 - ➔ Strengthen amenity standards for taller buildings by enhancing existing apartment standards in clause 58 provisions related to sunlight access, privacy, and overshadowing controls to achieve protection for the living conditions of neighbouring properties, especially in transition zones.
-

9.3 HIGH STREET STREETScape IMPROVEMENTS PROJECT**Author:** Principal Urban Designer**Reviewed By:** General Manager City Sustainability and Strategy

EXECUTIVE SUMMARY

This report:

- Seeks support from Council to start the preliminary phase of community engagement in March for the High Street Streetscape Improvements Project
- Provides an update to Council on the High Street Preston streetscape improvements project.

High Street Preston - from Bell St to Murray Rd - has been identified as a priority through Council's annual road rehabilitation program. A full road reconstruction is required, which includes replacing kerbs and digging out the old road base and stabilising or replacing it.

Preston Central is also forecast to cater for significant growth in housing to 2041 which will change the way the street is used.

Officers are recommending the 'build-back-better' approach for this maintenance project. This will improve resource efficiency, reduce disruption for the community and provide opportunities to access grant funding.

Officers have collected transport data and existing conditions of High Street. The next stage of the project is to seek input from the community on their priorities for the future of High Street. This will be the first of two planned rounds of community consultation on this project.

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| Officer Recommendation |
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That Council endorses the first stage of community engagement on the High Street Streetscape Improvement Project to start from March 2025.

BACKGROUND / KEY INFORMATIONExisting Conditions

The width of High Street between Bell Street and Murray Road varies across the study area and generally includes:

- A 40km/h speed limit that applies from 8am to midnight
- Bus routes 552 and 553 that connect Reservoir to Northcote via Preston
- A footpath on each side with some outdoor dining
- A clearway during peak periods:
 - Morning - Southbound from 7am – 9am
 - Afternoon - Northbound from 4.30pm-6.30pm

- On-street parking when the clearways are not in operation
- A traffic lane in each direction
- A planted median with trees that are approximately 20 years old.
- Intersection signals at the key road intersections with High Street.



Figure 1 - Existing cross section of High Street

Previous Council Resolution

This matter is not the subject of a previous Council resolution.

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

2.2 We will design and create public spaces where our people feel safe, welcome, and respected, including improving lighting and safety for people walking, wheeling, cycling and driving

2.4 We will foster local urban streetscapes and activity centres that connect our community, support economic recovery, and encourage people to live, work and play locally

2.10 We will leverage investment, partnerships and advocacy to drive Darebin’s growth and sustainability

4.4 We will ensure major changes in our city achieve significant improvements in our City

DISCUSSION

Designing for Now and the Future

Preston Central Activity Centre is one of Darebin's key growth areas. The State Government has identified this centre to accommodate an additional 15,000 people over the next 20-years. More people living in denser housing typologies may desire High Street to be their preferred civic meeting place.

Planning controls are being introduced that will fast track additional dwellings. There may be funding available through grants to support councils to fund infrastructure improvements in accommodating this growth.

Streetscape Improvements

Streetscape upgrades typically include:

- Creating new accessible pedestrian crossings and more seating areas for people to rest and socialise.
- Improved look and feel using trees and garden beds.
- Realigning kerbs to create more space for people and businesses.
- Introducing access improvement and functional elements like bins, bike hoops, drainage, street lighting and bus shelters.
- Improved locations for parking for people living with a disability, and for loading.

Community Input

The development of the streetscape within the project area is planned to be informed through two rounds of community engagement. Targeted trader and key stakeholder engagement will be imbedded into this approach.

Officers will meet with the following advisory groups and key stakeholders throughout the project:

- Darebin Disability Advisory Committee
- Darebin Gender Equity Advisory Committee
- Darebin Aboriginal Advisory Committee
- Darebin Active and Healthy Ageing Advisory Committee
- Preston Traders Association
- Department of Transport and Planning.

Further detail about the proposed first stage of community consultation is included in the consultation section below.

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

Budget for this work is available through the road rehabilitation program.

Grant funding is typically available for projects that have been through community consultation and have Council endorsement. Officers have already advised the Department of Transport and Planning that Council will be advocating for investment in High Street place making, to support its activity centre work.

Considering all of Council's assets and functions for High Street through this project will provide improved financial efficiency.

Community Engagement

The design of streetscape improvements will receive significant interest from the local community and local businesses.

The community engagement program has been designed to remove barriers to access, include the views of those most affected and of the cohorts that are harder to reach, like people that do not speak English confidently or at all, our Aboriginal community and people experiencing disadvantage. The engagement is proposed to be delivered in two stages:

Stage 1 – Understanding local community priorities

Officers plan to kick-start conversations with the community in early March, to understand their priorities for creating a new look High Street Preston.

Stage 1 Community Engagement will take place for a 3-week period in early March and include the following activities:

- Drop-in sessions at the Intercultural Centre, Preston Market and High Street, where the community can chat with officers about the project
- Focus sessions with harder to reach groups in the community
- Online survey via the YourSayDarebin webpage.
- Face to face engagement with all businesses and a targeted survey to understand their operational needs (i.e. loading, deliveries)
- Developing local champions for the project through Economic Development and Community Development networks.
- Requesting advice from Darebin's advisory committees
- Key messages translated into the Top 10 languages for the area.
- Notification of the project to properties within 400m from the study area.

Stage 2 – Testing Streetscape Design options.

A detailed Community Engagement Plan will be developed for this stage of the project.

Other Principles for consideration**Overarching Governance Principles and Supporting Principles**

- (b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;

Public Transparency Principles

- (c) Council information must be understandable and accessible to members of the municipal community;

Strategic Planning Principles

- (b) strategic planning must address the Community Vision;

Service Performance Principles

- (a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;

COUNCIL POLICY CONSIDERATIONS**Environmental Sustainability Considerations (including Climate Emergency)**

This project is an opportunity to achieve high standards of environmental sustainability in the urban design and infrastructure along study area:

- facilitation of active transport
- increasing canopy cover, and
- trialling and using new recycled products and low carbon / climate resilient products.

Equity, Inclusion, Wellbeing and Human Rights Considerations

Creating a safe and accessible streetscape is a key outcome for the project. The built environment can positively influence many equity outcomes, including social cohesion, gender, cultural diversity, access and inclusion for all, and community safety.

Further advice will be provided to inform designs and future engagement activities.

Economic Development and Cultural Considerations

Significant economic development opportunities may be possible through the new investment in streetscape civic realm.

Operational Impacts

An internal working team has been established within Council to ensure this project has a cross organisational collaborative outcome. This is important for achieving the best outcomes for community.

Legal and Risk Implications

A project risks register is being prepared to mitigate and manage project risks over the life of the project.

IMPLEMENTATION ACTIONS

| Month | Phase / output |
|-------------|---|
| February | <u>Council Meeting</u> to seek support for to start community engagement. |
| March | Community Consultation stage 1 Understanding community priorities for the centre |
| | Develop Streetscape options |
| May / June | Report to Council with feedback from community consultation stage 1, draft streetscape layout plan and to seek approval to start round 2 consultation |
| June / July | Community Consultation stage 2 Testing draft Streetscape plan with the Community to seek feedback |
| August | Report to Council + seek adoption of the layout |

RELATED DOCUMENTS

- Draft Preston Central Structure Plan
- State Government Housing Statement and Activity Centre Program

ATTACHMENTS

Nil

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

9.4 SAFER LOCAL ROADS AND STREETS PROGRAM GRANT**Author:** Transport Planner**Reviewed By:** General Manager City Sustainability and Strategy

EXECUTIVE SUMMARY

This report:

- Describes a \$2 million road safety funding opportunity from the State Government, and
- Recommends Council submits all projects - that meet the funding criteria – to the State Government so they can be assessed for funding.

The Transport Accident Commission (TAC) is partnering with the Department of Transport and Planning (DTP) to offer \$2 million to every Victorian Council through the Safe Local Roads and Streets Program (Program). The Program aims to:

- Transform the road network by implementing proven Safe System infrastructure delivered at the lowest practical cost to eliminate - as far as practicable - the risk of fatal and serious injuries on local roads
- Enhance or build Safe System capacity and capability in Local Government and other community-based organisations interested in road safety.

The Victorian Government's Road Safety Strategy 2021-2030 aims to halve deaths by 2030 and put the State on a strong path to eliminate all road deaths by 2050.

The State Government's Road Trauma data 2015-21 shows that the number of people killed or seriously injured on Darebin's roads is worse compared to other metropolitan Councils.

Officers recommend that all eligible projects are put forward because State Government Program administrators will select the list of projects to be funded. This approach helps ensure that Council will be allocated the full \$2 million.

Council will have 18 months to complete the design and construction of the successful projects.

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| Officer Recommendation |
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That Council:

- 1) Endorses the following projects to be submitted to the State Government for funding consideration as part of Victorian Safer Local Roads and Streets Program:
 - a. Wombat/priority crossings on:
 - i. Bracken Ave at Harold St, Thornbury
 - ii. Bracken Ave at Hutton St, Thornbury
 - iii. Bracken Ave at Rennie St, Thornbury
 - iv. Bracken Ave at Smith St, Thornbury
 - v. Clarendon St at St David St, Thornbury

- vi. Cramer St, Preston, west of Park Ave
 - vii. Gooch St near Jones Reserve, Thornbury
 - viii. Mansfield St near Olver Reserve, Thornbury
 - ix. Matisi St south of Theobald St, Thornbury
 - x. Separation St near Sparks Avenue, Fairfield
- b. Raised pedestrian thresholds on:
- i. Aberdeen St at Dumbarton St, Reservoir
 - ii. Clapham St at Hutton St, Thornbury
 - iii. Dundee St at Greenock St, Reservoir
 - iv. Greenock St at Aberdeen St, Reservoir
 - v. Hartington St at Arthurton Rd, Northcote
 - vi. McIntosh St at Westbourne Grove, Northcote
 - vii. Western side of Powell Street at Robinson Rd, Reservoir
 - viii. Both access points to car parks on the western side of Robinson Road between Wild Street and Powell Street
 - ix. Steane St at McColl St, Reservoir
- c. Raised intersections at:
- i. Jones St and Collins St, Thornbury
 - ii. Separation St and Perry St, Fairfield
 - iii. Railway Pde and Gillies Street, Fairfield
 - iv. Tyler St and Laurel St, Preston West
- d. Roundabout pedestrian crossings at:
- i. Newcastle St/Collins St, Thornbury
 - ii. Newcastle St/Pender St, Thornbury
- e. 30 km/h speed zone in Northcote, Fairfield and Alphington area.
- 2) Notes that the Program Administrators, consisting of the Department of Transport and Planning and the Transport Accident Commission, will select the final list of projects to be funded by the Safer Local Roads and Streets Program.
- 3) Endorses capital delivery of the projects that are approved by the State Government Program Administrators to receive funding through the Safer Local Roads and Streets Program.
- 4) Authorises the CEO to accept minor design changes to the projects - listed at point 1 - that are recommended by the State Government Program Administrators.
-

BACKGROUND / KEY INFORMATION

The Victorian Government's Road Safety Strategy 2021-2030 aims to halve deaths by 2030 and put the State on a strong path to eliminate all road deaths by 2050.

The State Government's latest *Road Trauma Fact Sheet for the City of Darebin* shows that the number of people killed or seriously injured on Darebin's roads is worse compared to other metropolitan Councils, particularly for people on motorcycles and people on bikes (**Appendix A**).

The Safe Local Roads and Streets Program (the Program) supports the development and delivery of road safety infrastructure projects on local roads by providing delivery funding to all Victorian Councils. Darebin will receive \$2 million to deliver projects between 1 July 2025 to 31 December 2026.

The Program is separate from the Blackspot program, which seeks to fund road safety treatments at locations where there is a recent history of reoccurring road crash types.

This Program recognises that a proactive approach is also needed to prevent crashes in locations that have characteristics that have shown a higher likelihood of future fatal and serious road crashes.

Program eligibility

The Program administrators, consisting of the Department of Transport and Planning (DTP) and the Transport Accident Commission (TAC), have developed the eligibility criteria:

- Degree of Safe System alignment
- Risk rating of the route or area
- Cost per fatal or serious injury crash saved
- Local Government Area priority
- Complexity/deliverability
- Degree of shovel-readiness.

Concept design and community consultation must already be complete to meet program timelines.

Council is invited to submit an endorsed list of projects to the State Government that meets Program criteria. The Program administrators will then consider and select projects that will receive Program funding.

Non-infrastructure projects (such as community education campaigns), works on arterial roads, maintenance works, and 'mass-action' programs (such as footpath building and shoulder widening across a range of undefined projects) are not eligible for funding as part of this Program.

Previous Council Resolution

There are a number of relevant Council resolutions that have endorsed the projects being recommended for submission to the Safe Local Roads and Streets Program, shown at **Appendix B**.

Some resolutions identify and endorse a specific location and treatment concept plan (for example, Your Street, Your Say). Other resolutions have endorsed a process to identify and deliver capital improvements, and the location and concept was identified through this process (for example, Octopus Schools and Safe Travel to School Audits).

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

2.1 We will deliver equitable and accessible infrastructure to provide opportunities for our community to live well

2.2 We will design and create public spaces where our people feel safe, welcome, and respected, including improving lighting and safety for people walking, wheeling, cycling and driving

2.4 We will foster local urban streetscapes and activity centres that connect our community, support economic recovery, and encourage people to live, work and play locally

DISCUSSION

Officers have assessed existing Council endorsed transport safety improvement projects to identify projects that meet the Program criteria and will be eligible for funding as part of the Safer Local Roads and Streets Program.

This assessment was based upon:

- Project alignment to Safe System principles
- Potential to prevent Fatality and Serious Injury crashes
- Endorsement of a project by Council
- Project complexity.

The list below includes all the projects and their estimated costs within Darebin that meet the selection criteria for the Program. The list is itemised by treatment type and alphabetically.

| Treatment | Location | Cost |
|--|--|-----------|
| Wombat or raised priority crossings on | Bracken Ave at Harold St, Thornbury | \$100,000 |
| | Bracken Ave at Hutton St, Thornbury | \$100,000 |
| | Bracken Ave at Rennie St, Thornbury | \$100,000 |
| | Bracken Ave at Smith St, Thornbury | \$100,000 |
| | Clarendon St at St David St, Thornbury | \$130,000 |
| | Cramer St, Preston, west of Park Ave | \$150,000 |
| | Gooch St near Jones Reserve, | \$180,000 |

| Treatment | Location | Cost |
|---------------------------------|--|-----------|
| | Thornbury | |
| | Mansfield St near Olver Reserve, Thornbury | \$130,000 |
| | Matisi St south of Theobald St, Thornbury <i>(location supported by school)</i> | \$150,000 |
| | Separation St east of Sparks Avenue near Alfred Nuttal Kindergarten, Fairfield | \$130,000 |
| Raised pedestrian thresholds | Aberdeen St at Dumbarton St, Reservoir | \$80,000 |
| | Clapham St at Hutton St, Thornbury | \$75,000 |
| | Dundee St at Greenock St, Reservoir | \$80,000 |
| | Greenock St at Aberdeen St, Reservoir | \$80,000 |
| | Hartington St at Arthurton Rd, Northcote | \$60,000 |
| | McIntosh St at Westbourne Grove, Northcote | \$60,000 |
| | Western side of Powell Street at Robinson Rd, Reservoir | \$40,000 |
| | Both access points to car parks on the western side of Robinson Road between Wild Street and Powell Street | \$40,000 |
| | Steane St/McColl St, Preston | \$75,000 |
| Raised intersections | Jones St/Collins St, Thornbury | \$300,000 |
| | Railway Pde and Gillies Street, Fairfield | \$300,000 |
| | Separation St/Perry St, Fairfield | \$300,000 |
| | Tyler St/Laurel St, Preston West | \$150,000 |
| Roundabout pedestrian crossings | Newcastle St/Collins St, Thornbury | \$430,000 |
| | Newcastle St/Pender St, Thornbury | \$300,000 |
| 30km/h speed zone | Northcote, Fairfield and Alphington area – local roads near activity centres and schools | TBD |

The estimated cost of the projects in the table above exceeds the \$2 million Program allocation. This approach was requested by the State Government Program administrators.

Not all projects will be funded. Priority will be given to projects that best address the Program eligibility criteria and goals, according to the Program administrators.

Funding for implementing a 30km/h speed limit area is available in addition to the road safety infrastructure funding through the same Program.

OPTIONS

Recommended option: Council endorses the above full list of projects to be submitted for funding consideration by the State Government as part of the Safer Local Roads and Streets Program.

Officers recommend submitting the whole list as provided because the Program administrators will analyse each project to ensure the most improvement in safety is achieved from the available \$2 million. This helps ensure Council receives the full \$2 million allocation.

Alternative options: Council could put the list of projects in order of priority or shorten the list of projects to be submitted for funding consideration by the State Government as part of the Safer Local Roads and Streets Program.

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

The cost of design and delivery of projects, supported by Program administrators, will be paid for by the Victorian Government (up to \$2 million). If there are savings within the Program, the Victorian Government may invite further submissions for projects to be delivered before June 2027.

The \$2 million grant funding is confirmed and will be included in annual budget development for 2025/26.

Community Engagement

Community engagement has occurred for Projects recommended to be submitted for program funding (this is a grant eligibility requirement).

Many of these projects were identified in partnership with schools through the Safe Travel to School Audits program.

Due to a reduced investment in transport improvement projects starting from 2020, design work and community engagement dates back to 2016 for some of the recommended projects.

Council has the option of referring some projects to its draft capital works budget instead of the Safer Local Roads and Streets Program. This would mean further consultation would occur. Because of the significant road safety benefits that can be accelerated with the State's Program, officers are recommending that all projects be endorsed and submitted to the State Government.

Residents and businesses will be notified that works will take place during the delivery process.

The State Government will make a public announcement about the Darebin tranche of projects it selects for the Program.

Council will support the program with communications that helps the community understand why improving road safety with treatments is important, and how the State Government and Council are working together to help keep residents, workers and visitors to Darebin safe on our roads.

Overarching Governance Principles and Supporting Principles

- (b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;

Public Transparency Principles

- (a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;

Strategic Planning Principles

- (b) strategic planning must address the Community Vision;

Service Performance Principles

- (a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;

COUNCIL POLICY CONSIDERATIONS**Environmental Sustainability Considerations (including Climate Emergency)**

Eighteen percent of Darebin's greenhouse gas emissions are from transport. Safer streets for local residents will encourage and support more people to walk and ride with personal wellbeing and community resilience benefits.

Equity, Inclusion, Wellbeing and Human Rights Considerations:

Compared to other Metropolitan Local Government Areas, the number of people killed and seriously injured on roads in the City of Darebin is worse than average. Details included in **Appendix A** shows:

- motorcyclists are much worse than average
- bicyclists are worse than average
- vehicle occupants are better than average, and
- pedestrians are much better than average.

All of the projects recommended by officers seek to improve safety by managing traffic speeds while supporting people of all abilities to interact with the transport network.

Economic Development and Cultural Considerations

Care will be taken to reduce the delivery impact on the community, including local businesses.

Operational Impacts

Council officers will be required to progress detailed designs for the successful projects as well as procuring suitable civil contractors to construct treatments.

These requirements can be undertaken using existing resources and is not expected to impact on other services.

As part of the funding agreement, Council can rely on external consultants to progress designs if required.

Legal and Risk Implications

As part of the funding agreement, Council must ensure delivery of all funded projects by 31 December 2026.

The Program will improve road safety. The officer recommended prioritisation and nomination of projects – which has been informed by a workshop with State Government’s representatives - has been supported by the Program administrators.

Road improvement designs align with Australian Standards and Austroads Guides, and design work will be overseen by Council’s Registered Transport Engineer.

IMPLEMENTATION ACTIONS



If endorsed, with or without changes, the list of projects will be submitted to the grant Program in March 2025.

It may take up to 2 months for the State Government to advise Council what projects have been successful.

RELATED DOCUMENTS

[Programs - TAC - Transport Accident Commission](#)

ATTACHMENTS

- Road Trauma Fact Sheet (**Appendix A**) [↓](#) 
- Previous Council endorsement for projects recommended for grant funding (**Appendix B**) [↓](#) 

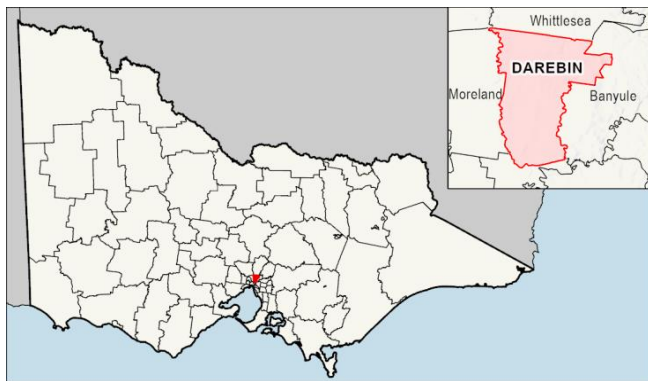
DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.



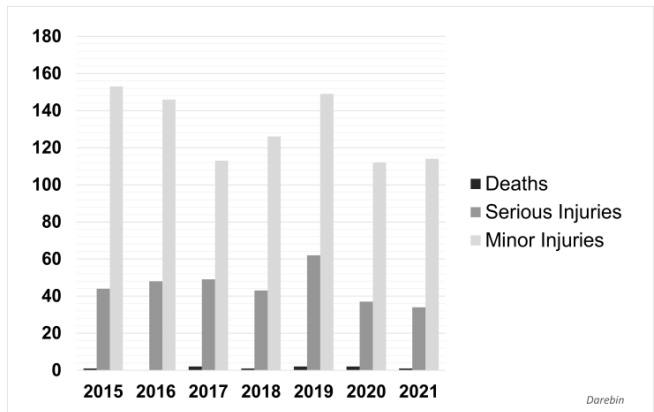
Compared to other Metropolitan LGAs, the number of people killed and seriously injured on roads in the City of Darebin is but worse than average per capita and by network length, and average by vehicle-kilometres travelled (VKT). Motorcyclists are significantly over-represented while bicyclists and crashes at intersections are over-represented in the crash data.



Road trauma 2015-2021

| | |
|---|-------|
| Deaths | 9 |
| Serious injuries | 317 |
| Average FSI / year | 46.6 |
| Average FSI / 100,000 pop / year | 31.3 |
| Collective risk (network-level) | 0.085 |
| Personal risk (network-level) | 20.51 |

| | |
|--------------------------------------|----------------|
| Population | 148,570 |
| Road network length | 551 km |
| – Urban speed zone | 551 km (100%) |
| – Rural speed zone | - |
| – Unsealed road | <1% |
| Exposure (100 million VKT/yr) | 11.35 |
| LGA peer group | Metropolitan |
| Number of LGA in peer group | 22 |



FSI by road user

| Road user type | Total FSI | % Total FSI |
|-------------------|-----------|-------------|
| Vehicle occupants | 149 | 46% |
| Motorcyclists | 59 | 18% |
| Bicyclists | 66 | 20% |
| Pedestrians | 47 | 14% |
| Other/unknown | 5 | 2% |

FSI location and crash types

| Location | Top crash types (FSI) |
|--------------------------------------|--|
| Intersection 169 FSI (52%) | Adjacent direction (72) Opposing direction (25) Run-off road (straight) (18) Other (54) |
| Midblock 157 FSI (48%) | Run-off road (straight) (43) On road (31) Pedestrian (28) Other (55) |



Understanding this factsheet

Colour legend (LGA peer group ranking)

The colour banding of each risk metric shows how well the LGA is performing (in terms of crash risk or number of crashes, compared to other LGAs in the same peer group):

| | |
|-----------|--------------------------|
| 0 – 20% | Much better than average |
| 20 – 40% | Better than average |
| 40 – 60% | Average |
| 60 – 80% | Worse than average |
| 80 – 100% | Much worse than average |

Key terms and acronyms

| Term/acronym | Definition / description |
|---|---|
| Fatal and serious injury (FSI) | Total fatal and serious injury count for the period 2015-2021 |
| Vehicle kilometres travelled (VKT) | <p><i>Vehicle kilometres travelled (VKT)</i> is a measure of motor vehicle activity. It represents the amount of vehicle travel that occurs within a specific location, over a specific period. This is a metric for ‘exposure’ to risk on a road or road network.</p> <p>VKT is calculated over 365 days, for every road segment, as follows:</p> $VKT = \text{annual average daily traffic} * \text{length of road network in km} * 365$ <p>In this fact sheet, the VKT is the sum of VKT of every road in each LGA, Because this generates a very large number, this metric is then expressed as <i>100 million VKT</i>.</p> |
| Collective Risk | <p><i>Collective Risk</i>, also known as crash density, is the total fatal and serious injuries (FSI) per km, per five years. In this fact sheet, <i>Collective Risk</i> is calculated across the whole LGA road network:</p> $Collective Risk = \frac{\text{average FSi over 5 years}}{\text{total length (km) of the LGA road network}}$ |
| Personal Risk | <p><i>Personal Risk</i> (or crash rate) is the total number of fatal and serious injuries (FSI) per 100 million VKT. It is used as measure of the likelihood of an individual road user being involved in killed or seriously injured in a crash. In this fact sheet, <i>Personal Risk</i> is calculated across the whole LGA road network:</p> $Personal Risk = \frac{\text{average FSi per year}}{100 \text{ million VKT per year (across the entire LGA road network)}}$ |
| Speed zone (urban/rural) | <p>Roads with a speed limit of ≤70 km/h are classified as ‘urban speed zone’.</p> <p>Roads with a speed limit of ≥80 km/h are classified as ‘rural speed zone’</p> <p>Note: there are some local urban/peri-urban roads that have a speed limit of 80km/h. These are classified as ‘rural speed zones’ according to the criteria above.</p> |



Data definitions and sources

| Dataset | Description and source |
|----------------------------------|--|
| Population | Population data was sourced from the Australian Bureau of Statistics Census 2021: https://www.abs.gov.au/census/find-census-data/datapacks |
| LGA peer groups | The LGA peer groups used in this factsheet are those applied by the Victorian Auditor-General's Office (VAGO) audit of local road maintenance: https://www.audit.vic.gov.au/report/maintaining-local-roads |
| Road network data | All road attributes and statistics were generated from the Department of Transport and Planning's Infrastructure Risk Rating dataset (v3.0). Note that the following roads are excluded: <ul style="list-style-type: none"> All declared roads Roads with a class code '6' or higher (minor roads, major tracks, trails, paper roads and ferry routes) |
| Road trauma (injury) data | Crash and injury data was sourced from the Road Crash Information System (RCIS) for the period 2015-2021 inclusive. <p>Crash location (intersection vs midblock): crashes are coded as either intersection or midblock depending on their proximity to an intersection. This analysis was undertaken by Road Safety Victoria.</p> <p>Crash types: the factsheet identifies the most common crash movement categories for midblock and intersection FSI, based on the crash movement category (DCA code). Only the top three crash types are listed. To be considered among the top three crash types, the type must have at least 7 FSI or must make up at least 10% of total FSI:</p> <ul style="list-style-type: none"> Adjacent direction collisions involving vehicles moving in adjacent directions at intersections, including vehicle crossing (not opposing) and turning conflicts (DCA codes 110-119) Manoeuvring: collisions resulting from manoeuvring movements such as U-turns, reversing, manoeuvring in/out of parking, and vehicles emerging from driveways (DCA codes 140-149). On road: collisions resulting from obstructions on the carriageway, double-parking, temporary roadworks, and collisions with parked vehicles (DCA codes 160-169). Opposing direction: collisions involving vehicles moving in opposing directions, including head-on (not overtaking), left through/right through at intersections and opposing turning vehicle movements (DCA codes 160-169). Overtaking: collisions resulting from any overtaking movement (DCA codes 150-159). Passenger/misc.: collisions resulting from miscellaneous movements including passenger falling from a vehicle, parked car run away, and struck train. (DCA codes 190-199). Pedestrian: any collision involving a pedestrian (DCA codes 100-109). Run off road – straight: collisions resulting from a run off-road movement on a straight road, including off road to left/right, off road into object, and out of control on road (DCA codes 170-179). Run off road – curve: collisions resulting from a run off-road movement on a curve, including off bend to left/right, off bend into object, and out of control on curve (DCA codes 180-189). Same direction: collisions involving vehicles moving in the same direction, including lane changes (not overtaking), side swipe, and rear-end movements (DCA codes 130-139). <p>Further information on DCA codes is provided in the CrashStats User Guide (Appendix C)</p> |

Need more information?

Find out more about the government's initiatives at dtp.vic.gov.au



Department
of Transport
and Planning

Appendix B – Previous Council endorsement for projects recommended for grant funding

| Location | Road safety treatment | Project Identification/ Endorsed |
|---|--------------------------------------|---|
| Bracken Ave crossings, Thornbury <ul style="list-style-type: none"> - Rennie St - Hutton St - Harold St - Smith St | Raised priority and wombat crossings | Your Street, Your Say Group A Endorsed by Council on the 26 September 2022 Minutes 8.5 |
| Cramer St, Preston west of Park Ave | Wombat crossing | Your Street, Your Say Group A Endorsed by Council on the 26 September 2022 Minutes 8.5 |
| Clarendon St/St David St, Thornbury | Wombat crossing and traffic calming | Your Street, Your Say B Endorsed by Council 24 June 2024 on the 19 September 2022 Minutes 9.4 |
| Railway Pde, Fairfield | Wombat crossings | Your Street, Your Say B Endorsed by Council 24 June 2024 on the 19 September 2022 Minutes 9.4 |
| Steane St/McColl St, Preston | Raised pedestrian threshold | Safe Travel to School Audit via Safe Travel Strategy. Endorsed by Council on the 6 November 2018. |
| Hartington St/Arthurton Rd, Northcote | Raised pedestrian threshold | Safe Travel to School Audit via Safe Travel Strategy. Endorsed by Council on the 6 November 2018. |

| Location | Road safety treatment | Project Identification/ Endorsed |
|---|---------------------------------|---|
| Clapham St/Hutton St, Thornbury | Raised pedestrian threshold | Safe Travel to School Audit via Safe Travel Strategy. Endorsed by Council on the 6 November 2018. |
| McIntosh St/ Westbourne Grove, Northcote | Raised pedestrian threshold | Safe Travel to School Audit via Safe Travel Strategy. Endorsed by Council on the 6 November 2018. |
| Greenock St/Aberdeen St, Reservoir | Raised pedestrian threshold | Octopus School Round 3 Endorsed by Council on the 14 October 2019 – Minutes 8.4. |
| Aberdeen St/Dumbarton St, Reservoir | Raised pedestrian threshold | Octopus School Round 3 Endorsed by Council on the 14 October 2019 – Minutes 8.4. |
| Dundee St/Greenock St, Reservoir | Raised pedestrian threshold | Octopus School Round 3 Endorsed by Council on the 14 October 2019 – Minutes 8.4. |
| Northern Pipe Trail, Robinson Rd, Reservoir | Raised pedestrian threshold x 3 | Northern Regional Trails Strategy Endorsed by Council on the 19 September 2022 Minutes 9.1 |
| Separation St/Perry St, Fairfield | Raised intersection | Your Street, Your Say B Endorsed by Council 24 June 2024 Minutes 9.4, and 28 January 2025. |

| Location | Road safety treatment | Project Identification/ Endorsed |
|--|---|---|
| Jones St/Collins St, Thornbury | Raised intersection | Your Street, Your Say B Endorsed by Council 24 June 2024 Minutes 9.4, and 28 January 2025. |
| Tyler St/Laurel St, Preston West | Raised intersection | Safe Travel to School Audit via Safe Travel Strategy. Endorsed by Council on the 6 November 2018. |
| Newcastle St/Pender St, Thornbury | Roundabout pedestrian crossing upgrades | Your Street, Your Say B Endorsed by Council 24 June 2024 Minutes 9.4 |
| Newcastle St/Collins St, Thornbury | Roundabout pedestrian crossing upgrades | Your Street, Your Say B Endorsed by Council 24 June 2024 Minutes 9.4 |
| Gooch St near Jones Reserve, Thornbury | Wombat crossing | Your Street, Your Say B Endorsed by Council 24 June 2024 Minutes 9.4 |
| Mansfield St near Olver Reserve, Thornbury | Wombat crossing | Your Street, Your Say B Endorsed by Council 24 June 2024 Minutes 9.4 |
| Separation St east of Sparks Avenue near Alfred Nuttal Kindergarten, Fairfield | Wombat crossing | Your Street, Your Say B Endorsed by Council 24 June 2024 Minutes 9.4 |
| South Fairfield area – local roads | 30km/h speed zone trial | Your Street, Your Say B Endorsed by Council June 2024 Area-wide speed trial, Minutes 9.4. |

9.5 DRAFT BUDGET PARAMETERS & KEY BUDGET ENVELOPES - DEVELOPMENT OF THE 10 YEAR FINANCE PLAN**Author:** Coordinator Management Accountant**Reviewed By:** General Manager Infrastructure, Operations & Finance

EXECUTIVE SUMMARY

This report recommends parameters and key budget envelopes to Council for the purposes of development of the draft 2025-26 budget and Long-Term Financial Plan (LTFP). These parameters are the key assumptions that would be used in financial modelling and planning such as assumptions about various inflation rates and level of borrowings. This recommendation is based on assessed of current external economic environment and Council's financial position.

At its Ordinary Council meeting on December 16, 2024, Council noted draft budget parameters and key budget envelopes and requested additional financial modelling for infrastructure projects to inform its decisions.

Council sought feedback from the Audit and Risk Committee ("Committee") on the initial draft budget parameters at the Committee meeting on December 18, 2024, and informed the Committee of its decision to seek additional modelling. The Committee met at a special meeting in February 2025 to provide feedback on both matters.

On February 7, 2025, the Committee reviewed updated budget parameters and initial financial modelling results. The consultant and officers jointly presented an independent assessment of these elements. Committee feedback and officer responses are noted below.

Since December 2024, several updates have been made to the recommended draft budget parameters and key budget envelopes. These updates incorporate:

- Results of Council's 2024-25 mid-year financial performance review,
- The announcement by the State Government of the applicable rate cap, and
- Consideration of multiple scenarios to ensure long-term financial sustainability.

Council is continuing to develop its draft budget (2025-26 and four year) and this is based on the recommended parameters and envelopes outlined in this report. When Council finalises its decision, the draft budget would in turn be adjusted to reflect any adjustments if relevant.

Summary of Key Assumptions

- Recommended capital envelope of \$131M over 4 years and operating project envelopes of \$8.8M over 4 years.
- A minimum cash balance of \$44M is recommended considering the level of risk.
- Digital transformation implementation over 5 years commencing 2024/25 for \$36.44M.
- Includes an inbuilt permanent savings target \$9.7M (per annum) from 2025/26 to 2028/29 to be operationalised. This forms part of \$39.3M savings over 10 years included the LTFP.

- Recommended budget parameters in Appendix B
- No new borrowings have been assumed.
- Priorities for capital works and operating projects will continue to be developed in consultation with Council - within the recommended envelopes.

| |
|-------------------------------|
| Officer Recommendation |
|-------------------------------|

That Council:

- (1) Notes that as part of preparing the draft 2025-26 budget and draft Long Term Financial Plan, Council officers have conducted a review of assumptions, parameters and principles based on assessment of the current external economic environment and to recommend parameters for use in identifying the affordable and financially sustainable budget envelopes.
 - (2) Notes the outcome of an independent review and assessment undertaken of Managements financial modelling, assumptions & financially sustainable budget envelopes. **Appendix A**
 - (3) Notes in response to feedback received (**Appendix E**) from the Audit & Risk Committee at its meeting on 7th Feb 2025, management undertook a further review of the following escalation factors:
 - a. Employee costs
 - b. Corporate insurances
 - c. Utilities
 - d. Other expenses
 - e. Depreciation
 - (4) Adopts recommended budget parameters (**Appendix B**) & key budget envelopes (**Appendix C**) to use as the basis for developing the new Long Term Financial Plan (2025/26 – 2034/35).
 - (5) Notes results of the financial modelling undertaken to allow Council to consider options as it develops its draft Budget (**Appendix D**):
 - a. Inclusion of redevelopment of a large Council facility within the next 8 years,
 - b. Inclusion of redevelopment of an additional medium Council facility or an increase in investment in other infrastructure assets within the next 4 years,
 - c. Inclusion of redevelopment of an additional small council facility within the next 4 years.
 - (6) Notes that next steps in the process of developing the detailed draft Budget and draft Long Term Financial Plan as noted in this paper.
-

BACKGROUND / KEY INFORMATION

Financial Management

Council's legislated obligations are articulated through the Financial Management Principles in the *Local Government Act 2020*. These principles require the prudent monitoring and management of financial risks, giving regards to economic circumstances.

The following are the Financial Management principles of the *Local Government Act 2020* –

- revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans.
- financial risks must be monitored and managed prudently having regard to economic circumstances.
- financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community.
- accounts and records that explain the financial operations and financial position of the Council must be kept.

For the purposes of the financial management principles, **financial risk** includes any risk relating to the following:

- the financial viability of the Council.
- the management of current and future liabilities of the Council.
- the beneficial enterprises of the Council

Previous Council Resolution

At its meeting held on 16th December 2024 Council resolved (as a high level summary):

'That Council;

- (1) *Notes that as the first step in preparing the draft 2025-26 budget and draft Long Term Financial Plan, Council officers have conducted a technical review of assumptions, parameters and principles based on assessment of the current external economic environment and to recommend parameters for use in identifying the affordable and financially sustainable budget envelopes.*
- (2) *Notes that the CEO will direct officers, in consultation with councillors, to prepare a draft Budget and draft Long Term Financial Plan using these assumptions, parameters and principles as a starting point for Councillors to engage in the Budget and Council Plan development process.*
- (3) *Requests that the CEO undertake further modelling, in consultation with councillors, on adjusted assumptions, parameters or principles to allow Council to consider options as it develops its draft Budget and that the outcomes of this modelling are reported to Council at its ordinary Council meeting on 24 February 2025, as follows:*
 - a) *Inclusion of redevelopment of a large Council facility, like Reservoir Leisure Centre, within the next 8 years,*
 - b) *Inclusion of redevelopment of an additional medium Council facility or an increase in investment in other infrastructure assets within the next 4 years; to be modelled in two versions: both as a 'project' constructed within the next 4 years, and as an equal spend across each of the next 4 years.*

- c) *Inclusion of redevelopment of an additional small council facility within the next 4 years,*
 - d) *Inclusion of a list of short, medium and long-term options for increasing revenue over the next 4 to 8 years, for discussion with Council.*
- (4) *Seeks advice from the Audit and Risk Committee on the recommended key budget assumptions, parameters and principles and requests that Council officers report the Committee's advice to Council at its Ordinary Council Meeting on 24 February 2025, including seeking advice about further modelling as outlined in clause 3.*
- (5) *Notes that next steps in the process of developing the detailed draft Budget and draft Long Term Financial Plan will take place in early to mid-2025 and include:*
- a) *consideration of feedback from community consultation from July to December 2024 which was undertaken to help develop the 2041 Community Vision and Council Plan 2025-29.*
 - b) *a report to the 24 February 2025 Ordinary Council meeting to address Council's resolution of 24 June 2024 which directed "the CEO to develop options for presentation to the new Council no later than February 2025 to ensure that the review of the Long-Term Financial Plan is financially sustainable including addressing current structural budget challenges."*
 - c) *further community consultation following formal Council consideration of these draft plans at their April 2025 Ordinary Council Meeting.*
 - d) *Consideration of community feedback about the draft Budgets and Long Term Financial Plan and adoption in June 2025.*
- (6) *Notes that recent changes in the external economic environment have created significant challenges for Council due to very high inflation and much higher cost increases than income increases, and that Council will consider how best to respond to these challenges in 2025 as part of developing its draft Budget and long-term financial plan and considering community feedback*

At the Council meeting held on 24 June 2024, Council resolved to:

- (1) *Directs the CEO to develop options for presentation to the new Council no later than **February 2025** to ensure that the review of the Long-Term Financial Plan is financially sustainable including addressing current structural budget challenges. These options should include, but not be limited to:*
- a. *Considering service delivery efficiencies*
 - b. *Considering scope and scale of services*
 - c. *Exploring timing or staging of major operating or capital projects*
 - d. *Consolidation of facilities or assets*
 - e. *Operating models for service delivery*
 - f. *Partnering approaches for service delivery*
 - g. *Options for how to best engage with community on these challenges and options."*

DISCUSSION

Audit & Risk Committee Feedback

On 7th February 2025, Council Officers presented the draft updated budget parameters, draft budget envelopes and associated financial modelling to the Audit & Risk Committee (The Committee). Refer to **Appendix E (Confidential)** for details.

Feedback included, additional benchmarking of several budget parameter categories mentioned above. Management has undertaken this assessment by comparing Council's draft assumptions with 4 other neighbouring Councils. (**Appendix B**). Broadly, the outcome of the assessment revealed the following:

- 1) Wage increases: Darebin's escalation is optimistic compared to the 4 Councils after 2025/26 with 3 of the 4 of the Councils matching rate cap and one at 90%. The risk associated with this assumption is noted below.
- 2) Insurance: Assumptions are conservative and will require further investigation. Noting that this would depend on individual claims history. It is further noted that the annual insurance cost is \$2.6M and minor changes to the budget parameter will not have a material financial impact. However, upon receipt of additional information the budget will be amended to reflect the change.
- 3) Utilities and Other Expenses: These are largely in line with other Councils, and it is recommended these be maintained.
- 4) Depreciation: Average annual depreciation escalation of 3% across all asset classes is comparable to the average of 4.4% over the last 3 financial years. This includes impacts of bi-annual revaluation of assets which are driven by external economic factors. Management recommends that the current escalation be maintained.
- 5) Other changes: Following feedback received, the escalation for Statutory fees and fines, other income and expenses are now aligned to CPI. Whilst the impact will not be material, they will be updated in future versions of the budget.

Risk Areas – Budget Assumptions

The following risks to Management's budget assumptions were also noted:

- Wage rates – Potential financial risks in the current economic environment where cost of living pressures is being felt by staff as well as community.
- \$39.3M in-built savings target – there is risk associated with delivery of this level of savings. Achievement of these in practice is a critical risk to monitor.
- VAGO ratios – Consider the associated risks with the delivery of financially sustainable ratios.

Independent Review - Scope

Following the Ordinary Council meeting on 16th December 2024, Management engaged an independent consultant to 'pressure test' and provide an opinion over Managements financial modelling, assumptions & budget envelopes as presented to Council.

The independent consultant was asked to review, assess and provide an opinion on the following key areas:

- \$45M minimum average cash balance to be maintained over the long term for prudent cash management purposes,

- Draft Base Financial Model, key Budget envelopes and assumptions. Please refer below for the key assumptions.
- Additional financial modelling of investment scenarios undertaken by Management. Refer **Appendix D** for further detail.

Outcome of independent review (Appendix A)

The opinion of the independent report reflects broad alignment with Managements previous recommendations made to Council for noting at its Ordinary Council meeting on 16th December 2024.

The consultant recommended an average minimum cash holdings of \$35M, based on an alternative methodology that excludes cash backing of loan repayments. Management, while accepting the consultant's methodology, recommends \$44M to incorporate cash backing of the loan repayments and contingency considering the current risks. This includes:

- Annual loan repayments of \$5.8M to be funded through cash, not sale of assets.
- A 10% risk margin to address any timing issues and unforeseen risks.

Note also that this minimum cash balance is scenario dependent; for example, additional borrowings for capital investments, would increase the minimum cash required.

A copy of the consultant's full report can be found at **Appendix A**.

Summary of changes

The following material changes have been incorporated to the draft parameters post December 2024.

- 2025/26 Rate Cap Announcement: Minister for Local Government announced a 3% rate cap to be utilised by Victorian Councils for the 2025-26 year. Management has updated its financial modelling from 2.5% (previously estimated) to 3%. The financial impact of the increase is approximately \$750k favourable.
- 3% Wage inflation rate: Management has updated its financial modelling to increase employee costs from 85% to 100% of the rate cap to 3% for the 2025-26 year. In the future years, the model assumes an increase of 85% of the rate cap.
- Unfavourable Mid-Year Budget Review Results (Q2 Forecast): Several significant budget pressures have emerged, impacting on Council's expenditure & revenue base (cash) over the long term. These adverse financial impacts have been incorporated into the LTFP.

Key Financial Assumptions in the modelling

1) Savings Target Assumptions:

- Council's current operations do not generate enough net positive cash flow to support its capital works program and debt repayment.
- To achieve the financial strategy outlined in the revised LTFP, Council needs to operationalise \$9.7M permanent savings within the next four-year Council term. This forms part of the broader savings target of \$39. Financial 3M in-built into the LTFP.

Built-in savings targets – profiling summary

| | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 | FY 2029-30 | FY 2030-31 | FY 2031-32 | FY 2032-33 | FY 2033-34 | FY 2034-35 | Totals |
|---|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Original Operating model - Permanent savings | 1,800 | 2,400 | 2,600 | | | | | | | | 6,800 |
| Original savings - Cumulative impact | 1,800 | 4,200 | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 | |
| Q2 Forecast Budget Pressures - permanent savings | 1,400 | | | | | | | | | | 1,400 |
| Q2 Forecast Budget Pressure savings - Cumulative impact | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | |
| Digital Transformation - Permanent savings | | | 500 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | | 6,500 |
| Digital Transformation - Cumulative impact | | | 500 | 1,500 | 2,500 | 3,500 | 4,500 | 5,500 | 6,500 | 6,500 | 31,000 |
| Total Additional Permanent Savings | 3,200 | 2,400 | 3,100 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | - | 14,700 |
| Cumulative Permanent Savings | 3,200 | 5,600 | 8,700 | 9,700 | 10,700 | 11,700 | 12,700 | 13,700 | 14,700 | 14,700 | |
| Vacancy Offset - One off (In-year) savings | 2,302 | 2,352 | 2,360 | 2,355 | 2,397 | 2,451 | 2,507 | 2,564 | 2,624 | 2,684 | 24,596 |
| Total Savings Required (Perm + One-Offs) | 5,502 | 4,752 | 5,460 | 3,355 | 3,397 | 3,451 | 3,507 | 3,564 | 3,624 | 2,684 | 39,296 |

2) Borrowing Assumptions:

- No new borrowings over 10-year horizon.
- Existing borrowings to be fully repaid in June 2032-33. Until then annual repayments are approx. \$5.8M per annum.
- At this time, it is not recommended that Council renegotiate the repayment period and/or terms as Council has a favourable rate compared to the market. If in future years there are opportunities to secure a better interest rate, these would be explored at that time.

3) Digital Transformation implementation Assumptions

- Digital Transformation Investment: \$36.44M (2024/25 to 2028/29).
- Cumulative permanent savings from implementation are incorporated in overall savings noted above which total \$6.5M year on year by Year 9.
- Over the next 10 years, the project is projected to enable savings of \$31M with a positive impact on cash. This benefit stems from a reduction in annual recurring operating expenses. Modelling indicates the digital transformation will be cashflow positive by end of Year 11.
- Note – Assumptions does not include the Council request to model additional options to assess impacts of extending the implementation of the digital transformation project. Further information & officer advice will follow.

4) Other Key Budget Assumptions over 4 years (Refer Appendix C)

- Capital Works budget envelopes: \$131M over the next four years.
- Average minimum cash required: \$44M
- Operating projects/new initiatives budget envelopes: \$8.8M (includes provision for development of a new Council Plan & associated strategic plans once every 4 years)

Summary Results of Financial Modelling - All scenarios

As requested by Council on 16 December 2025, additional modelling of various investment scenarios was undertaken. Modelling incorporated multiple cost and funding assumptions to assess affordability and financial impacts.

In summary, the modelling suggests that all investment scenarios would require additional savings to be identified and operationalised by Council. The scale of savings required varied depending on whether the investment proposed was small or large. For a detailed summary refer to **Appendix D**.

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

- Revenue, expenses, assets, liabilities, investments, and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Management of the following financial risks are a priority:
 - the financial viability of the Council and;
 - the management of current and future liabilities of the Council.
- Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- Council develops its budget with awareness of the current broader economic context (i.e., high inflation, high interest rates) and its impact on the community.
- Council maintains accounts and records that explain its financial operations and financial position

Financial Policy Statements

- Consistent underlying surplus results.
- Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.
- Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.
- Allocate adequate funds towards capital renewal to replace assets and infrastructure as they reach the end of their service life.
- Capital Grants will only be included for known amounts from known Grant programs and will not be accepted for commitments that expose Council to funding projects over and above the existing long-term Capital Works program.
- Council will not accept gifted assets where the long-term maintenance funding is not provided or insufficient.

Community Engagement

The Act outlines the key strategic planning, budgeting and reporting that Council must undertake. In accordance with the Act, Council is required to follow its Community Engagement Policy in relation to engagement with the community. Community consultation over Council's draft budget is expected to be undertaken following the Ordinary Council meeting of 28 April 2025.

Other Principles for consideration**Overarching Governance Principles and Supporting Principles**

(g) the ongoing financial viability of the Council is to be ensured;

Public Transparency Principles

(a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 2: Prosperous, Liveable and Flourishing

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 4 Responsible, Transparent and Responsive

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

4.1 We will ensure balanced and responsible financial decision making that meets the needs of our community now and into the future

The development of the 2025/26 budget and the 10-year Long Term Financial Plan is being achieved in an integrated and collaborative manner across the Senior Leadership team, Executive Leadership team and the Council.

IMPLEMENTATION ACTIONS

- Jan to April 2025 – Continued development of the draft 2025/26 Budget, Council Plan and the draft 10-year Long Term Financial Plan including consideration of community consultation and exploration of options.
- 3 March 2025 – Report to Council to consider endorsing draft budget parameters and envelopes to inform the continued development & progression of the Draft LTFP.
- 28 April 2025 – Report to Council to consider endorsing Draft Budget & Draft LTFP for the purposes of community consultation.
- 29 April – 12 May 2025 Community Consultation
- 19 May 2025 Hearing of Submissions to the 2025-26 Draft Annual Budget, 19 May 2025.
- 23 June 2025 – Report to Council to consider community feedback and adopt its budget and LTFP

RELATED DOCUMENTS

- Annual Budget 2024/25
- Risk Management Policy

ATTACHMENTS

- Appendix A: Independent Consultants Report (**Appendix A**) [↓](#) 
- Appendix B: Draft 10 Year Budget Parameters (**Appendix B**) [↓](#) 
- Appendix C: Draft Revised Budget Envelopes - Detailed Results (**Appendix C**) [↓](#) 
- Appendix D: Additional Financial Scenario's - Various Investment Options (**Appendix D**) [↓](#) 
- Appendix E: Audit and Risk Committee Minutes 7 February 2025 (**Appendix E**)
Confidential - enclosed under separate cover

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.



**ASSESSMENT OF BUDGET PARAMETERS AND ENVELOPES (EXECUTIVE REPORT)
PREPARED FOR DAREBIN CITY COUNCIL**

FEBRUARY 2025
STRICTLY PRIVATE & CONFIDENTIAL



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1. INTRODUCTION

For the purposes of preparing the upcoming 2025/26 draft budget and draft 10-year Long Term Financial Plan (LTFP), Darebin City Council has developed a set of draft budget parameters and budget envelopes, to ensure the short, medium and long-term financial sustainability of Council. The current Darebin City Council LTFP forecasts and comparison against neighbouring Local Government Area's informed the setting of these parameters.

Darebin City Council have engaged CT Management Group to 'pressure test' the draft budget parameters and budget envelopes to assess for reasonableness and accuracy, applying a long-term financial sustainability lens. (Annexure A – Project Brief)

This executive report provides:

1. A review of the key budget parameters and escalation factors in preparing the 2025/26 Budget, long term financial plan and assessment of the capital envelope investment proposals.
2. An assessment of management approach to financial sustainability and the proposal to hold a minimum cash balance of \$45 million.
3. An assessment of Council 's current capacity to fund three different scenarios of capital envelope investment proposals.

This executive report is supported by the 'Assessment of Budget Parameters and Envelopes (Detail) Report. The detail report provides a more thorough analysis regarding calculation of the minimum cash balance methodology plus a more detailed assessment of each capital investment proposal.

2. OBSERVATIONS

The report observations are based on the review of the budget parameters and the modelling of the multiple scenarios discussed in later sections of this report.

2.1 Savings Initiatives

The following observations relate to managements forward income and expense projections included within the Baseline Model. Management have incorporated \$39.3 million of future years savings that reduces the medium risk expenditure escalations. The workings relating to the \$39.3 million has not been validated and management has advised that this includes cumulative savings year on year and management of vacancies on a yearly basis.

Given expenditure escalations are often tied to cost increases beyond the control of Council, inclusion of a savings target is likely to require implementation of efficiency gains and/or a review of how Council delivers its day-to-day services. Since the introduction of rate capping, many Victorian councils are required to find efficiency gains to balance their books and maintain sustainability.

After exhausting efficiency gains and the need to find further costs savings, the next step for Victorian councils is to review the cost of each service with a view to either service rationalisation/scale back or even removal of an existing service.

On the basis that Darebin is realising efficiency gains, the next step would be to consider a service review program with a view to, where necessary, service rationalisation to identify further cost savings.

2.2 Capital Funding Considerations

Additional funding considerations may be relevant for the medium and large-scale capital investments that are not able to be funded based on current financial projections. The considerations are presented at a high level only where further work would be required to assess the feasibility of each funding source.

- a. External grants from Federal and State Government.

- b. Third party contributions – including from community/sporting stakeholder groups and developer contributions (where available).
- c. Reserve funds – sources include prior year savings and cash contributions from third parties including developers.
- d. Loan borrowings. Loan funding is also available as a capital funding source with the principle that future generations of ratepayers fund the benefit they will receive from the investment in long term infrastructure assets.

Grant and contribution funding are preferred as this results in an injection of external cash to Council.

This analysis is silent on any opportunities for a private/public partnership that may give rise of ownership or equity arrangements by third parties.

2.3 Reserve Funds

There is an opportunity for Council to create one or more strategic reserves in order to redeploy the existing cash surplus projected to be \$19.6 million at the end of the current financial year. While the majority of this surplus cash is expected to be expended (Baseline Model) over the ensuing five years, creation of strategic reserves would signal Council's intent to take a proactive approach to funding the capital investment proposals discussed later in this report.

Strategic reserves can be created to partly fund:

- Capital works projects included to the Base Line Model.
- An allocation to the new technology project (enterprise resource planning) that is scheduled to be completed over the next four financial years.
- Seed money to create a Strategic Investment Reserve that will begin funding the large, medium and/or small capital investment proposals discussed below. This seed money can be also applied to attract and, where necessary, match government grants to these capital proposals.

It should be noted that while the \$19.6 million can be deployed to Strategic Assets Reserves now, much of this money would need to be transferred from the reserves to fund project expenditure as works are completed. Therefore, the quantum of funds available for allocation to a Strategic Investment Reserve is likely to be limited until further savings initiatives can be implemented.

The reserves approach to capital project funding does, however, support transparency regarding how Council can ultimately fund large multiple year projects.

The application of reserve funds also supports intergenerational funding where past, present and future generations all contribute to new capital projects as follows:

- Strategic reserves are funded by past generations; and
- Operating surpluses are funded by current generations; and
- Borrowings are funded by future generations.

The \$19.6 million can be identified by referring to Figure 1 below "Cash Available v Required – Baseline Model". Refer to the variance between the two lines Cash Available (blue line) less Cash Required (red line) equals \$19.6 million as at the 2024/25 year.

A Strategic Reserve Policy can also be prepared to guide Council regarding the allocation and redeployment of future surplus cash funds to one or more of the strategic reserves.

3. BUDGET PARAMETERS AND ESCALATION FACTORS

We were asked to review the parameters and escalation factors as provided by management and identified as medium risk. The below commentary provides an overall assessment of management's approach to the annual projections for income and expenditure.

This report also provides a commentary on how management's escalation factors are implemented within the ten-year LTFP. This assessment is particularly relevant where the LTFP factors are at variance to the management factors. It is the LTFP escalation factors that give rise to the scenario analysis used as a basis to assess the sustainability of each capital investment proposal discussed above.

Management's escalation factors were prepared prior to the state government advice regarding the 3.0 per cent rate cap for the 2025/26 financial year. This 3.0 percent increase will therefore allow management to increase annual revenue escalation factors that are aligned to the movements in the rate cap. Management's approach was to prepare three sets of escalation factors – optimistic, medium risk and conservative, before applying the medium risk option. The effort to prepare multiple scenarios demonstrates management's well considered approach to estimating future movements in income and expenditure.

Management have adopted a prudent approach to expenditure escalation particularly with regard to aligning future employee cost increases to 85% of rate cap.

Alignment of future salary cost movements to increases in the rate cap is an accepted practice across the Local Government sector. This practice does presuppose that future Enterprise Bargaining Agreement (EBA) outcomes can also be aligned to State Government directed rate cap increases. Management's approach to a further restriction of 85%, rather than 100% of the rate cap, would often be considered optimistic. However, in the context of the funding challenges discussed in this report, the '85% of rate cap' demonstrates a proactive approach by management to limit future cost increases in order to maintain financial sustainability.

Management have adopted a prudent approach to expenditure escalation particularly with regard to projected salary cost increases by aligning salary movements with the rate cap. This approach supports ongoing affordability by ensuring cost increases are tied to available income.

Non salary costs are also well considered particularly where cost movements are the subject to external constraints and beyond the control of Council. As well as the impact of movements in the Consumer Price Index (CPI), Councils cost base also includes significant cash outlays for utility and corporate insurance expenses. Both of these expense categories are the subject of national and, at times international events beyond the control of Council.

Management's approach is the medium risk escalation factors, is to consider the impact of both internal and external factors in order to estimate future movement in income and expenditure. Management was also required to overlay the impact of projected growth factors to the municipality that includes a modest increase in both income and expenditure to accommodate expected changes in service demand.

Management have then applied these escalation factors to the ten-year LTFP that forms a basis to assess the sustainability of the capital investment proposals. Management's approach is to build in savings targets to expected future year expenditure by, reducing the medium risk expenditure escalations as discussed above.

4. \$45 MILLION MINIMUM CASH BALANCE

We are requested to provide an assessment and commentary regarding management's preference to hold a minimum cash balance of \$45 million.

The figures in Section 5 below identify a consistent minimum cash balance of \$40 million. This is the amount of cash and investments necessary to 'cash back' key liabilities and reserves to ensure prudent financial management. The key liabilities and reserves comprise reserves (excluding revaluation reserves), employee provisions, trust funds and working capital (mainly the net of debtors and creditors). The independent calculation of the 'cash back' model, resulted in a minimum cash balance in the order of \$35 million. The 'cash back' model also includes annual loan servicing costs (principal and interest repayments) at the request of management. This amendment resulted in the minimum cash balance increasing by \$5 million to \$40 million.

It should also be noted that, in the event Council were to identify sufficient funding for the large capital investment, the cash required (minimum cash balance) would reach and exceed the \$45 million minimum cash balance. Refer Figure 2 Section 5.2 Large Capital Investment.

Council's long term financial plan projections include medium to optimistic future expenditure targets. The expenditure targets are designed to reduce the overall cost of operations, would provide better value for Council run services as well as partly absorb escalation costs that are externally imposed on Council.

It may be prudent to prepare alternate long term financial scenarios, that reflect a more conservative approach to future cost escalations, particularly as a contingency in the event the proposed savings target may not be achievable. The capacity to achieve savings target can be impacted by both internal and external factors that can at times be beyond the control of Council.

5. CAPITAL ENVELOPE INVESTMENT PROPOSALS

5.1 Baseline Model

This model includes a proposed capital works program in the order of \$172 million over the next five years plus investment in the proposed ERP program. We are advised by management that the baseline capital program was prepared after inclusion of savings targets to ensure efficiency. The base line model was prepared before consideration of the capital investment options discussed in sections 5.2, 5.3 and 5.4.

The base line model is achievable as a cash surplus is maintained for the life of the LTFP.

The cash available line is maintained above the cash required line resulting in a sustainable position.

- Figure 1 below shows two lines. Cash Available (blue line) continues to exceed Cash Required (brown line) where:
 - Sustainable = Cash surplus – where Cash Available exceeds Cash Required.
- Sustainability is measured by Council's ability to hold sufficient cash and investments (blue line) that are equal to or greater than the liabilities and reserves identified by management to be 'set aside' (brown line). Setting cash aside is termed 'cash backing' to ensure money is always available to pay for these liabilities and reserves.

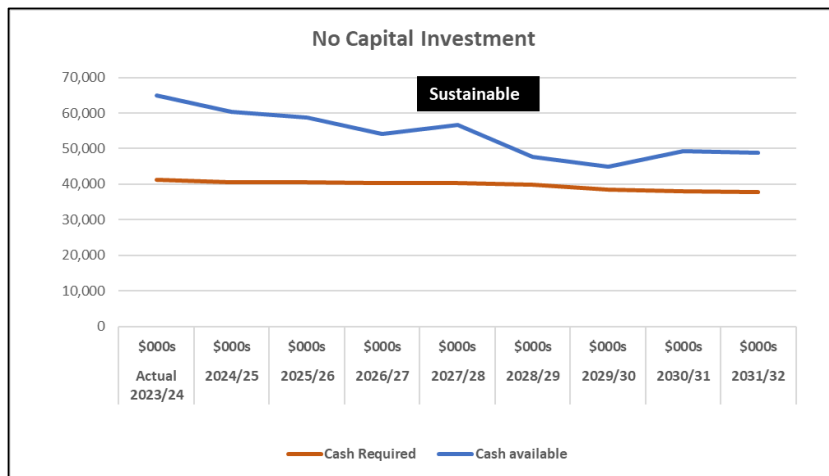


Figure 1: Cash Required v Cash Available – Baseline Model

5.2 Large Capital Investment \$100 million

The proposal is to develop a large facility with an estimated \$100 million project cost. The \$100 million is to be funded by \$75 million borrowings and \$25 million Council cash contribution.

Proceeding with a \$100 million large facility development is unsustainable as discussed below.

- Figure 2 shows two lines. Cash Available (blue line) that should continually exceed Cash Required (brown line) where:
 - Sustainable = Cash surplus – where Cash Available exceeds Cash Required.
 - Unsustainable = Cash deficit - where Cash Available is less than Cash Required.
- Sustainability is measured by Council’s ability to hold sufficient cash and investments (blue line) that are equal to or greater than the liabilities and reserves be ‘set aside’ (brown line). Setting cash aside is termed ‘cash backing’ to ensure money is available to pay for liabilities and reserves required to be held by Council.
- Proceeding with the large capital investment in its current form would erode the cash surplus, result in a significant cash deficit with insufficient working capital to pay day to day bills. While, in reality a council is unlikely to get to this position, an inability to pay bills as they fall due is technically classified as bankruptcy. This position is therefore unsustainable.
- We have also assessed the large capital investment by applying the Victorian Auditor General’s Office (VAGO) sustainability ratios. (Annexure B – VAGO Financial Sustainability Indicators) The VAGO Ratios reflect unfavourable results that includes the measure of profitability (termed adjusted underlying result) as well as unfavourable liquidity (insufficient cash).

The large capital investment of \$100 million, with partial offsets in capital works and service reductions, is also insufficient to fund the large capital investment. This proposal, comprising a \$10.8 million reduction to the capital program plus a \$5 million service reduction, would also be unsustainable.

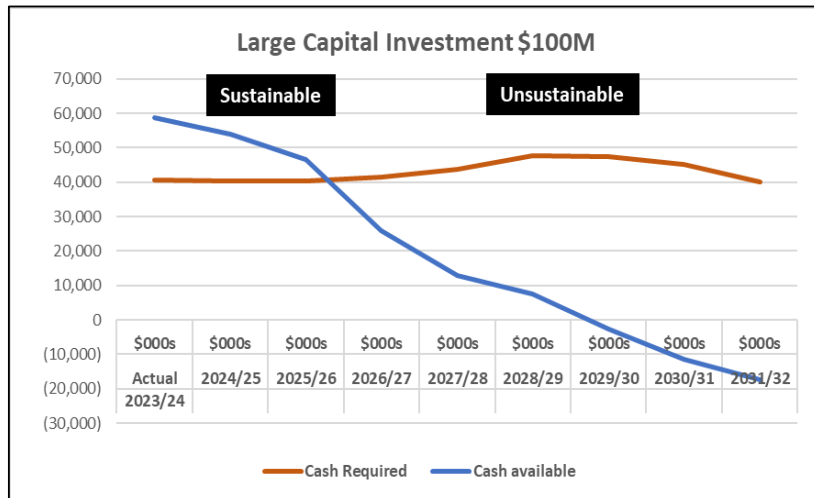


Figure 2: Cash Required v Cash Available – Large Capital Investment

| VAGO Ratios | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net Result | (0.2%) | (1.1%) | (1.6%) | (2.6%) | 2.0% | 1.1% | 0.9% | 0.6% | 0.4% | (0.6%) |
| Adjusted Underlying Result | (3.5%) | (5.0%) | (4.2%) | (5.2%) | (0.6%) | (1.4%) | (1.7%) | (1.9%) | (2.1%) | (3.0%) |
| Liquidity | 177.8% | 166.1% | 147.2% | 100.8% | 73.5% | 63.9% | 47.2% | 36.7% | 26.2% | 13.5% |
| Internal Financing | 111.3% | 100.8% | 73.5% | 42.6% | 54.6% | 124.7% | 110.7% | 110.8% | 106.2% | 103.1% |
| Indebtedness | 17.0% | 14.2% | 15.9% | 25.7% | 35.8% | 29.4% | 23.5% | 19.8% | 16.1% | 12.5% |
| Capital Replacement Ratio | 91.6% | 94.8% | 126.0% | 201.4% | 211.5% | 92.6% | 101.8% | 96.5% | 100.4% | 97.0% |
| Renewal Gap Ratio | 75.9% | 79.6% | 110.7% | 185.3% | 203.1% | 81.4% | 88.3% | 85.8% | 80.9% | 76.0% |

Table 1: VAGO Ratios – Large Capital Investment

The VAGO ratios in Table 1 confirm the unsustainable position:

- Net result – mix of positive and negative outcomes.
- Adjusted underlying result – negative for each year that reflects a medium to long term unsustainable position.
- Liquidity – annual reduction that moves below the minimum acceptable ratio of 100% during the 2029/30 financial year.
- Renewal gap ratio – below the target of 100% for the majority of the ten years.

5.3 Medium Capital Investment \$10 million

The proposal is to develop a medium facility with a \$10 million project cost to be fully funded by Council cash contribution.

Proceeding with a \$10 million facility, while achievable, would compromise Council's future sustainability.

- This proposal would result in the current cash surplus moving to a cash deficit that would compromise future sustainability over the medium to long term.
- Figure 3 shows two lines. Cash Available (blue line) that should continually exceed Cash Required (brown line) where:
 - Sustainable = Cash surplus – where Cash Available exceeds Cash Required.
- Unsustainable = Cash deficit - where Cash Available is less than Cash Required. We have also assessed the medium capital investment by applying the Victorian Auditor General's Office (VAGO) sustainability ratios. The VAGO Ratios reflect unfavourable results that includes the measure of profitability (termed adjusted underlying result) as well as an unfavourable renewal gap ratio. The renewal gap ratio is a measure of Council 's ability to replace its assets on a needs basis without increasing the infrastructure renewal gap.

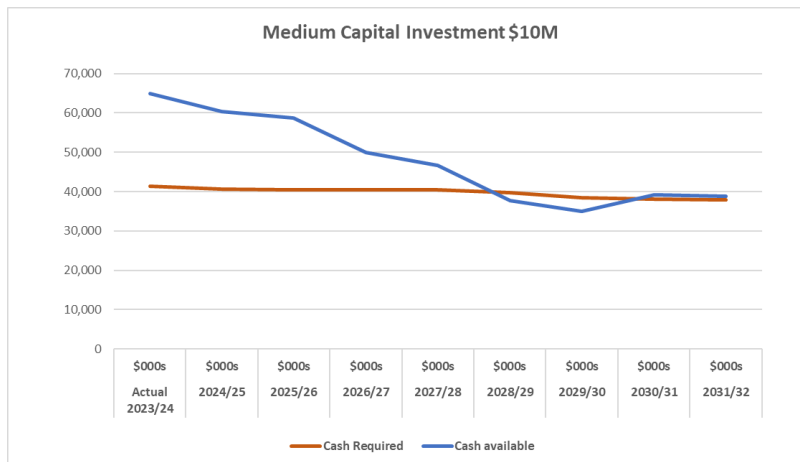


Figure 3: Cash Required v Cash Available – Medium Capital Investment

| VAGO Ratios | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net Result | (0.2%) | (1.1%) | (1.5%) | (2.3%) | 2.9% | 2.5% | 2.1% | 1.6% | 1.2% | 0.1% |
| Adjusted Underlying Result | (3.5%) | (5.0%) | (4.2%) | (4.9%) | 0.3% | (0.1%) | (0.4%) | (0.9%) | (1.2%) | (2.3%) |
| Liquidity | 177.8% | 157.7% | 149.9% | 131.4% | 128.7% | 137.0% | 138.8% | 156.7% | 164.7% | 169.1% |
| Internal Financing | 111.3% | 90.2% | 105.1% | 89.1% | 105.5% | 124.7% | 110.7% | 110.8% | 106.2% | 103.1% |
| Indebtedness | 17.0% | 14.2% | 11.4% | 8.6% | 5.9% | 3.2% | 1.1% | 1.1% | 1.0% | 1.0% |
| Capital Replacement Ratio | 91.6% | 105.9% | 88.1% | 96.3% | 109.4% | 92.6% | 101.8% | 96.5% | 100.4% | 97.0% |
| Renewal Gap Ratio | 75.9% | 90.5% | 73.4% | 81.8% | 102.7% | 81.4% | 88.3% | 85.8% | 80.9% | 76.0% |

Table 2: VAGO Ratios – Medium Capital Investment

The VAGO ratios in Table 2 confirm the unsustainable position:

- Net result – mix of positive and negative outcomes.
- Adjusted underlying result – negative for each year that reflects medium to long term sustainability issues particularly regarding the shortfall to renewal capital investment when compared to annual depreciation charges.
- Liquidity – sustainable as the ratio remains above either 100% or 150% for the life of the LTFP.
- Renewal gap ratio – below the target of 100% for the majority of the ten years that supports the proposition of medium to longer term sustainability challenges.

5.4 Small Capital Investment \$5 million

The proposal is to develop a small facility with a \$5 million project cost to be funded by Council cash contribution.

This scenario is achievable as a cash surplus is maintained for the life of the long term financial plan.

- However, as identified in Figure 4 below, this scenario erodes almost all of the current cash surplus.
- Figure 4 below shows two lines. Cash Available (blue line) that should continually exceed Cash Required (brown line) where:
 - Sustainable = Cash surplus – where Cash Available exceeds Cash Required.
 - Unsustainable = Cash deficit - where Cash Available is less than Cash Required.

- Sustainability is measured by Council’s ability to hold sufficient cash and investments (blue line) that are equal to or greater than the liabilities and reserves identified by management to be ‘set aside’ (brown line). Setting cash aside is termed ‘cash backing’ to ensure money is always available to pay for these liabilities and reserves.
- Proceeding with the small capital investment is sustainable, by the definition above, however, erodes the current and available cash balance.
- We have also assessed the small capital investment by applying the Victorian Auditor General’s Office (VAGO) sustainability ratios. The VAGO Ratios reflect unfavourable results that includes the measure of profitability (termed adjusted underlying result) as well as an unfavourable renewal gap ratio. The renewal gap ratio is a measure of Council’s ability to replace its assets on a needs basis without increasing the infrastructure renewal gap.

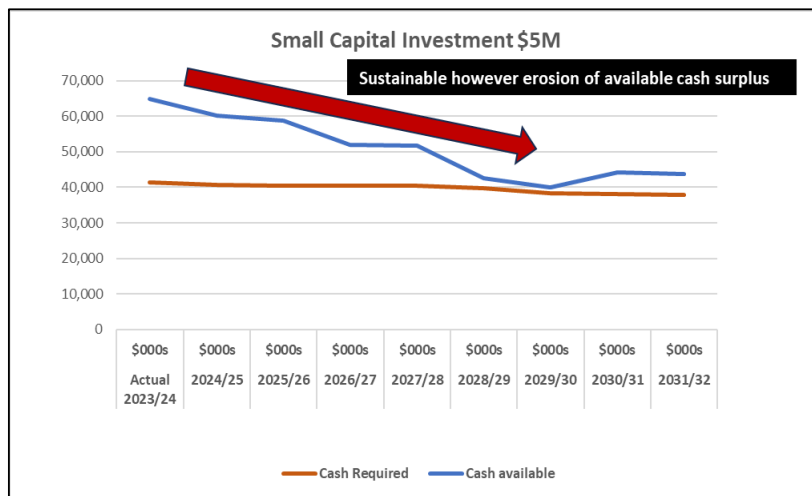


Figure 4: Cash Required v Cash Available – Small Capital Investment

| VAGO Ratios | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net Result | (0.2%) | (1.1%) | (1.5%) | (2.3%) | 2.9% | 2.5% | 2.1% | 1.6% | 1.2% | 0.1% |
| Adjusted Underlying Result | (3.5%) | (5.0%) | (4.2%) | (4.9%) | 0.3% | (0.1%) | (0.4%) | (0.9%) | (1.2%) | (2.3%) |
| Liquidity | 177.8% | 161.9% | 160.3% | 141.7% | 139.0% | 147.2% | 149.1% | 167.9% | 175.8% | 180.0% |
| Internal Financing | 111.3% | 95.2% | 115.8% | 89.1% | 105.5% | 124.7% | 110.7% | 110.8% | 106.2% | 103.1% |
| Indebtedness | 17.0% | 14.2% | 11.4% | 8.6% | 5.9% | 3.2% | 1.1% | 1.1% | 1.0% | 1.0% |
| Capital Replacement Ratio | 91.6% | 100.4% | 80.0% | 96.3% | 109.4% | 92.6% | 101.8% | 96.5% | 100.4% | 97.0% |
| Renewal Gap Ratio | 75.9% | 85.0% | 65.4% | 81.8% | 102.7% | 81.4% | 88.3% | 85.8% | 80.9% | 76.0% |

Table 3: VAGO Ratios – Small Capital Investment

The VAGO ratios in Table 3 confirm the position:

- Net result – mix of positive and negative outcomes.
- Adjusted underlying result – negative for each year that reflects medium to long term sustainability issues particularly regarding the shortfall to renewal capital investment when compared to annual depreciation charges.
- Liquidity – sustainable as the ratio remains above either 100% or 150% for the life of the LTFP.
- Renewal gap ratio – below the target of 100% for the majority of the ten years that reinforces the medium to longer term sustainability challenges discussed above.



ANNEXURES

6. ANNEXURES

6.1 Annexure A – Project Brief

Research, review and compare Council's budget parameters, including annual escalation factors, with current economic trends, forecasts and available indices. Consider comparatives to other LGA's based on information provided by Darebin City Council and known industry trends.

Review and update the LTFP model to reflect Council's current and future years income and expense projections, including Capital works budget envelopes. For each Capital works scenario, assess the proposed budget and future years income statement, balance sheet, cashflow statement and capital works statements with regard to:

- VAGO sustainability ratios
- Council's minimum cash balance methodology
- Management Cash Result (MCR) approach that calculates 'cash required' in order to measure sustainability.

Review the renewal capital works allocation in the context of known parameters including future asset renewal profile and current depreciation charges. Assess the proposed Capital works investment between renewal, upgrade, expansion, new with regard to VAGO ratios and cash balance methodologies.

Review Council's minimum cash balance methodology and apply the MCR approach for each LTFP and capital envelope scenario identified above. Consider comparatives to other LGA's based on information provided by Darebin City Council and known industry trends.

Review, identify and document a range of opportunities and recommendations in order for Council to maintain sustainability with a view to support the preferred future capital investment profile.

Prepare a draft report plus a final report that documents observations and findings for each of the key project deliverables.

6.2 Annexure B – VAGO Financial Sustainability Indicators

| Indicator | Formula | Description |
|--------------------------------|--|--|
| Net result margin (%) | Net result/total revenue | <p>A positive result indicates a surplus. The larger the percentage, the stronger the result.</p> <p>A negative result indicates a deficit. Operating deficits cannot be sustained in the long term.</p> <p>The net result and total revenue are obtained from the comprehensive income statement.</p> |
| Adjusted underlying result (%) | Adjusted underlying surplus (or deficit)/adjusted underlying revenue | <p>This measures an entity's ability to generate surplus in the ordinary course of business, excluding non-recurrent capital grants, non-monetary asset contributions and other contributions, to fund capital expenditure from its net result.</p> <p>A surplus or increasing surplus suggests an improvement in the operating position.</p> |
| Liquidity (ratio) | Current assets/current liabilities | <p>This measures an entity's ability to pay existing liabilities in the next 12 months.</p> <p>A ratio of 1 or more means that an entity has more cash and liquid assets than short-term liabilities.</p> |
| Internal financing (%) | Net operating cash flow/net capital expenditure | <p>This measures an entity's ability to finance capital works from generated cash flow.</p> <p>The higher the percentage, the greater the ability for the entity to finance capital works from its own funds.</p> <p>Net operating cash flows and net capital expenditure are obtained from the statement of cash flows.</p> |
| Indebtedness (%) | Non-current liabilities/own-sourced revenue | <p>This assesses an entity's ability to pay the principal and interest on its borrowings when they are due from the funds it generates.</p> <p>The lower the ratio, the less revenue the entity is required to use to repay its total debt.</p> <p>Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.</p> |
| Capital replacement (ratio) | Cash outflows for the addition of new property, infrastructure, plant and equipment/depreciation | <p>This compares the rate of spending on new infrastructure, property, plant and equipment with its depreciation. Ratios higher than 1 indicate that spending is faster than the depreciating rate.</p> <p>This is a long-term indicator, because capital expenditure can be deferred in the short term if there are insufficient funds available from operations and borrowing is not an option. Cash outflows for property, infrastructure, plant and equipment are taken from the statement of cash flows. Depreciation is taken from the comprehensive income statement.</p> |
| Renewal gap (ratio) | Renewal and upgrade expenditure/depreciation | <p>This compares the rate of spending on renewing, restoring and replacing existing assets with depreciation.</p> <p>Ratios higher than 1 indicate that spending on existing assets is faster than the depreciation rate.</p> |

Note: The internal financing ratio cannot be less than zero. Where a calculation has produced a negative result, this has been rounded up to 0 per cent.
Source: VAGO.



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| DAREBIN CITY COUNCIL - 10 YEAR FINANCIAL PLAN BUDGET PARAMETERS - MEDIUM RISK | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|
| Escalation Factors % movement | 2024/25 | 2025/26 | 2026/27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | Supporting Comments |
| CPI | 4.00% | 3.50% | 3.00% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | Source: Reserve Bank of Australia |
| Rates and charges | 2.75% | 3.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | Based on rate cap assumptions. This line does not include the Waste component of Rates & Annual Charges. Annual price escalation for the Waste Component is aligned to Materials and Services as this is where the associated expenses (cost neutral) come from. |
| Waste Charge | 6.30% | 5.00% | 4.50% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | Waste Charge not subject to Rate Cap. Required to be cost neutral. Pegged to Materials & Services price escalation rates |
| Statutory fees and fines | 5.00% | 3.50% | 3.00% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | CPI |
| User fees | 2.75% | 3.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | Aligned to rate cap |
| Grants - Operating | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | Only re-current grants - conservative approach |
| Grants - Capital | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | Only re-current grants |
| Contributions - monetary | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | Escalation to be overridden by OSL & DCP annual estimates. |
| Contributions - non-monetary | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | Not budgeted as adhoc receipts. |
| Other income | 1.00% | 3.50% | 3.00% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | Miscellaneous income except Investment income. The rest aligned to CPI |
| Interest Rate (Investments) | 4.25% | 4.15% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | Interest Income will be based on the estimated average cash balance for the 2025/26 financial year at 3.75%. |
| Employee costs | 3.34% | 4.00% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 2.63% | 100% of Rate Cap for 25/26 (85% thereafter) plus SGC until 25/26 plus 0.5% increment increase |
| Materials and services* | 6.30% | 5.00% | 4.50% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% | CPI + 1.5% |
| Utilities | 9.70% | 6.50% | 6.00% | 5.80% | 5.80% | 5.80% | 5.80% | 5.80% | 5.80% | 5.80% | 5.80% | CPI + 3% due to current market conditions |
| Corporate Insurances | | 20.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | Due to current market conditions |
| Depreciation & Amortisation | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | Mainly driven by cyclical asset revaluations. 3% per year for budgeting purposes allows for these cyclical fluctuations. Average escalation of 4.4% over last 3 years. |
| Interest Rate (loans) | 5.50% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | Indicative interest rates for any future loans. No additional borrowings has been budgeted. |
| Other expenses | 2.50% | 3.50% | 3.00% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | 2.80% | CPI |

* Annual price escalation of Councils service contracts are intrinsically linked to CPI - All Groups indexation.

APPENDIX C**Updated Base Scenario – Financial Modelling****Scenario 0 – Updated Base Long Term Financial Plan (LTFP)****Recommended – Assuming below savings targets are operationalised****Key financial assumptions built into modelling**

- **Savings target - \$14.7M savings over the next 10 years:**
 - FY 2025-26: \$3.2M
 - *Combination of \$1.8M original target plus \$1.4M of additional savings*
 - FY 2026-27: \$2.4M original savings target
 - FY 2027-28: \$3.1M
 - *Combination of \$2.6M original plus \$500K Digital Transformation savings.*
 - FY2028-29: \$1M Digital Transformation Savings
 - FY2029-30: \$1M Digital Transformation Savings
 - FY2030-31: \$1M Digital Transformation Savings
 - FY2031-32: \$1M Digital Transformation Savings
 - FY2032-33: \$1M Digital Transformation Savings
 - FY2033-34: \$1M Digital Transformation Savings
 - FY2034-35: No additional savings required

- **Staff Vacancies - \$24.6M built in vacancy offset over next 10 years, profiled as follows:**
 - FY 2024-35: 15% (2 months) of the current vacancy rate across Council, which is approx.13%.

In summary, the LTFP model includes a total savings of \$39.3M over the 10-year financial plan. This averages to \$4M per year commencing 2025/26.

- **Borrowings:**
 - No new borrowings over 10-year horizon.
 - Existing borrowings to be fully repaid in June 2032-33 with annual repayments approx. \$5.8M.
- **Digital Transformation Implementation**

| | FY 2024-25 | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 | Total |
|--------------------|------------|------------|------------|------------|------------|----------|
| Investment Profile | \$500K | \$6.00M | \$9.50M | \$10.00M | \$10.44M | \$36.44M |

Table 1 – Updated Base LTFP – Key Results

| | Original Base Model | Updated Base Model | Updated Base Model | Original Base Model | Updated Base Model | Original Base Model | Updated Base Model | Original Base Model | Updated Base Model | Updated Base Model | Updated Base Model |
|------------|-----------------------|-----------------------|-----------------------|---------------------|--------------------|---------------------|--------------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| Year | Cash & Investment Bal | Cash & Investment Bal | Minimum Cash Required | CWP | CWP | Op Projects | Op Projects | Loan Repayments (P&I) | Loan Repayments (P&I) | Increased Loan Repayments (I&P) | Loan Repayments - Interest only |
| FY 2025-26 | 58,775 | 55,535 | 44,908 | 31,900 | 31,900 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,445 |
| FY 2026-27 | 54,024 | 53,662 | 45,386 | 34,000 | 31,000 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,275 |
| FY 2027-28 | 56,676 | 53,562 | 45,986 | 26,546 | 29,546 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,098 |
| FY 2028-29 | 47,655 | 45,625 | 45,501 | 36,638 | 37,638 | 2,800 | 2,800 | 5,843 | 5,843 | - | 913 |
| FY 2029-30 | 45,000 | 45,588 | 44,820 | 42,899 | 41,899 | 2,000 | 2,000 | 5,843 | 5,843 | - | 722 |
| FY 2030-31 | 49,209 | 51,303 | 45,243 | 37,384 | 37,384 | 2,000 | 2,000 | 5,843 | 5,843 | - | 522 |
| FY 2031-32 | 48,737 | 52,308 | 45,722 | 42,328 | 42,328 | 2,000 | 2,000 | 5,843 | 5,843 | - | 314 |
| FY 2032-33 | 49,284 | 54,296 | 43,954 | 41,346 | 41,346 | 2,800 | 2,800 | 4,739 | 4,739 | - | 108 |
| FY 2033-34 | 52,850 | 59,262 | 39,193 | 44,276 | 44,276 | 2,000 | 2,000 | 0 | 0 | - | 0 |
| FY 2034-35 | 55,021 | 62,800 | 39,788 | 44,093 | 44,093 | 2,000 | 2,000 | 0 | 0 | - | 0 |

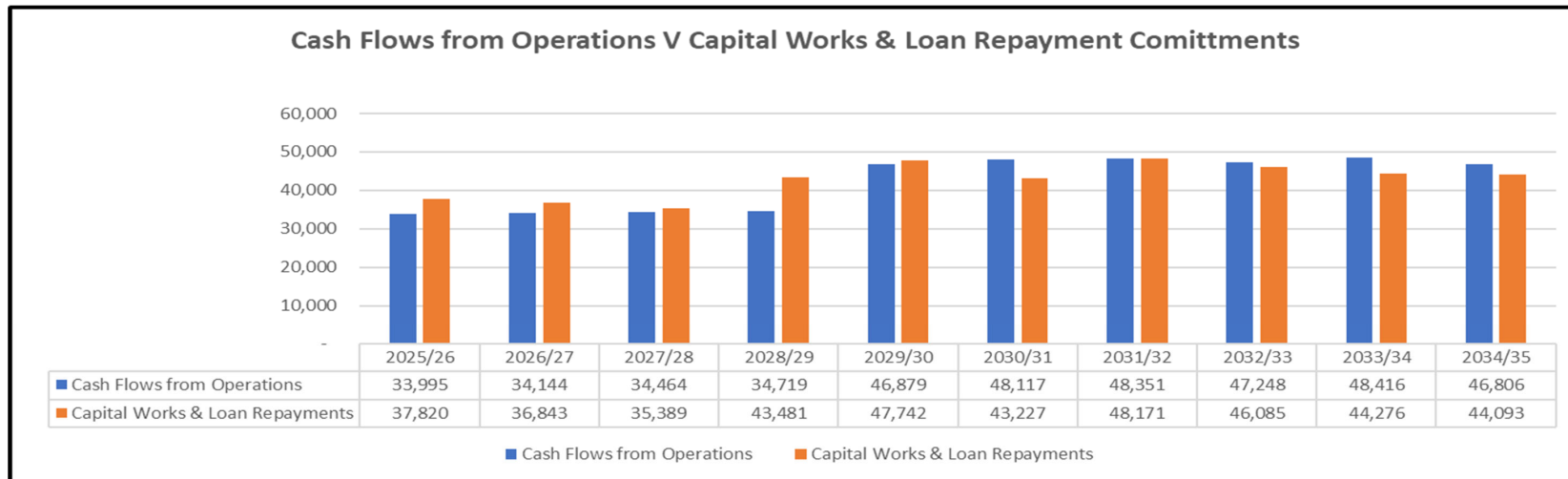
NB: This Scenario is supported assuming the \$39.3M savings targets are operationalised

Table 2 – Updated Base LTFP – Key budget envelopes

| | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 |
|----------------------|-------|-------|-------|--------|-------|-------|-------|--------|-------|-------|
| Capital Renewal | \$27M | \$26M | \$25M | \$33M | \$40M | \$33M | \$37M | \$37M | \$36M | \$35M |
| Capital Improvements | \$5M | \$5M | \$5M | \$5M | \$2M | \$4M | \$5M | \$4M | \$8M | \$9M |
| Total CW Program | \$32M | \$31M | \$30M | \$38M | \$42M | \$37M | \$42M | \$41M | \$44M | \$44M |
| Operating Projects | \$2M | \$2M | \$2M | \$2.8M | \$2M | \$2M | \$2M | \$2.8M | \$2M | \$2M |

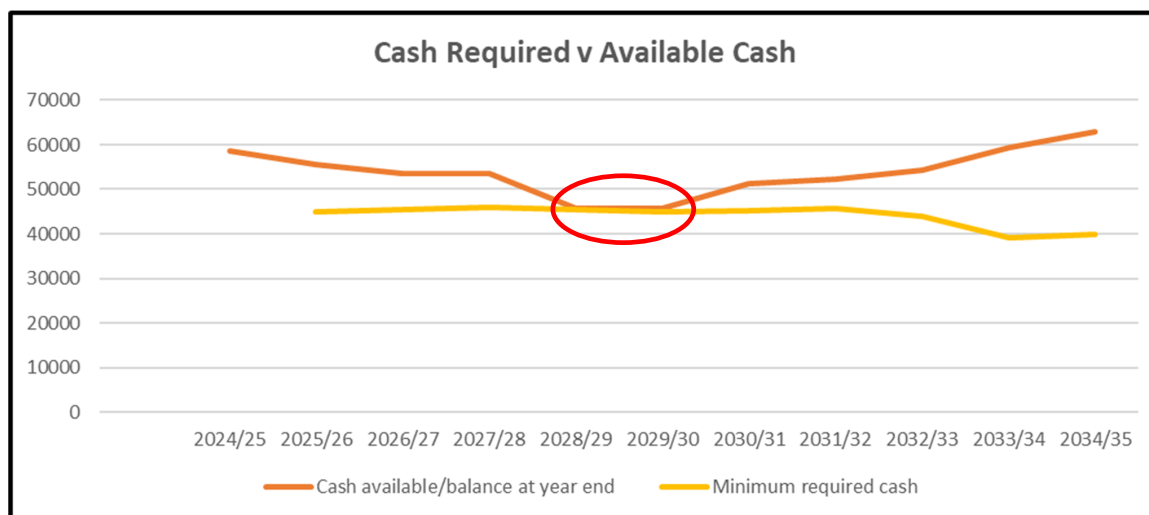
NB: The budget envelopes described above are financially sustainable, assuming the \$39.3M in savings are realized

Table 3 – Updated Base LTFP – Cash generated through operations



- Despite significant cash deficits projected over the next five years, Council is expected to generate **sufficient** operational cash flow over the full 10-year period to fund its Capital Works program and service current loan repayments. This improvement is anticipated from year six onwards, driven by the completion of the Digital Transformation project, repayment of existing loans, and achievement of savings targets.

Table 4 – Updated Base LTFP – Cash Required v Available cash



Council's cash & investment balances are projected to decrease significantly over the next 5 years, depleting all surpluses relative to the minimum cash required¹ for financial sustainability.

Financial model supported on the assumption above savings targets are operationalised.

¹ \$44M average minimum cash & investment balance in this scenario. Represents minimum cash required to fund current net liabilities, cash reserves, employee provisions & loan repayments.

Table 5 – Updated Base LTFP – Key financial sustainability indicators

| Key Financial Sustainability Indicators | Target | 2024/25 (Adopted) | 2025/26 (Draft) | 2026/27 (Draft) | 2027/28 (Draft) | 2028/29 (Draft) | 2029/30 (Draft) | 2030/31 (Draft) | 2031/32 (Draft) | 2032/33 (Draft) | 2033/34 (Draft) | 2034/35 (Draft) |
|---|----------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net result | More than 0% | 0.6% | (0.9%) | (1.1%) | (1.4%) | (1.2%) | 3.4% | 3.1% | 2.7% | 2.1% | 1.7% | 0.6% |
| Adjusted underlying result | More than 5% | (2.2%) | (4.1%) | (5.1%) | (4.3%) | (4.4%) | 0.3% | (0.0%) | (0.4%) | (0.9%) | (1.2%) | (2.3%) |
| Liquidity | More than 1.0 | 1.79 | 1.71 | 1.66 | 1.65 | 1.50 | 1.53 | 1.64 | 1.69 | 1.92 | 2.03 | 2.10 |
| Unrestricted Cash | More than 80% | 92.9% | 85.2% | 79.8% | 78.8% | 61.4% | 61.8% | 72.6% | 75.3% | 86.5% | 96.6% | 103.0% |
| Internal financing | More than 100% | 97.2% | 106.6% | 110.1% | 116.6% | 92.2% | 111.9% | 128.7% | 114.2% | 114.3% | 109.4% | 106.2% |
| Indebtedness | 40% or less | 19.7% | 16.9% | 14.1% | 11.3% | 8.5% | 5.8% | 3.2% | 1.1% | 1.1% | 1.0% | 1.0% |
| Capital replacement ratio | More than 1.5 | 1.08 | 0.92 | 0.86 | 0.80 | 0.99 | 1.07 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Renewal gap ratio | More than 1.0 | 0.88 | 0.61 | 0.69 | 0.62 | 0.99 | 1.07 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Loans & Borrowings payments | Less than 5% | 3.8% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.1% | 3.0% | 2.4% | 0.0% | 0.0% |

Low Risk
 Medium Risk
 High Risk

Appendix D

Additional Scenario's – Financial Modelling

High level summary and results of additional financial modelling as requested by Council at its Ordinary Council meeting on December 16, 2024

| Scenario | Key Assumptions | Key Findings |
|--|--|---|
| Base Scenario | <ul style="list-style-type: none"> Rate Cap 3% / EBA 3% Draft budget parameters + Q2 results Minimum cash Bal: \$45M Savings assumed: \$39.3M | <ul style="list-style-type: none"> Insufficient cashflows through operations to fund capex & debt repayment. \$39.3M savings over next 10 yrs to remain financially sustainable. Medium risk strategy Financially sustainable with operationalised savings to value of \$39.3M over 10 years (\$9.7M over the next four years). |
| Base + large investment with borrowings (Sc 1) | <ul style="list-style-type: none"> Cost: \$100M over 3 yrs \$75M borrowings/\$25M council contribution | <ul style="list-style-type: none"> Negative cash balance. \$9.5M pa additional loan repayments. Not financially sustainable (<i>without \$67M additional savings operationalised over 10 years</i>) Total Required Savings: \$39.3M+\$67M = \$106.3M over 10 years |
| Base + Sc 1 + offsets (Sc 1A) | <ul style="list-style-type: none"> As per Sc 1 \$10.8M reduction in capex over construction period (over 3 years) \$5M perm savings in operations from FY 27-28. Total: \$40M | <ul style="list-style-type: none"> Unable to maintain min. cash balance Significant additional savings required. \$9.5M pa additional loan repayments Not financially sustainable (<i>without \$20M additional savings operationalised</i>). Total Required Savings: \$39.3M+\$20M = \$59.3M over 10 years (if offsets are found) |
| Base + Sc 1 + reduced investment cost (Sc 1B) | <ul style="list-style-type: none"> Cost: \$65M over 3 yrs \$35M borrowings/\$20M council contribution/\$10M Govt grant. | <ul style="list-style-type: none"> Unable to maintain min. cash balance Significant additional savings required. \$4.5M additional loan repayments Not financially sustainable (<i>without \$26M additional savings operationalised</i>) Total Required Savings: \$39.3M+\$26M = \$65.3M over 10 years |
| Base + Sc 1B + No Borrowings (Sc 1C) | <ul style="list-style-type: none"> Cost: \$65M over 3 yrs \$20M council contribution/\$45M Govt grant. | <ul style="list-style-type: none"> Unable to maintain min. cash balance Significant additional savings required. Very High-Risk strategy Not financially sustainable (<i>without \$16M additional savings operationalised</i>) Total Required Savings: \$39.3M + \$16M = \$55.3M over 10 years |
| Base + medium investment (S2) | <ul style="list-style-type: none"> Cost: \$10M over 2 yrs No borrowings | <ul style="list-style-type: none"> Unable to maintain min. cash balance Additional savings required: \$10M. High-Risk strategy Not financially sustainable (<i>without \$10M additional savings operationalised</i>) Total Required Savings: \$39.3M+\$10M = \$49.3M |
| Base + small investment (S3) | <ul style="list-style-type: none"> Cost: \$5M over 2 yrs | <ul style="list-style-type: none"> Unable to maintain min. cash balance Additional savings required: \$5M. High-Risk strategy Not financially sustainable (<i>without \$5M additional savings operationalised</i>) Total Required Savings: \$39.3M+\$5M = \$44.3M |

Detailed review of each scenario modelled, with results can be found below;

Scenario 1 – Base Scenario + Redevelopment of a large Council facility: \$100M – Intergenerational asset

Not Recommended - Not financially sustainable.

- Utilising the updated base scenario (noted in cover report) as originally presented at Council briefing, 9 Dec 2024.
- Adding large investment into an inter-generation type asset valued at **\$100M** (in today's \$\$)
- Construction over 3 financial years, FY 2027-28, FY 2028-29 & FY 2029-30
- Borrowing **\$75M**, FY 2027-28: \$10M, FY 2028-29: \$30M & FY 2029-30: \$35M – 10-year loan at 5% per annum (subject to bank credit approval).
- Council cash contribution: **\$25M**, FY 2027-28: \$10M, FY 2028-29: \$10M & FY 2029-30: \$5M
- Total additional Capital Expenditure: **\$100M**, FY 2027-28: \$20M, FY 2028-29: \$40M & 2029-30: \$40M

Table 1 – Scenario 1 – Key budget envelopes

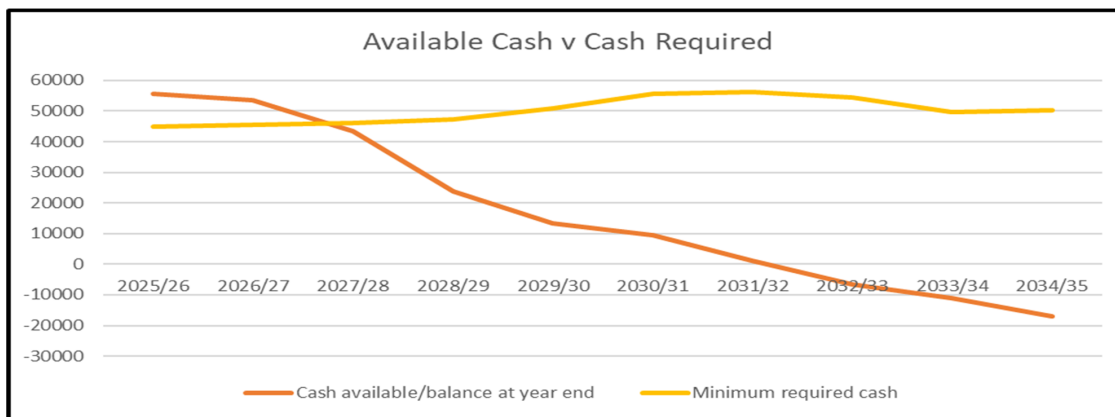
| | Updated Base Model | Sc 1 | Sc 1 | Updated Base Model | Sc 1 | Updated Base Model | Sc 1 | Updated Base Model | Sc 1 | Sc 1 | Sc 1 |
|------------|-----------------------|-----------------------|-----------------------|--------------------|--------|--------------------|-------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| Year | Cash & Investment Bal | Cash & Investment Bal | Minimum Cash Required | CWP | CWP | Op Projects | Op Projects | Loan Repayments (P&I) | Loan Repayments (P&I) | Increased Loan Repayments (I&P) | Loan Repayments - Interest only |
| FY 2025-26 | 55,535 | 55,535 | 44,908 | 31,900 | 31,900 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,445 |
| FY 2026-27 | 53,604 | 53,662 | 45,386 | 31,000 | 31,000 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,275 |
| FY 2027-28 | 53,384 | 43,456 | 46,102 | 29,546 | 49,546 | 2,000 | 2,000 | 5,843 | 5,949 | (106) | 1,139 |
| FY 2028-29 | 45,261 | 23,928 | 47,251 | 37,638 | 77,638 | 2,800 | 2,800 | 5,843 | 7,434 | (1,591) | 1,517 |
| FY 2029-30 | 44,969 | 13,428 | 50,829 | 41,899 | 81,899 | 2,000 | 2,000 | 5,843 | 11,305 | (5,462) | 2,742 |
| FY 2030-31 | 50,359 | 9,598 | 55,743 | 37,384 | 37,384 | 2,000 | 2,000 | 5,843 | 15,389 | (9,546) | 3,907 |
| FY 2031-32 | 50,964 | 1,057 | 56,223 | 42,328 | 42,328 | 2,000 | 2,000 | 5,843 | 15,389 | (9,546) | 3,384 |
| FY 2032-33 | 52,475 | (6,501) | 54,455 | 41,346 | 41,346 | 2,800 | 2,800 | 4,739 | 14,284 | (9,546) | 2,847 |
| FY 2033-34 | 56,883 | (11,081) | 49,693 | 44,276 | 44,276 | 2,000 | 2,000 | - | 9,546 | (9,546) | 2,391 |
| FY 2034-35 | 59,779 | (17,089) | 50,288 | 44,093 | 44,093 | 2,000 | 2,000 | - | 9,546 | (9,546) | 2,025 |

Cash & Investment balances significantly reduce under this scenario. High risk of bankruptcy

Key Notes

- Scenario results in additional loan repayments of **\$9.6M** annually. Whilst Council has capacity to borrow the funds (\$75M), the following key points are noted:
 - Due to low cash levels and existing commitments, Council **cannot afford** to contribute \$25M (25%) of project cost.
 - Under this scenario, Council is generating **insufficient** positive cash flows through operations to fund its Capital Works Program **and** service additional loan repayments. Therefore, Council’s Cash & Investment balances are consistently reducing below recommended **high risk**¹ levels over the 10-year horizon.
 - Under this scenario, Council will be required to identify additional savings to the value of **\$67M** over a ten (10) year period.
- Estimated impact to cash & investment balances resulting from this scenario, graphically displayed at table 2 below.

Table 2 Scenario 1 – Available Cash v Cash Required



Under this scenario, it is projected Council’s cash & investment balances reduce to negative in year 2032-33, reflecting high risk of bankruptcy.

¹ \$50M average minimum cash & investment balance in this scenario. Represents minimum cash required to fund current net liabilities, cash reserves, employee provisions & loan repayments.

Table 3 - Scenario 1 – Cash generated through operations

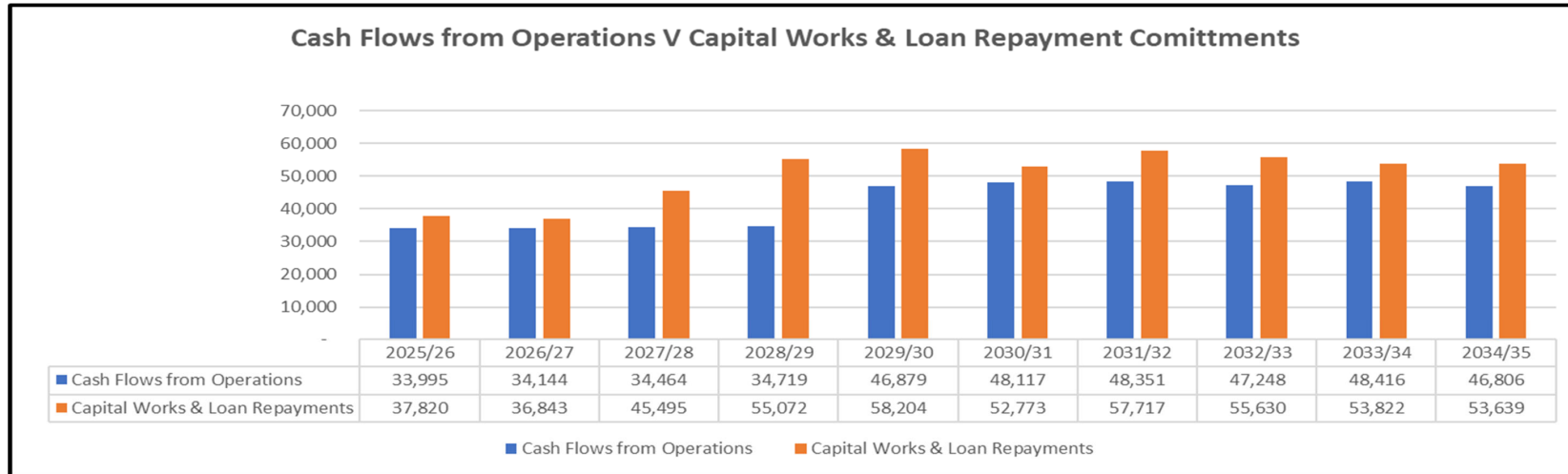


Table 4 - Scenario 1 – Financial Sustainability indicators

| Key Financial Sustainability Indicators | Target | 2024/25 (Adopted) | 2025/26 (Draft) | 2026/27 (Draft) | 2027/28 (Draft) | 2028/29 (Draft) | 2029/30 (Draft) | 2030/31 (Draft) | 2031/32 (Draft) | 2032/33 (Draft) | 2033/34 (Draft) | 2034/35 (Draft) |
|---|----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net result | More than 0% | 0.6% | (0.9%) | (1.1%) | (1.5%) | (1.6%) | 2.5% | 1.6% | 1.3% | 0.9% | 0.7% | (0.3%) |
| Adjusted underlying result | More than 5% | (2.2%) | (4.1%) | (5.1%) | (4.3%) | (4.8%) | (0.7%) | (1.6%) | (1.8%) | (2.1%) | (2.3%) | (3.3%) |
| Liquidity | More than 1.0 | 1.79 | 1.71 | 1.66 | 1.42 | 0.98 | 0.75 | 0.68 | 0.53 | 0.45 | 0.36 | 0.25 |
| Unrestricted Cash | More than 80% | 92.9% | 85.2% | 79.7% | 56.5% | 15.3% | (5.1%) | (12.5%) | (28.6%) | (46.1%) | (55.1%) | (66.4%) |
| Internal financing | More than 100% | 97.2% | 106.6% | 110.0% | 69.3% | 44.5% | 56.9% | 127.8% | 113.3% | 113.1% | 108.1% | 104.7% |
| Indebtedness | 40% or less | 19.7% | 16.9% | 14.1% | 15.7% | 25.5% | 35.5% | 29.1% | 23.3% | 19.7% | 16.0% | 12.4% |
| Capital replacement ratio | More than 1.5 | 1.08 | 0.92 | 0.86 | 1.34 | 2.04 | 2.09 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Renewal gap ratio | More than 1.0 | 0.88 | 0.61 | 0.69 | 1.16 | 2.04 | 2.09 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Loans & Borrowings payments | Less than 5% | 3.8% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.1% | 3.0% | 2.4% | 0.0% | 0.0% |

Scenario 1A – Base Scenario + Redevelopment of a large Council facility: \$100M with partial offsets – Intergenerational asset

Not Recommended – Not financially sustainable, acknowledging offsets

- Utilising the updated base scenario (Scenario 5) as originally presented at Council briefing, 9 Dec 2024.
- Adding large investment into an inter-generation type asset valued at **\$100M** (in today's \$\$)
- Construction over 3 financial years, FY 2027-28, FY 2028-29 & FY 2029-30
- Borrowing **\$75M**, FY 2027-28: \$10M, FY 2028-29: \$30M & FY 2029-30: \$35M – 10-year loan at 5% per annum (subject to bank credit approval).
- Council cash contribution: **\$25M**, FY 2027-28: \$10M, FY 2028-29: \$10M & FY 2029-30: \$5M
- Total additional Capital Expenditure: **\$100M**, FY 2027-28: \$20M, FY 2028-29: \$40M & 2029-30: \$40M
- Council cash contribution: part funded through halving the Capital Improvement program **during construction (\$10.8M)** and through reducing/ceasing operational services to value of **\$5M annually**, commencing FY 2027-28.

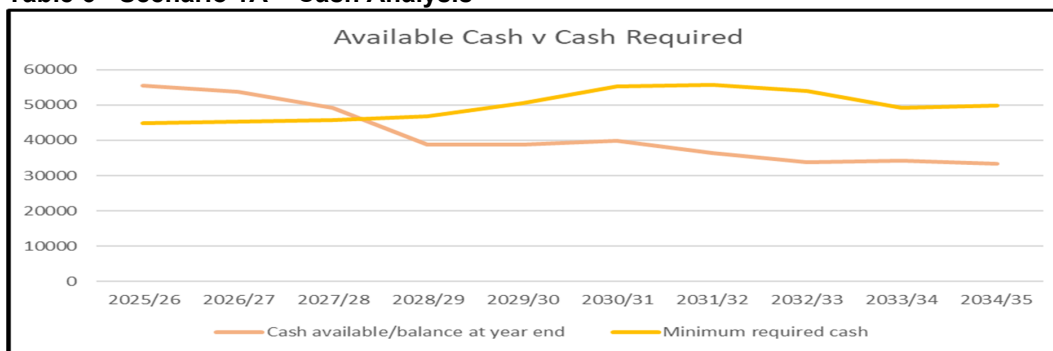
Table 5 - Scenario 1A – Key budget envelopes

| | Sc 1 | Sc 1A | Sc 1A | Sc 1 | Sc 1A | Sc 1 | Sc 1A | Sc 1 | Sc 1A | Sc 1A | Sc 1A |
|------------|-----------------------|-----------------------|-----------------------|--------|--------|-------------|-------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| Year | Cash & Investment Bal | Cash & Investment Bal | Minimum Cash Required | CWP | CWP | Op Projects | Op Projects | Loan Repayments (P&I) | Loan Repayments (P&I) | Increased Loan Repayments (I&P) | Loan Repayments - Interest only |
| FY 2025-26 | 55,535 | 55,535 | 44,908 | 31,900 | 31,900 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,445 |
| FY 2026-27 | 53,604 | 53,662 | 45,386 | 31,000 | 31,000 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,275 |
| FY 2027-28 | 43,278 | 49,242 | 45,652 | 49,546 | 48,351 | 2,000 | 2,000 | 5,949 | 5,949 | 0 | 1,139 |
| FY 2028-29 | 23,564 | 38,772 | 46,800 | 77,638 | 73,579 | 2,800 | 2,800 | 7,434 | 7,434 | 0 | 1,517 |
| FY 2029-30 | 12,809 | 38,772 | 50,378 | 81,899 | 76,399 | 2,000 | 2,000 | 11,305 | 11,305 | 0 | 2,742 |
| FY 2030-31 | 8,653 | 39,942 | 55,292 | 37,384 | 37,384 | 2,000 | 2,000 | 15,389 | 15,389 | 0 | 3,907 |
| FY 2031-32 | (287) | 36,402 | 55,773 | 42,328 | 42,328 | 2,000 | 2,000 | 15,389 | 15,389 | 0 | 3,384 |
| FY 2032-33 | (8,322) | 33,843 | 54,003 | 41,346 | 41,346 | 2,800 | 2,800 | 14,284 | 14,284 | 0 | 2,847 |
| FY 2033-34 | (13,460) | 34,262 | 49,242 | 44,276 | 44,276 | 2,000 | 2,000 | 9,546 | 9,546 | 0 | 2,391 |
| FY 2034-35 | (20,110) | 33,255 | 49,837 | 44,093 | 44,093 | 2,000 | 2,000 | 9,546 | 9,546 | 0 | 2,025 |

Key Notes

- Scenario results in additional loan repayments of **\$9.6M** annually, compared to base scenario. Whilst Council has capacity to borrow the funds (\$75M), the following key points are noted:
 - Acknowledging the reduction of **\$5M** in operational services & **\$10.8M** in Capital Works expenditure, Council is unable to generate **sufficient** positive cash flows through operations to fund its Capital Works Program **and** service additional loan repayments. Therefore, Council's Cash & Investment balances are consistently reducing below recommended **high risk²** levels over the 10-year horizon.
- If council wished to pursue this scenario and remain financially sustainable, it would need to achieve an additional **\$20M** via one or a mix of:
 - reducing capital improvements expenditure by approximately \$20M over the next 8 years (\$2.5M per annum on average), in addition to the \$10.8M budgeted under this scenario.
 - reserving proceeds from sale of unneeded properties (possibly \$5M over the next 4 years subject to Councils decisions).
 - reducing operating expenditure by approximately \$2.5M per annum on average, over the next 8 years (in addition to the \$33M for same period already budgeted plus the \$5M per annum under this scenario).
- Estimated impact to cash & investment balances resulting from this scenario, graphically displayed at table 6 below.

Table 6 - Scenario 1A – Cash Analysis



Council's projected cash and investment balances are estimated to fall below required minimum levels, indicating high financial risk and financially unsustainable.

² \$50M average minimum cash & investment balance in this scenario. Represents minimum cash required to fund current net liabilities, cash reserves, employee provisions & loan repayments

Table 7 Scenario 1A – Cash generated through operations

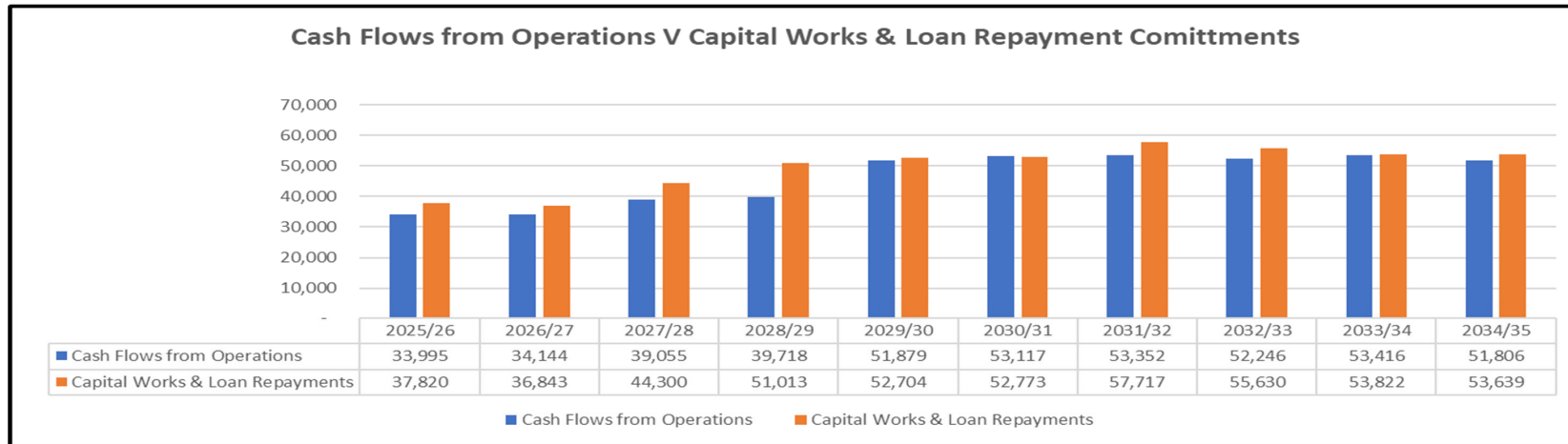


Table 8 Scenario 1A – Financial Sustainability indicators

| Key Financial Sustainability Indicators | Target | 2024/25 (Adopted) | 2025/26 (Draft) | 2026/27 (Draft) | 2027/28 (Draft) | 2028/29 (Draft) | 2029/30 (Draft) | 2030/31 (Draft) | 2031/32 (Draft) | 2032/33 (Draft) | 2033/34 (Draft) | 2034/35 (Draft) |
|---|----------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net result | More than 0% | 0.6% | (0.9%) | (1.1%) | 0.7% | 0.6% | 4.7% | 3.7% | 3.4% | 3.0% | 2.7% | 1.7% |
| Adjusted underlying result | More than 5% | (2.2%) | (4.1%) | (5.1%) | (2.1%) | (2.5%) | 1.5% | 0.6% | 0.3% | (0.0%) | (0.2%) | (1.2%) |
| Liquidity | More than 1.0 | 1.79 | 1.71 | 1.66 | 1.55 | 1.29 | 1.24 | 1.25 | 1.20 | 1.28 | 1.28 | 1.25 |
| Unrestricted Cash | More than 80% | 92.9% | 85.2% | 79.8% | 69.4% | 44.9% | 42.7% | 44.1% | 37.8% | 35.5% | 35.7% | 33.1% |
| Internal financing | More than 100% | 97.2% | 106.6% | 110.1% | 80.8% | 54.0% | 67.9% | 142.1% | 126.0% | 126.4% | 120.6% | 117.5% |
| Indebtedness | 40% or less | 19.7% | 16.9% | 14.1% | 15.7% | 25.5% | 35.5% | 29.1% | 23.3% | 19.7% | 16.0% | 12.4% |
| Capital replacement ratio | More than 1.5 | 1.08 | 0.92 | 0.86 | 1.31 | 1.93 | 1.95 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Renewal gap ratio | More than 1.0 | 0.88 | 0.61 | 0.69 | 1.13 | 1.93 | 1.95 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Loans & Borrowings payments | Less than 5% | 3.8% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.1% | 3.0% | 2.4% | 0.0% | 0.0% |

Scenario 1B – Base Scenario + Redevelopment of a large-scale Council facility: \$65M with borrowings

Not recommended without identifying additional savings to the value of \$26M (Additional to the modelled \$38M)

- Project Cost: **\$65M**. Construction over 3 financial years, FY 2028-29 (\$10M), FY 2029-30 (\$25M) & FY 2030-31 (\$30M), funded as follows:
- Council contribution: **\$20M** – FY 2029-30 (\$5M), FY 2030-31 (\$15M) +
- Government grants: **\$10M** FY 2028-29 +
- Borrowings: \$35M - **\$20M** FY 2029-30 & \$15M FY 2030-31 +

Table 9 Scenario 1B – Key budget envelopes

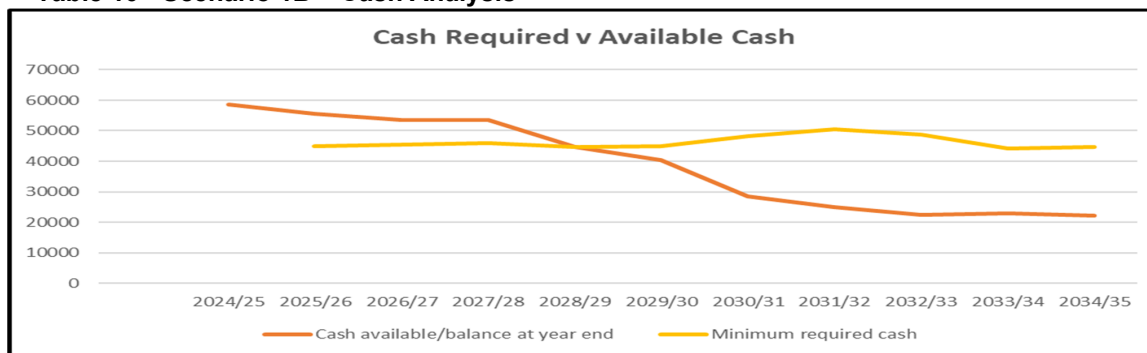
| | Updated Base Model | Sc 1B | Sc 1B | Updated Base Model | Sc 1B | Original Base Model | Sc 1B | Updated Base Model | Sc 1B | Sc 1B | Sc 1B |
|------------|-----------------------|-----------------------|-----------------------|--------------------|--------|---------------------|-------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| Year | Cash & Investment Bal | Cash & Investment Bal | Minimum Cash Required | CWP | CWP | Op Projects | Op Projects | Loan Repayments (P&I) | Loan Repayments (P&I) | Increased Loan Repayments (I&P) | Loan Repayments - Interest only |
| FY 2025-26 | 55,535 | 55,535 | 44,908 | 31,900 | 31,900 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,445 |
| FY 2026-27 | 53,604 | 53,662 | 45,386 | 31,000 | 31,000 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,275 |
| FY 2027-28 | 53,384 | 53,562 | 45,986 | 29,546 | 29,546 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,098 |
| FY 2028-29 | 45,261 | 44,803 | 44,597 | 37,638 | 47,638 | 2,800 | 2,800 | 5,843 | 5,843 | - | 913 |
| FY 2029-30 | 44,969 | 40,376 | 45,054 | 41,899 | 66,899 | 2,000 | 2,000 | 5,843 | 6,055 | (212) | 805 |
| FY 2030-31 | 50,359 | 28,387 | 48,218 | 37,384 | 67,384 | 2,000 | 2,000 | 5,843 | 8,548 | (2,705) | 1,542 |
| FY 2031-32 | 50,964 | 24,937 | 50,623 | 42,328 | 42,328 | 2,000 | 2,000 | 5,843 | 10,298 | (4,455) | 1,908 |
| FY 2032-33 | 52,475 | 22,470 | 48,854 | 41,346 | 41,346 | 2,800 | 2,800 | 4,739 | 9,193 | (4,455) | 1,556 |
| FY 2033-34 | 56,883 | 22,981 | 44,093 | 44,276 | 44,276 | 2,000 | 2,000 | 0 | 4,455 | (4,455) | 1,294 |
| FY 2034-35 | 59,779 | 22,064 | 44,688 | 44,093 | 44,093 | 2,000 | 2,000 | 0 | 4,455 | (4,455) | 1,132 |

Notes

- Scenario results in additional loan repayments of **\$4.5M** annually. Whilst Council has capacity to borrow the funds (\$35M), the following key points are noted:
 - Due to low cash levels and existing commitments, Council **cannot afford** to contribute \$20M (31%) of project cost.
 - Under this scenario, Council is generating **insufficient** positive cash flows through operations to fund its Capital Works Program **and** service additional loan repayments. Therefore, Council’s Cash & Investment balances are consistently reducing below recommended **high risk**³ levels over the 10-year horizon.
- If council wished to pursue this scenario and remain financially sustainable, it would need to achieve an additional **\$26M** via one or a mix of:
 - reducing capital improvements expenditure by approximately \$26M over the next 8 years (\$3.3M per annum on average).
 - reserving proceeds from sale of unneeded properties (possibly \$5M over the next 4 years subject to Councils decisions).
 - reducing operating expenditure by approximately \$3.3M per annum on average, over the next 8 years.
 -

Estimated impact to cash & investment balances resulting from this scenario, graphically displayed at table 10 below

Table 10 - Scenario 1B – Cash Analysis



Council's projected cash and investment balances are estimated to fall below required minimum levels, indicating high financial risk and financially unsustainable.

³ \$46M average minimum cash & investment balance in this scenario. Represents minimum cash required to fund current net liabilities, cash reserves, employee provisions & loan repayments.

Table 11 Scenario 1B – Cash generated through operations

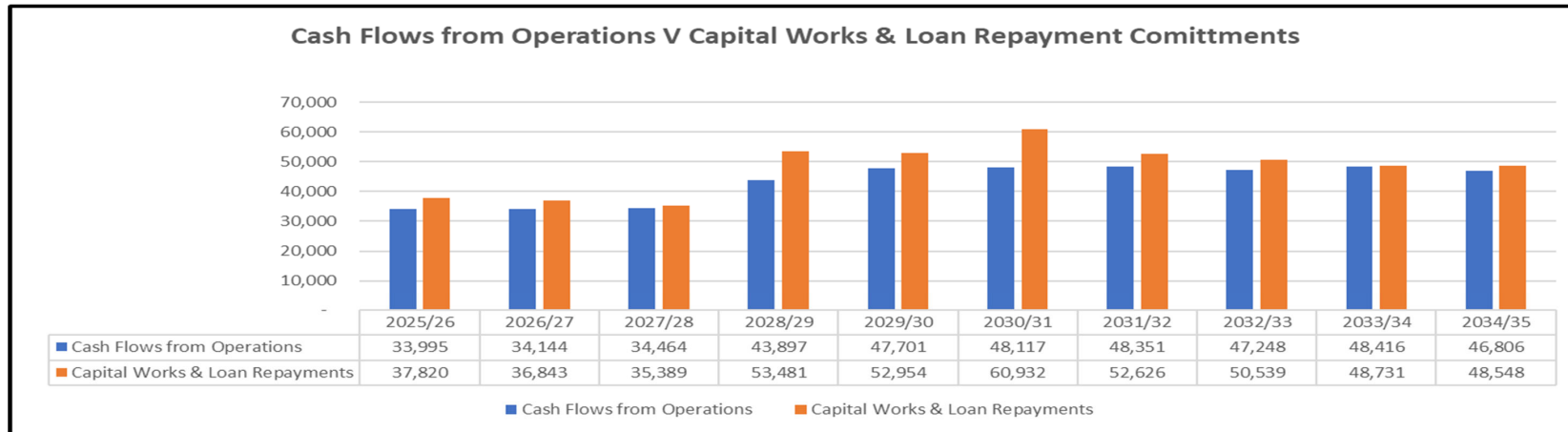


Table 12 Scenario 1B – Financial Sustainability indicator

| Key Financial Sustainability Indicators | Target | 2024/25 (Adopted) | 2025/26 (Draft) | 2026/27 (Draft) | 2027/28 (Draft) | 2028/29 (Draft) | 2029/30 (Draft) | 2030/31 (Draft) | 2031/32 (Draft) | 2032/33 (Draft) | 2033/34 (Draft) | 2034/35 (Draft) |
|---|----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net result | More than 0% | 0.6% | (0.9%) | (1.1%) | (1.4%) | 2.9% | 3.4% | 2.7% | 2.0% | 1.6% | 1.3% | 0.2% |
| Adjusted underlying result | More than 5% | (2.2%) | (4.1%) | (5.1%) | (4.3%) | (4.4%) | 0.3% | (0.5%) | (1.1%) | (1.4%) | (1.7%) | (2.7%) |
| Liquidity | More than 1.0 | 1.79 | 1.71 | 1.66 | 1.65 | 1.50 | 1.37 | 1.11 | 1.06 | 1.13 | 1.15 | 1.13 |
| Unrestricted Cash | More than 80% | 92.9% | 85.2% | 79.8% | 78.8% | 59.7% | 49.5% | 24.6% | 18.1% | 14.4% | 15.2% | 13.1% |
| Internal financing | More than 100% | 97.2% | 106.6% | 110.1% | 116.6% | 92.1% | 71.3% | 71.4% | 114.2% | 114.3% | 109.4% | 106.2% |
| Indebtedness | 40% or less | 19.7% | 16.9% | 14.1% | 11.3% | 8.5% | 14.3% | 16.8% | 13.0% | 11.3% | 9.6% | 7.9% |
| Capital replacement ratio | More than 1.5 | 1.08 | 0.92 | 0.86 | 0.80 | 1.25 | 1.71 | 1.67 | 1.02 | 0.97 | 1.00 | 0.97 |
| Renewal gap ratio | More than 1.0 | 0.88 | 0.61 | 0.69 | 0.62 | 1.25 | 1.71 | 1.67 | 1.02 | 0.97 | 1.00 | 0.97 |
| Loans & Borrowings payments | Less than 5% | 3.8% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.1% | 3.0% | 2.4% | 0.0% | 0.0% |

Scenario 1C – Base Scenario + Redevelopment of a large-scale Council facility: \$65M no borrowings

Not recommended without identifying additional savings to the value of \$16M (Additional to the modelled \$38M)

- Project Cost: **\$65M**. Construction over 3 financial years, FY 2028-29 (\$10M), FY 2029-30 (\$25M) & FY 2030-31 (\$30M), funded as follows:
- Government grants: **\$45M** – FY 2028-29 (\$10M), FY 2029-30 (\$15M), FY 2030-31 (\$20M) +
- Council contribution: **\$20M** – FY 2029-30 (\$10M), FY 2030-31 (\$10M)

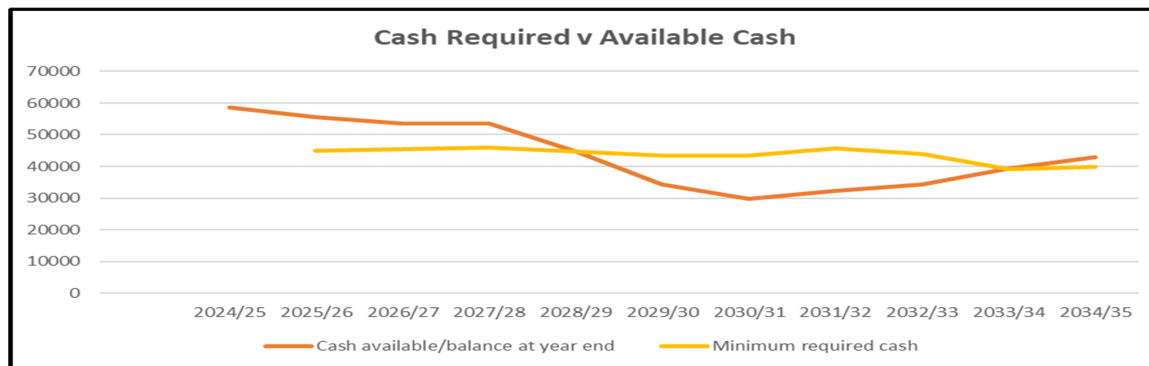
Table 13 Scenario 1C – Key budget envelopes

| | Updated Base Model | Sc 1C | Sc 1C | Updated Base Model | Sc 1C | Original Base Model | Sc 1C | Updated Base Model | Sc 1C | Sc 1C | Sc 1C |
|------------|-----------------------|-----------------------|-----------------------|--------------------|--------|---------------------|-------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| Year | Cash & Investment Bal | Cash & Investment Bal | Minimum Cash Required | CWP | CWP | Op Projects | Op Projects | Loan Repayments (P&I) | Loan Repayments (P&I) | Increased Loan Repayments (I&P) | Loan Repayments - Interest only |
| FY 2025-26 | 55,535 | 55,535 | 44,908 | 31,900 | 31,900 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,445 |
| FY 2026-27 | 53,604 | 53,662 | 45,386 | 31,000 | 31,000 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,275 |
| FY 2027-28 | 53,384 | 53,562 | 45,986 | 29,546 | 29,546 | 2,000 | 2,000 | 5,843 | 5,843 | - | 1,098 |
| FY 2028-29 | 45,261 | 44,803 | 44,597 | 37,638 | 47,638 | 2,800 | 2,800 | 5,843 | 5,843 | - | 913 |
| FY 2029-30 | 44,969 | 34,355 | 43,464 | 41,899 | 66,899 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 722 |
| FY 2030-31 | 50,359 | 29,659 | 43,435 | 37,384 | 67,384 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 522 |
| FY 2031-32 | 50,964 | 32,308 | 45,722 | 42,328 | 42,328 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 314 |
| FY 2032-33 | 52,475 | 34,296 | 43,954 | 41,346 | 41,346 | 2,800 | 2,800 | 4,739 | 4,739 | 0 | 108 |
| FY 2033-34 | 56,883 | 39,262 | 39,193 | 44,276 | 44,276 | 2,000 | 2,000 | 0 | 0 | 0 | 0 |
| FY 2034-35 | 59,779 | 42,800 | 39,788 | 44,093 | 44,093 | 2,000 | 2,000 | 0 | 0 | 0 | 0 |

Notes

- Scenario results in Cash & Investment levels falling below recommended cash required balances amount of \$44M⁴.
- the following key points are noted:
 - Council is generating **insufficient** positive cash flows through operations to fund its Capital Works Program **and** service existing loan repayments. Therefore, Council's Cash & Investment balances are reducing below recommended **high risk** levels over the 10-year horizon.
- If council wished to pursue this scenario and remain financially sustainable, it would need to achieve an additional **\$16M** via one or a mix of:
 - reducing capital improvements expenditure by approximately \$16M over the next 6 years (\$2.7M per annum on average).
 - reserving proceeds from sale of unneeded properties (possibly \$5M over the next 4 years subject to Councils decisions).
 - reducing operating expenditure by approximately \$2.7M per annum on average, over the next 6 years.
- Estimated impact to cash & investment balances resulting from this scenario, graphically displayed at table 14 below.

Table 14 - Scenario 1C – Cash Analysis



Council's projected cash and investment balances are estimated to fall below required minimum levels, indicating high financial risk and financially unsustainable.

⁴ \$44M average minimum cash & investment balance in this scenario. Represents minimum cash required to fund current net liabilities, cash reserves, employee provisions & loan repayments.

Table 15 Scenario 1C – Cash generated through operations

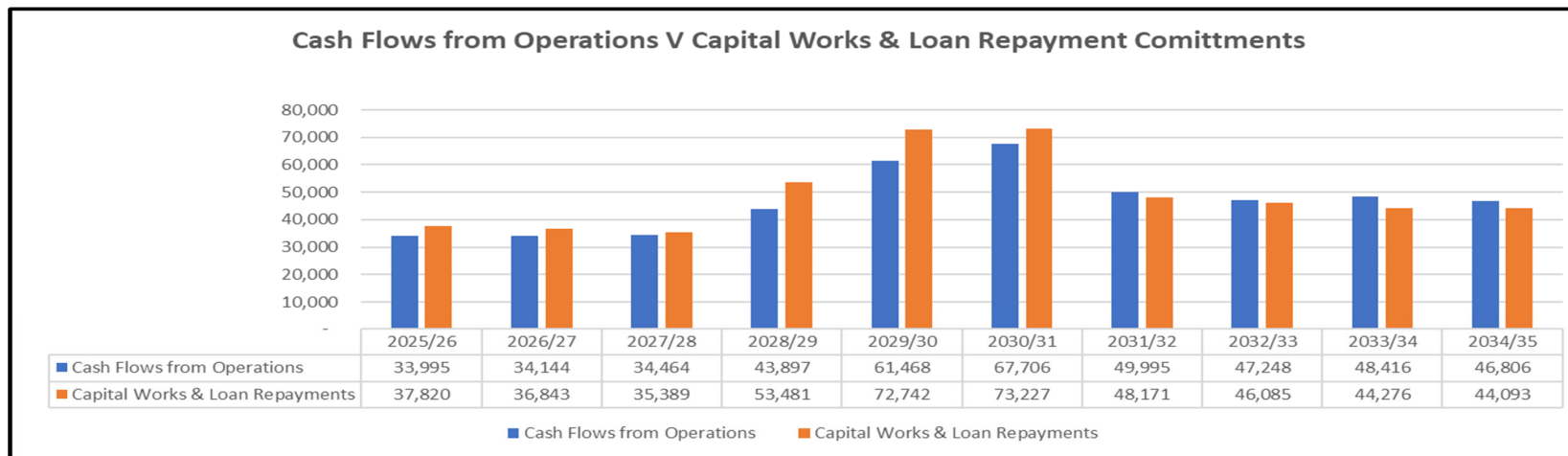


Table 16 Scenario 1C – Financial Sustainability indicator

| Key Financial Sustainability Indicators | Target | 2024/25 (Adopted) | 2025/26 (Draft) | 2026/27 (Draft) | 2027/28 (Draft) | 2028/29 (Draft) | 2029/30 (Draft) | 2030/31 (Draft) | 2031/32 (Draft) | 2032/33 (Draft) | 2033/34 (Draft) | 2034/35 (Draft) |
|---|----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net result | More than 0% | 0.6% | (0.9%) | (1.1%) | (1.4%) | 2.9% | 9.0% | 10.2% | 2.7% | 2.1% | 1.7% | 0.6% |
| Adjusted underlying result | More than 5% | (2.2%) | (4.1%) | (5.1%) | (4.3%) | (4.4%) | 0.3% | (0.0%) | (0.4%) | (0.9%) | (1.2%) | (2.3%) |
| Liquidity | More than 1.0 | 1.79 | 1.71 | 1.66 | 1.65 | 1.50 | 1.32 | 1.23 | 1.28 | 1.48 | 1.59 | 1.66 |
| Unrestricted Cash | More than 80% | 92.9% | 85.2% | 79.8% | 78.8% | 59.7% | 38.7% | 28.6% | 34.3% | 41.8% | 52.4% | 59.4% |
| Internal financing | More than 100% | 97.2% | 106.6% | 110.1% | 116.6% | 92.1% | 91.9% | 100.5% | 118.1% | 114.3% | 109.4% | 106.2% |
| Indebtedness | 40% or less | 19.7% | 16.9% | 14.1% | 11.3% | 8.5% | 5.8% | 3.2% | 1.1% | 1.1% | 1.0% | 1.0% |
| Capital replacement ratio | More than 1.5 | 1.08 | 0.92 | 0.86 | 0.80 | 1.25 | 1.71 | 1.67 | 1.02 | 0.97 | 1.00 | 0.97 |
| Renewal gap ratio | More than 1.0 | 0.88 | 0.61 | 0.69 | 0.62 | 1.25 | 1.71 | 1.67 | 1.02 | 0.97 | 1.00 | 0.97 |
| Loans & Borrowings payments | Less than 5% | 3.8% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.1% | 3.0% | 2.4% | 0.0% | 0.0% |

Scenario 2 – Base Scenario + Redevelopment of a medium sized Council facility: \$10M

Not recommended without identifying additional savings to the value of \$10M (Additional to the modelled \$38M)

- Utilising the base scenario (Scenario 5) as presented at Council briefing, 9 Dec 2024.
- Adding medium sized investment into an asset upgrade/construction valued at **\$10M** (in todays \$\$)
- Construction over 2 financial years, FY 2026-27 (\$4M) & FY 2027-28 (\$6M)
- No additional borrowings

Table 17 - Scenario 2 – Key budget envelopes

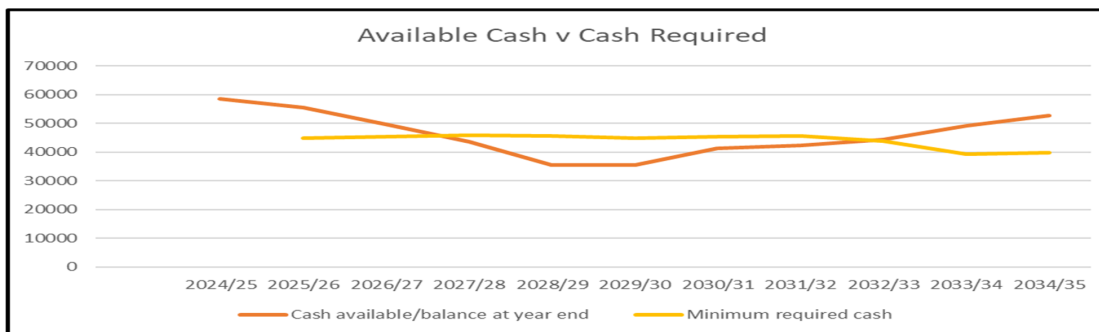
| | Updated Base Model | Sc 2 | Sc 2 | Updated Base Model | Sc 2 | Updated Base Model | Sc 2 | Updated Base Model | Sc 2 | Sc 2 | Sc 2 |
|------------|-----------------------|-----------------------|-----------------------|--------------------|--------|--------------------|-------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| Year | Cash & Investment Bal | Cash & Investment Bal | Minimum Cash Required | CWP | CWP | Op Projects | Op Projects | Loan Repayments (P&I) | Loan Repayments (P&I) | Increased Loan Repayments (I&P) | Loan Repayments - Interest only |
| FY 2025-26 | 55,535 | 55,535 | 44,908 | 31,900 | 31,900 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,445 |
| FY 2026-27 | 53,604 | 49,662 | 45,386 | 31,000 | 35,000 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,275 |
| FY 2027-28 | 53,384 | 43,562 | 45,986 | 29,546 | 35,546 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,098 |
| FY 2028-29 | 45,261 | 35,625 | 45,501 | 37,638 | 37,638 | 2,800 | 2,800 | 5,843 | 5,843 | 0 | 913 |
| FY 2029-30 | 44,969 | 35,588 | 44,820 | 41,899 | 41,899 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 722 |
| FY 2030-31 | 50,359 | 41,303 | 45,243 | 37,384 | 37,384 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 522 |
| FY 2031-32 | 50,964 | 42,308 | 45,722 | 42,328 | 42,328 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 314 |
| FY 2032-33 | 52,475 | 44,296 | 43,954 | 41,346 | 41,346 | 2,800 | 2,800 | 4,739 | 4,739 | 0 | 108 |
| FY 2033-34 | 56,883 | 49,262 | 39,193 | 44,276 | 44,276 | 2,000 | 2,000 | 0 | 0 | 0 | 0 |
| FY 2034-35 | 59,779 | 52,800 | 39,788 | 44,093 | 44,093 | 2,000 | 2,000 | 0 | 0 | 0 | 0 |

Council's projected cash and investment balances are estimated to fall below required minimum levels, indicating high financial risk and financially unsustainable.

Notes

- Scenario results in Cash & Investment levels falling below recommended cash required balance⁵.
- the following key points are noted:
 - Council is generating **insufficient** positive cash flows through operations to fund its Capital Works Program **and** service existing loan repayments. Therefore, Council's Cash & Investment balances are consistently reducing below recommended **high risk** levels over the 10-year horizon.
- If council wished to pursue this scenario and remain financially sustainable, it would need to achieve an additional **\$10M** via one or a mix of:
 - reducing capital improvements expenditure by approximately \$10M over the next 4 years (\$2.5M per annum on average).
 - reserving proceeds from sale of unneeded properties (possibly \$5M over the next 4 years subject to Councils decisions).
 - reducing operating expenditure by approximately \$2.5M per annum on average, over the next 4 years.
- Estimated impact to cash & investment balances resulting from this scenario, graphically displayed at table 18 below.

Table 18 - Scenario 2 – Cash Required V Available Cash



Council's projected cash and investment balances are estimated to fall below required minimum levels, indicating high financial risk and financially unsustainable.

⁵ \$44M average minimum cash & investment balance in this scenario. Represents minimum cash required to fund current net liabilities, cash reserves, employee provisions & loan repayments.

Table 19 - Scenario 2 – Cash generated through operations

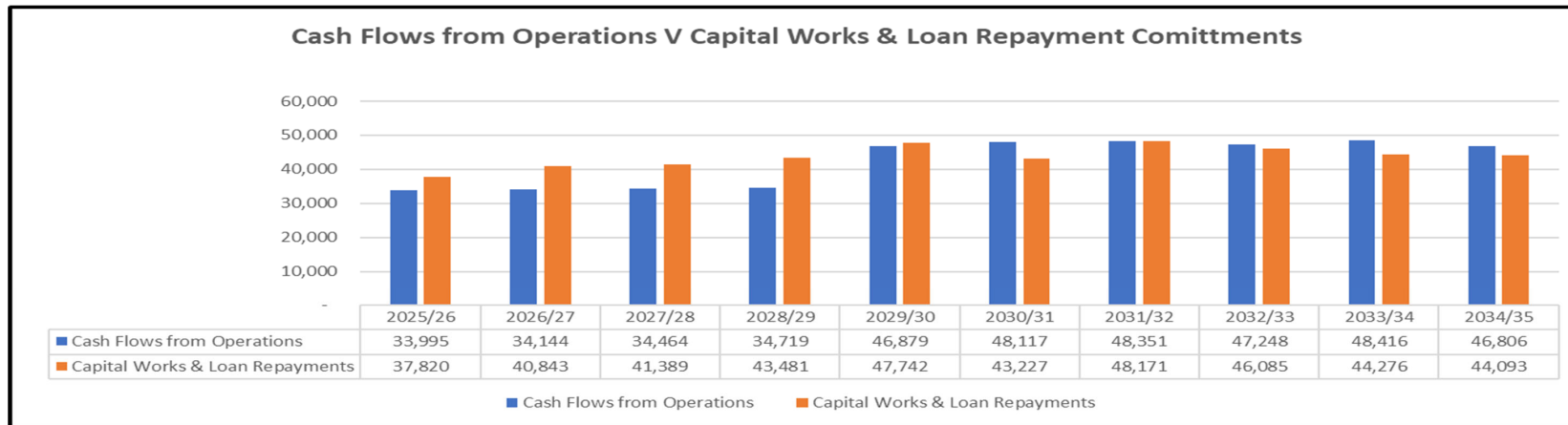


Table 20 - Scenario 2 – Financial Sustainability indicators

| Key Financial Sustainability Indicators | Target | 2024/25 (Adopted) | 2025/26 (Draft) | 2026/27 (Draft) | 2027/28 (Draft) | 2028/29 (Draft) | 2029/30 (Draft) | 2030/31 (Draft) | 2031/32 (Draft) | 2032/33 (Draft) | 2033/34 (Draft) | 2034/35 (Draft) |
|---|----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net result | More than 0% | 0.6% | (0.9%) | (1.1%) | (1.4%) | (1.2%) | 3.4% | 3.1% | 2.7% | 2.1% | 1.7% | 0.6% |
| Adjusted underlying result | More than 5% | (2.2%) | (4.1%) | (5.1%) | (4.3%) | (4.4%) | 0.3% | (0.0%) | (0.4%) | (0.9%) | (1.2%) | (2.3%) |
| Liquidity | More than 1.0 | 1.79 | 1.71 | 1.58 | 1.45 | 1.29 | 1.32 | 1.43 | 1.48 | 1.70 | 1.81 | 1.88 |
| Unrestricted Cash | More than 80% | 92.9% | 85.2% | 71.4% | 58.1% | 41.0% | 41.2% | 52.3% | 54.8% | 64.2% | 74.5% | 81.2% |
| Internal financing | More than 100% | 97.2% | 106.6% | 97.6% | 97.0% | 92.2% | 111.9% | 128.7% | 114.2% | 114.3% | 109.4% | 106.2% |
| Indebtedness | 40% or less | 19.7% | 16.9% | 14.1% | 11.3% | 8.5% | 5.8% | 3.2% | 1.1% | 1.1% | 1.0% | 1.0% |
| Capital replacement ratio | More than 1.5 | 1.08 | 0.92 | 0.98 | 0.96 | 0.99 | 1.07 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Renewal gap ratio | More than 1.0 | 0.88 | 0.61 | 0.81 | 0.78 | 0.99 | 1.07 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Loans & Borrowings payments | Less than 5% | 3.8% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.1% | 3.0% | 2.4% | 0.0% | 0.0% |

Scenario 3 – Base Scenario + Redevelopment of a small sized Council facility: \$5M

Not recommended without identifying additional savings to value of \$5M (in addition to \$38M already modelled)

- Utilising the base scenario (Scenario 5) as presented at Council briefing, 9 Dec 2024.
- Adding medium sized investment into an asset upgrade/construction valued at **\$5M** (in todays \$\$)
- Construction over 2 financial years, FY 2026-27 (\$2M) & FY 2027-28 (\$3M)
- No additional borrowings

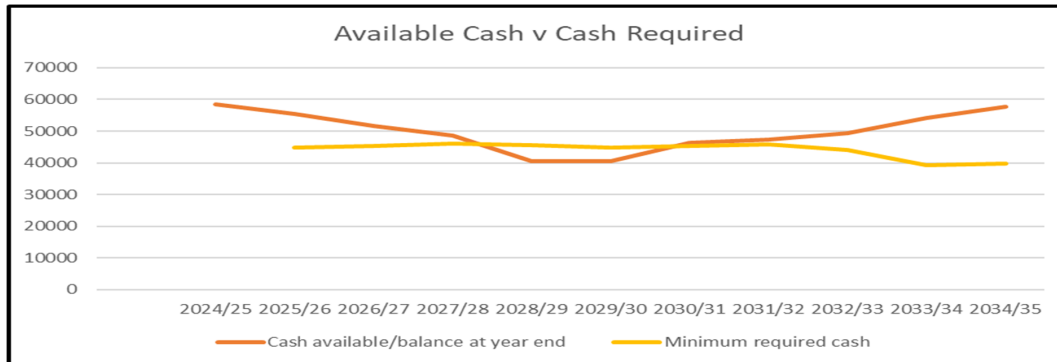
Table 21 - Scenario 3 – Key budget envelopes

| | Updated Base Model | Sc 3 | Sc 3 | Updated Base Model | Sc 3 | Updated Base Model | Sc 3 | Updated Base Model | Sc 3 | Sc 3 | Sc 3 |
|------------|-----------------------|-----------------------|-----------------------|--------------------|--------|--------------------|-------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| Year | Cash & Investment Bal | Cash & Investment Bal | Minimum Cash Required | CWP | CWP | Op Projects | Op Projects | Loan Repayments (P&I) | Loan Repayments (P&I) | Increased Loan Repayments (I&P) | Loan Repayments - Interest only |
| FY 2025-26 | 55,535 | 55,535 | 44,908 | 31,900 | 31,900 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,445 |
| FY 2026-27 | 53,604 | 51,662 | 45,386 | 31,000 | 33,000 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,275 |
| FY 2027-28 | 53,384 | 48,562 | 45,986 | 29,546 | 32,546 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 1,098 |
| FY 2028-29 | 45,261 | 40,625 | 45,501 | 37,638 | 37,638 | 2,800 | 2,800 | 5,843 | 5,843 | 0 | 913 |
| FY 2029-30 | 44,969 | 40,588 | 44,820 | 41,899 | 41,899 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 722 |
| FY 2030-31 | 50,359 | 46,303 | 45,243 | 37,384 | 37,384 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 522 |
| FY 2031-32 | 50,964 | 47,308 | 45,722 | 42,328 | 42,328 | 2,000 | 2,000 | 5,843 | 5,843 | 0 | 314 |
| FY 2032-33 | 52,475 | 49,296 | 43,954 | 41,346 | 41,346 | 2,800 | 2,800 | 4,739 | 4,739 | 0 | 108 |
| FY 2033-34 | 56,883 | 54,262 | 39,193 | 44,276 | 44,276 | 2,000 | 2,000 | 0 | 0 | 0 | 0 |
| FY 2034-35 | 59,779 | 57,800 | 39,788 | 44,093 | 44,093 | 2,000 | 2,000 | 0 | 0 | 0 | 0 |

Key Notes

- Scenario results in Cash & Investment levels falling below recommended cash required balance amount of \$45M⁶.
- the following key points are noted:
 - Council is generating *insufficient* positive cash flows through operations to fund its Capital Works Program **and** service existing loan repayments. Therefore, Council's Cash & Investment balances are reducing below recommended **high risk** levels over the 10-year horizon.
- If council wished to pursue this scenario and remain financially sustainable, it would need to achieve an additional **\$5M** via one or a mix of:
 - reducing capital improvements expenditure by approximately \$5M over the next 4 years (\$1.3M per annum on average).
 - reserving proceeds from sale of unneeded properties (possibly \$5M over the next 4 years subject to Councils decisions).
 - reducing operating expenditure by approximately \$1.3M per annum on average, over the next 4 years.
- Estimated impact to cash & investment balances resulting from this scenario, graphically displayed at table 22 below.

Table 22 - Scenario 3 – Cash Analysis



Council's projected cash and investment balances are estimated to fall below required minimum levels, indicating high financial risk and financially unsustainable.

⁶ \$44M average minimum cash & investment balance in this scenario. Represents minimum cash required to fund current net liabilities, cash reserves, employee provisions & loan repayments.

Table 23 - Scenario 3 – Cash generated through operations

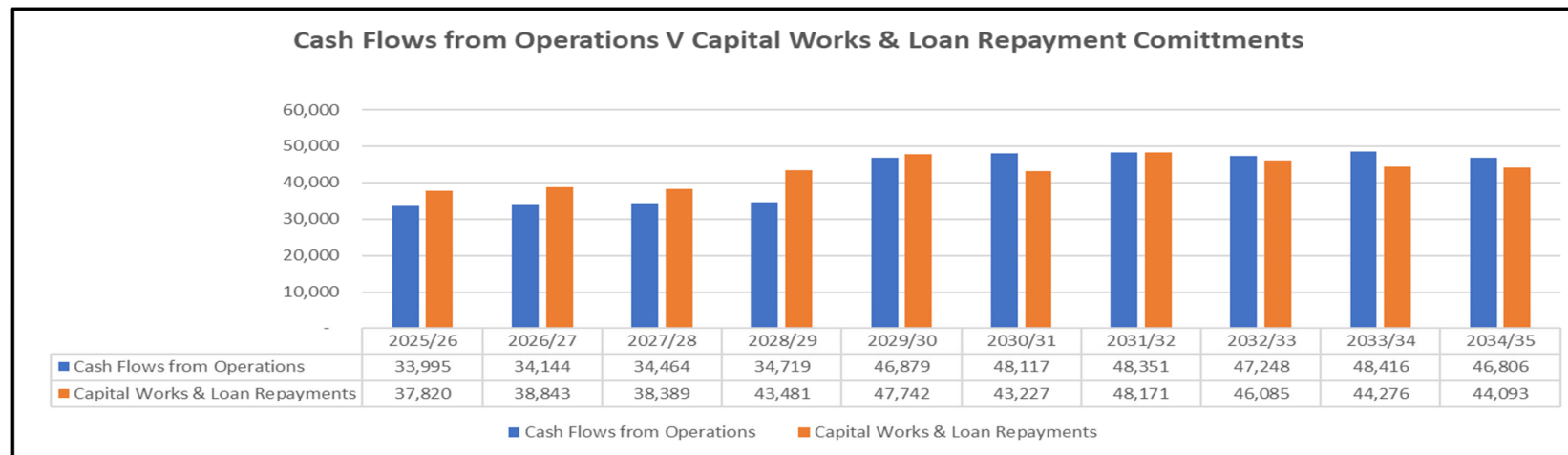


Table 24 - Scenario 3 – Financial Sustainability indicators

| Key Financial Sustainability Indicators | Target | 2024/25 (Adopted) | 2025/26 (Draft) | 2026/27 (Draft) | 2027/28 (Draft) | 2028/29 (Draft) | 2029/30 (Draft) | 2030/31 (Draft) | 2031/32 (Draft) | 2032/33 (Draft) | 2033/34 (Draft) | 2034/35 (Draft) |
|---|----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net result | More than 0% | 0.6% | (0.9%) | (1.1%) | (1.4%) | (1.2%) | 3.4% | 3.1% | 2.7% | 2.1% | 1.7% | 0.6% |
| Adjusted underlying result | More than 5% | (2.2%) | (4.1%) | (5.1%) | (4.3%) | (4.4%) | 0.3% | (0.0%) | (0.4%) | (0.9%) | (1.2%) | (2.3%) |
| Liquidity | More than 1.0 | 1.79 | 1.71 | 1.62 | 1.55 | 1.40 | 1.42 | 1.53 | 1.58 | 1.81 | 1.92 | 1.99 |
| Unrestricted Cash | More than 80% | 92.9% | 85.2% | 75.6% | 68.4% | 51.2% | 51.5% | 62.4% | 65.1% | 75.3% | 85.5% | 92.1% |
| Internal financing | More than 100% | 97.2% | 106.6% | 103.5% | 105.9% | 92.2% | 111.9% | 128.7% | 114.2% | 114.3% | 109.4% | 106.2% |
| Indebtedness | 40% or less | 19.7% | 16.9% | 14.1% | 11.3% | 8.5% | 5.8% | 3.2% | 1.1% | 1.1% | 1.0% | 1.0% |
| Capital replacement ratio | More than 1.5 | 1.08 | 0.92 | 0.92 | 0.88 | 0.99 | 1.07 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Renewal gap ratio | More than 1.0 | 0.88 | 0.61 | 0.75 | 0.70 | 0.99 | 1.07 | 0.93 | 1.02 | 0.97 | 1.00 | 0.97 |
| Loans & Borrowings payments | Less than 5% | 3.8% | 3.6% | 3.5% | 3.4% | 3.3% | 3.2% | 3.1% | 3.0% | 2.4% | 0.0% | 0.0% |

9.6 HARD RUBBISH SERVICE REVIEW**Author:** Manager Operations & Waste**Reviewed By:** General Manager Infrastructure, Operations & Finance

EXECUTIVE SUMMARY

At the 16 December 2024 meeting, Council called for a report *“to immediately review the changes made to the Council’s winter bulk hard waste annual collection service and booked collection in spring, as soon as practical and before the proposed rollout of the new trial at a 2025 Ordinary Council meeting.”*

In February 2024, Council endorsed a 2-year trial booked hard waste collection for residents that receive Council’s kerbside waste service on the following basis *“1 booked collection of 2m³ per year, with 1 additional booked collection of 2m³ for people experiencing financial hardship, and extra collections available for all other residents at cost.”*

Implementation of this decision has started; Council has entered a contract in 2024, provided 1 blanket collection service in 2024 and the contractor has started preparing for a 2 year trial of a booked collection service from 1 July 2025 including sourcing equipment and staff. In its decision of February 2024, Council requested *“that a report be brought to Council, within 8 months of the 2-year trial finishing, that presents a service evaluation and recommendations for the ongoing hard waste service.”*

This report outlines three service options for consideration.

1. A booked hard waste service allowing residents to schedule collections at their convenience, with one free collection per household, a second free collection for households experiencing financial hardship, and unlimited additional collections available on a fee-for-service basis.
2. A blanket hard waste collection once per year, free for all households, supplemented by a booked collection available to 2,000 households. Previously, this supplementary service was offered on a first-come, first-served basis but could be targeted to priority groups (e.g., concession card holders).
3. A booked hard waste service similar to Option 1, but with two free collections per household for all households, plus unlimited additional collections available on a fee-for-service basis.

All the options above are feasible, although they do have different advantages and disadvantages which are set out in the discussion section of this report.

A key complication with changing the service option at this time is the risks and potential costs that arise from changing the contract that is on foot. Breaking or renegotiating this contract presents financial and legal risks. Risks and costs associated with changing this contract could be avoided by waiting until after the trial to consider the best long term service approach. The contract allows for Council to make a different decision at the end of the 2 year trial period.

Costs of this service, including any costs associated with changing the contract would be passed on to residents via the waste charge which is set on a cost recovery basis.

The hard waste service is a highly valued service for the Darebin community. Community consultation results relating to the hard rubbish service (Appendix B) indicate a similar level of preference between booked and blanket collection services amongst residents. There is not a clear consensus about the preferred model and there are genuinely different preferences amongst different households. However, experience from other councils suggest that overall satisfaction with hard waste collection remains high, regardless of the model implemented.

Recent community consultation to help develop the Council Plan has highlighted cost-of-living pressures as a current challenge for community.

Noting that all options in this report are feasible and could be implemented, considering potential costs of changing a contract on foot, officers recommend proceeding to trial and then considering the best long term service model when the trial is complete. The contract allows Council to change the service model at the end of the two year trial without penalty. To enable consideration of this, officers recommend Council call for a report on the trial following the first 12 months rather than after the end of the current 2 year trial.

Officer Recommendation

That Council:

- (1) Notes that the hard waste service is highly valued by community and that there are different preferences among households about which is the best service model – a blanket approach or a booked collection approach.
- (2) Notes that Council decided in February 2024 to trial a booked collection service for 2 years, that Council entered a contract for this, and that changing this contract at this time would bring risks and potentially costs.
- (3) Proceeds to trial a booked collection service from 1 July 2025 (for two years) on the basis established in the contract: *“ 1 booked collection of 2m³ per year, with 1 additional booked collection of 2m³ for people experiencing financial hardship, and extra collections available for all other residents at cost.”*
- (4) Calls for a report to be presented to Council on the outcomes of the first 12 months of the trial and providing service options for the period after the trial. This report should be no later than 6 months before the end of the 2 year trial period.

BACKGROUND / KEY INFORMATION

The table describes the three options and key considerations.

| | Option 1 | Option 2 | Option 3 |
|---------------------|---|---|---|
| Service description | A booked hard rubbish service providing collections at times of residents choosing with one free 2m ³ collection for all households, a second free collection for any households experiencing financial hardship Option to all households to unlimited additional collections | A blanket hard rubbish collection run once a year and available free for all households, plus a supplementary booked collection available to 2000 households. This is the model Council used until 2023/2024. | As per option 1 but with 2 free collections for all households. |

| | Option 1 | Option 2 | Option 3 |
|---------------------------------------|---|--|---|
| | on a fee for service basis. | | |
| Concession service | An extra, 2m ³ collection available free for properties experiencing financial hardship (as defined in the Rates Financial Hardship Policy). | The booked collection was available on a 'first come first serve' basis, but it could instead be targeted to a priority household group (such as concession card holders). | All households including concession card holders access 2 free collections. |
| Recycling effectiveness | Higher recycling rates possible Based on other council's experience, reduces total volume of waste. Reduced exposure to weather and damage. Community 'reuse and recycling' occurs on a localised basis. | Lower diversion from landfill. Usable items susceptible to weather damage due to being placed out earlier than required Community 'reuse and recycling occurs' Usable items also taken by professional scavengers. | As for option 1 |
| City presentation | The hard rubbish would be put out the night (or weekend) before, limiting the time it is on the nature strip. When rubbish is out it is 'smaller' – it isn't down the whole street, but there can be rubbish put out at any time of the year. | Typically hard rubbish is put out further ahead of a blanket collection and the time it is on the strip is longer. When collection is on, all the street participates and it is a 'larger' visual impact at that time. There are fewer weeks of the year where any rubbish would be out, although dumping can occur in based of the option for a booked collection - particularly at 'end of tenancy'. Because of the large quantity at any one time, there can be issues with blocking footpaths at times. | As for option 1. |
| Customer experience | People can book when they want. Residents have to contact Council to book. No limit to extra bookings on a fee for service basis. An additional free collection for people experiencing financial hardship. Customers that need support moving items can book a collection at a time when informal /formal care is available to them. | The dates are fixed. Residents do not have to contact Council. Limited to 1m ³ . People that are away during collection will miss out. People who don't have support to lift items at the time of collection would not be able to use it in practice. | Same as for option 1. |
| Cost (annual) - collection & disposal | \$1.45M to \$1.65M | \$1.4M to \$1.6M plus potential costs associated with changing the contract on | \$1.8M to \$2M (assumes 25% participation in the |

| | Option 1 | Option 2 | Option 3 |
|--|--|---|--------------------|
| (assumes participation rate at 30%) | | foot. See confidential appendix D. | second collection) |
| Approx cost per household for service | \$22 to \$25 | \$22 to \$25 plus potential costs associated with changing the contract on foot | \$28- \$31 |
| Approx cost per household associated with contract modification / renegotiation / retendering or cancelation | None | See confidential appendix D for details. | None |
| Service delay compared to current start date of 1 July 2025 | None | If contract renegotiation is possible – less than 3 months. But up to 12 months if tendering is required. | None |
| Community feedback from consultation | Consultation found mixed preferences with large numbers of people preferred each of the main collection types: Support for blanket collections approach was 42.7% Support for booked collections (on the basis of 2 free collections was 54.7% This means there is no consensus amongst community about the best model and there are genuinely different views of different households. However, many councils have changed their hard rubbish service model (in various ways) and the general experience is that satisfaction remains high for hard rubbish services, irrespective of the model selected. Whatever Council’s decision, communicating it well will be important to build support from residents who may have preferred the other option. | | |

Previous Council Resolution

At its meeting held on 16 December 2024, Council resolved:

‘That Council:

3. *Review of Council’s 2025 booked hard waste annual collection service*
 - a. *Notes the changes made by the previous Council to Council’s long standing winter bulk hard waste annual collection service and booked collection service in spring.*
 - b. *Notes that in 2025 Council will be introducing a more limited booked hard waste collection system for a trial period.*
 - c. *Receives a Council report to immediately review the changes made to the Council’s winter bulk hard waste annual collection service and booked collection in spring, as soon as practical and before the proposed rollout of the new trial at a 2025 Ordinary Council meeting.’*

At its previous meeting held on 29 April 2024, Council resolved:

That Council:

1. *Award contract CT202366 for the delivery in June / July 2024 of a blanket hard waste collection service based on lump sum and schedule of rates fees outlined in confidential attachment Appendix B to WM Waste Management Pty Ltd.*

2. *Award contract CT202366 for the delivery of a booked hard waste collection service and customer pays booked hard waste collection service based on schedule of rates fees outlined in confidential attachment Appendix B for an initial 2-year term to WM Waste Management Pty Ltd.*
3. *Authorises the Chief Executive Officer to finalise and execute the contract documents on behalf of Council.*
4. *Authorises the Chief Executive Officer (or their delegate) to implement Council's preferred hard waste service type model and exercise the 3 x 2-year contract extension options (with CPI increase) subject to:*
 - a. *Council's endorsement of the findings of the initial 2 year booked hard waste collection service trial, and the adoption of a preferred hard waste service type model (subject to a future report for Council consideration).*
 - b. *the contractor achieving satisfactory performance reviews.*
5. *Note the estimated contract cost over first 3 years 1 month of the contract is \$3,295,171 (incl. GST) and cap the total contract costs (inclusive of the option to exercise of all contract extensions) at \$12,115,736 (incl. GST).*
6. *Authorises the Chief Executive Officer (or their delegate) to review and approve variations up to a maximum of an additional 5% of the contract value for the contract term.*

At its previous meeting held on 26 February 2024, Council resolved:

That Council:

1. *Thanks the community for providing valuable feedback that has supported the hard waste service review.*
2. *Endorses releasing an excerpt of the 2023 kerbside waste services consultation that describes who participated, and hard waste results and feedback (Attachment C).*
3. *Endorses a 2-year trial booked hard waste collection for residents that receive Council's kerbside waste service, which will comprise of:*
 - a. *1 blanket collection service in 2024*
 - b. *1 booked collection of 2m³ per year, with 1 additional booked collection of 2m³ for people experiencing financial hardship, and extra collections available for all other residents at cost.*
4. *Requests that a report be brought to Council, within 8 months of the 2-year trial finishing, that presents a service evaluation and recommendations for the ongoing hard waste service.*

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

3.5 We will reduce waste and stimulate a local circular economy, where waste resources are re-used rather than discarded

DISCUSSION

All the options in the key information section above are possible and could be considered.

The complication is that Council has entered into a contract to implement the decision of February 2024 to trial option 1 (trial is for 2 years, with data and community engagement results to be reported to Council within the trial period).

There are risks and costs associated with breaking or renegotiating a contract on foot. See appendix D for discussion.

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

See Background/Key Information section above and also confidential Appendix C. Any costs would be recovered via the waste charge and/or fee for service. Higher cost options would result in higher costs per household and vice versa.

Community Engagement

Hard waste service consultation

Community engagement on the preferred hard waste collection models was undertaken in August – September 2023. The consultation was designed to be inclusive and collected information primarily via a combination of the Darebin Your Say page and workshops.

Consultation found mixed preferences with large numbers of people preferring each of the main collection types:

- Support for blanket collections approach was 42.7%
- Support for booked collections (on the basis of 2 free collections) was 54.7%

This means there is not consensus amongst community about the best model and there are genuinely different views of different households. However, many councils have changed their hard rubbish service model (in various ways) and the general experience is that satisfaction remains high for hard rubbish services, irrespective of the model selected.

See detailed community engagement findings in appendix A and B.

Recent Council Plan consultation

Cost of living has come through as a key priority in recent consultation for the Council Plan.

Communications

Whatever Council's decision, communicating it well will be important to build support from residents who may have preferred the other option.

Communications plans are currently being developed ahead of the upcoming implementation date of 1 July 2025. This would be updated if needed depending on Council's decision in February 2025.

Other Principles for consideration**Overarching Governance Principles and Supporting Principles**

- (a) Council decisions are to be made and actions taken in accordance with the relevant law;
- (c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- (i) the transparency of Council decisions, actions and information is to be ensured.

Public Transparency Principles

- (a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;

Strategic Planning Principles

- (c) Strategic planning must take into account the resources needed for effective implementation;

Service Performance Principles

- (b) services should be accessible to the members of the municipal community for whom the services are intended;

COUNCIL POLICY CONSIDERATIONS**Environmental Sustainability Considerations (including Climate Emergency)**

- Recycling reduces carbon emissions as well as various environmental impacts from the creation of new materials and the disposal of waste. The options all achieve some recycling, but they are different -see the key information section for details.

Equity, Inclusion, Wellbeing and Human Rights Considerations:

A booked Council hard waste service is likely to provide benefits to residents experiencing hardship or who must move frequently or suddenly.

An Equity Impact Assessment and a Gender Impact Assessment was previously carried out as part of the service model review. The Assessments highlighted the following:

- Having one booked and one blanket hard waste is closer to a Universal Design approach as it is more accessible for a range of different groups. The review found that the However, the booked collection must be across the entire year and accessible to everyone. It cannot be limited, as it was previously.
- Community engagement and awareness raising of the new process and how to book will be very important. Continuing with a blanket service would see the status quo continue.
- A booked hard waste collection with a fee for service component allows increased delivery to public housing and social housing. The expense of a commercial hard waste booking is very high and usually results in dumped rubbish. The unit cost of a Council service is significantly cheaper than a commercial service. However, continuation of the blanket service would still allow the community to access a hard waste collection service but on a lower frequency.

Economic Development and Cultural Considerations

Discussed above.

Operational Impacts

- Changing to a booked service will have a service and operational impact. It will also have an impact on how the service is administered, communicated and maintained. The proposed two-year trial of a booked service allows time for a well-planned transition and Officers time to present data and community engagement results to Council.

Legal and Risk Implications

- See confidential Appendix D.



IMPLEMENTATION ACTIONS

When Council has confirmed its direction at, officers would either continue to implement the contract or contact the contractor and work through renegotiation or break of contract. Community communications plans and materials would be modified ahead of release to effectively communicate Council's decision.

RELATED DOCUMENTS

- Nil

ATTACHMENTS

- Hard Waste Community Engagement (**Appendix A**) [↓](#) 
- Hard Rubbish Results - Community Engagement Report (**Appendix B**) [↓](#) 
- Financial Summary – Contractor Local Government averages (**Appendix C**) Confidential - enclosed under separate cover
- Contract Renegotiation or Breaking (**Appendix D**) Confidential - enclosed under separate cover

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Attachment A - Hard Waste Community Engagement

A review of Council's hard waste service was undertaken as part of the kerbside waste consultation in 2023. With community engagement on the service occurring in August and September 2023, the purpose of the review was to consider and recommend hard waste services that can meet legislative requirements, environmental outcomes and customer experience.

Community views

Community views on the hard waste service were analysed in two ways: through the kerbside waste consultation, and review of customer service requests.

In summary there is community preference for a booked collection, however, this preference is not an overwhelming preference (54.7% prefer booked; 42.7% prefer blanket).

Kerbside Waste Service Consultation – Aug/Sep 2023

The Kerbside Waste Services community consultation had 1,420 community members providing submissions.

For this summary responses in relation to hard rubbish collection are presented. Other areas of waste are yet to occur and will be revisited at a future date.

The survey asked the community for feedback on the following options:

1. One municipal-wide collection for everyone and a limited booked collection for people who meet eligibility criteria.
2. Two booked hard waste collections a year.
3. One booked hard waste collection for people who meet eligibility criteria only.

The survey results indicated a preference for moving to booked collections:

- 54.7% of respondents indicated a preference for two booked hard waste collections per year.
- 42.7% of respondents indicated they preferred an area wide collection with limited booked collection.
- Less than 2.55% supported a hard waste collection only available to residents who qualify under hardship principles. (At-cost for all other residents.)
- Respondents were divided on willingness to pay for extra collections, with 55% of respondents indicating they would not be willing to pay for extra collections and 45% of respondents answering they would be willing to pay for extra collections.
- In discussions with officers, residents said they would like as many collections as possible.

Written feedback included the following insights:

- Safety (both OHS and criminal), access and amenity were noted as concerns with blanket collections.
- Benefits cited for booked service were flexibility and convenience of timing.

- Benefits cited for blanket collections were 'a reminder to clear out the shed' and that people scavenging increased the diversion from landfill.
- Accessibility of a booked service for people who are not comfortable using computers or do not speak / read English were noted as barriers.
- If a blanket collection remains, the time of year should change.
- It was clear that there was some lack of understanding about much waste and what sort of waste can be collected through a hard rubbish service.

Customer service requests & complaints: pre and post consultation

Officers reviewed the previous 18 months of hard waste complaint and request data in Council's customer relationship management system.

Council receives a high number of calls about booking hard rubbish or missing their collection week. The table below shows total number of calls received by customer service about hard rubbish. There is an increase of calls in June, September and October, which is when the limited booked collection is offered:

| 2023 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|-------|-----|-----|-----|-----|-----|-----|-----|-----|------|------|-----|-----|
| Total | 220 | 280 | 245 | 238 | 362 | 721 | 410 | 390 | 810 | 1941 | 655 | 241 |

The general tone of comments received as customer enquires aligns with the comments collected during consultation. Themes include:

- Requests to change the time of year of the collection.
- Requests to provide a booked service.
- Disappointment over the limited Spring collection; it was seen as insufficient and poorly advertised.

An excerpt of the community engagement report relating to the hard waste feedback, who participated and the results are included as **Attachment B**.

Consultation Process

The August – September 2023 consultation was designed to be inclusive, collecting information primarily via a combination of the Darebin Your Say page and workshops. 1,023 people completed the survey. The drop-in and pop-up sessions reached 277 participants, officers attended meetings with 94 people, and community workshops engaged 26 participants.

Attachment B details who participated. In summary:

- 70% of respondents live in Darebin (27% own a residential property, 2% have a business in Darebin)
- 8% of respondents identified as living with a disability
- 67% of respondents were women, 25% were men and 1% were non-binary, gender diverse or other
- 1% of respondents were First Nations people

- 13% of respondents speak a language other than English at home, and 21% were born overseas
- 13% of respondents were 65+, and 1% of respondents were 24 or under years of age.



the place
to live

KERBSIDE WASTE
**Community
Engagement
Report**

**Hard Waste
Results**

Greenshoot Consulting
October 2023



Greenshoot Consulting acknowledge the Wurundjeri Woi-Wurrung people as the Traditional Owners and custodians of the land and waters we now call Darebin and pays respect to their Elders, past, present and emerging.

We also pay respect to all other Aboriginal and Torres Strait Islander communities in Darebin.

We recognise and pay tribute to the diverse culture, resilience and heritage of Aboriginal and Torres Strait Islander people.

We acknowledge the leadership of Aboriginal and Torres Strait communities and the right to self- determination in the spirit of mutual understanding and respect.

01
EXECUTIVE SUMMARY

Report Context

Darebin City Council has engaged Greenshoot Consulting to assist with community engagement for the council's Kerbside Waste Consultation. The engagement process aimed to **gather community feedback on changes to hard waste and kerbside waste and recycling collection services, informing future service standards and equitable reform delivery.**

Darebin City Council were particularly interested in ensuring a representative sample of the Darebin community have the opportunity to feed into this process, including members of typically hard-to-reach groups including **First Nations community members, older adults, young people, and culturally and linguistically diverse community members.**

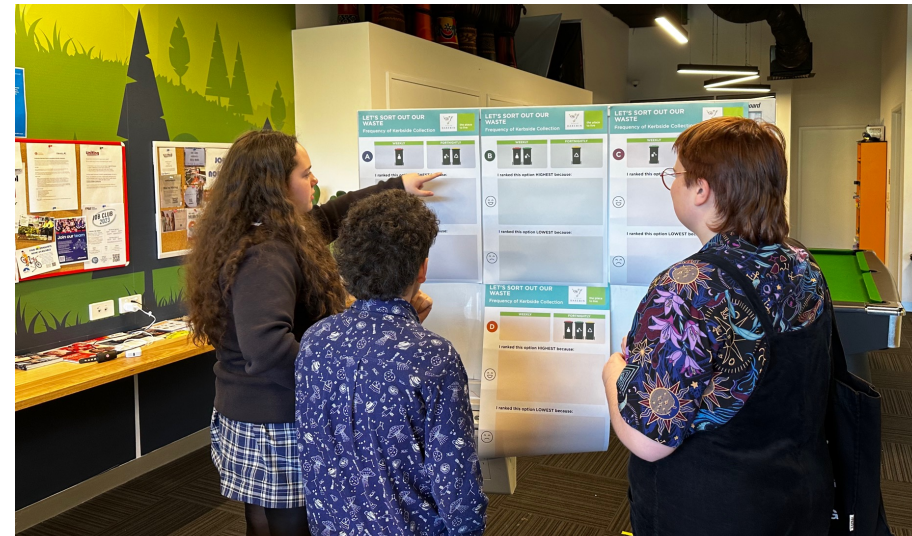
Greenshoot Consulting has extensive experience in community engagement and expertise in reaching diverse communities, ensuring representation from typically hard-to-reach groups such as First Nations community members, older adults, young people, and culturally and linguistically diverse community members. In close collaboration with Council staff, Greenshoot Consulting facilitated the promotion and capture of accurate and reliable community feedback using various engagement activities and online surveys.

Greenshoot Consulting worked with Council staff to promote and capture community feedback, ensure findings were accurate and reliable, gathered data on people's attitude towards, and knowledge of, current kerbside waste service and reasons it must be changed and summarised the activities and key findings of the engagement.

The key deliverables for this project included:

- ✓ **Promote and capture responses to the Kerbside Waste survey**, to be hosted on Darebin's 'Your Say' page.
- ✓ Design and deliver four **targeted engagement with hard-to-reach groups** through face-to-face approaches.
- ✓ Deliver a **Detailed Analysis and Summary Report**, including all quantitative data from Council survey questions and engagement, and analysis of consultation qualitative data and all engagement activities.

The following report summarises key project outcomes.



Engagement Activities Summary



Online YourSay Survey

1023
respondents



Drop In Sessions

277
participants



Meeting Attendance

94
participants



Community Workshops

26
participants

1420
total participants



Overall Insights Hard Waste Collection

Summary of Key Qualitative Insights from Community Engagement Activities Regarding Hard Waste Collection

43% of respondents preferred Option A

A 1x COUNCIL WIDE COLLECTION FOR EVERYONE LIMITED BOOKED HARD WASTE COLLECTIONS

Respondents who supported this option cited **benefits to the circular economy** and the **positive uplift in the sense of community** resulting from the whole-of-area hard waste collection each year.

Respondents referenced the **benefits to low-income residents who were able to save money** by reusing / repairing / repurposing salvaged items from the kerbside during the whole-of-area hard waste collection period.

Many respondents highlighted the importance of scheduling whole-of-area collections in drier months of the year so as **not to expose hard waste that was otherwise in good condition to rain damage**.

55% of respondents preferred Option B

B 2x BOOKED HARD WASTE COLLECTIONS

The majority of respondents preferred this option, citing the **flexibility and convenience of booking in the hard rubbish collection when it was needed** as the main factor in their choice.

Respondents expressed **concern about renters dumping hard rubbish in the community at the end of property leases** and highlighted the **important role of rental providers and property managers in ensuring renters were provided information about options** for hard rubbish disposal in Darebin.

3% of respondents preferred Option C

C 1x LIMITED BOOKED HARD WASTE COLLECTION

Some respondents felt that **one booked hard rubbish collection per year was sufficient for their needs** and that the flexibility and convenience of being able to book the collection at a time that suited them was preferred to a whole-of-area hard waste collection period.

The community expressed concern that one booked collection per year, combined with the removal of a whole-of-area collection, would **lead to increased hard waste dumping** in the community.



02
METHODODOLOGY

Target Community Groups


A broad cross-section of the community and stakeholders - particularly hard-to-reach groups - were engaged in order to capture the diversity of views on the community's Kerbside Waste needs and sentiment.




First Nations Peoples



CALD Community Members



Older People (~65+)



Young People (~18-24)



Engagement Activities

Summary of Engagement Activities Undertaken

Various methods of engagement were undertaken to collect meaningful quantitative and qualitative data from community including the nominated hard-to-reach groups.



Engagement Activities | Location & Dates

Summary of Engagement Activities Led by Greenshoot Consulting

Details, location and date of face-to-face workshops and pop-ups undertaken with hard-to-reach groups are listed below.

| Activity | Target Group | Location | Date |
|----------------------|---|-----------------------------|------------------------------------|
| FOCUS GROUP 1 | Target Group  Young People (~18-24) | The Hub | 24 th of August 2023 |
| FOCUS GROUP 2 | Target Groups  Older People (~65+)  CALD Community Members | Merrilands Community Centre | 30 th of August 2023 |
| FOCUS GROUP 3 | Target Group  Older People (~65+) | SPAN Community House | 11 th of September 2023 |
| POP-UP 1 | Target Group  First Nations Peoples | Dardi Munwurro | 18 th of September 2023 |



Engagement Activities

Summary of Engagement Activities Led by Darebin City Council



DROP IN SESSIONS (x9)

| | | | | |
|--|--|---|--|--|
| <p>Darebin Hard Rubbish Heroes</p> <p>Northcote</p> <p>16th of August 2023</p> <p>Target Group: Mixture</p> <p>35 participants</p> | <p>Darebin Resource Recovery Centre</p> <p>Northcote</p> <p>19th of August 2023</p> <p>Target Group: Mixture</p> <p>25 participants</p> | <p>Reservoir: Spring St/Edwardes St</p> <p>Reservoir</p> <p>26th of August 2023</p> <p>Target Group: Mixture</p> <p>40 participants</p> | <p>Darebin Hard Rubbish Heroes</p> <p>Northcote</p> <p>17th of August 2023</p> <p>Target Group: Mixture</p> <p>4 participants</p> | <p>Darebin Youth Jury</p> <p>Reservoir Library</p> <p>17th of August 2023</p> <p>Target Group: Youth</p> <p>12 participants</p> |
| <p>Reservoir Bike Check</p> <p>Reservoir Leisure Centre</p> <p>27th of August 2023</p> <p>Target Group: Mixture</p> <p>30 participants</p> | <p>Preston Station</p> <p>Preston</p> <p>1st of September 2023</p> <p>Target Group: Mixture</p> <p>30 participants</p> | <p>Alphington Farmer's Market</p> <p>Alphington</p> <p>3rd of September 2023</p> <p>Target Group: Mixture</p> <p>48 participants</p> | <p>Indo-Chinese Refugee Association</p> <p>Preston Shire Hall</p> <p>18th of August 2023</p> <p>Target Group: CALD/Older</p> <p>50 participants</p> | <p>Reservoir Neighbourhood House Morning Tea</p> <p>Reservoir</p> <p>28th of August 2023</p> <p>Target Group: CALD/Older</p> <p>15 participants</p> |
| <p>EPCC Clothes Swap</p> <p>East Preston Community Centre (EPCC)</p> <p>6th of September 2023</p> <p>Target Group: Mixture</p> <p>21 participants</p> | <p>Preston Market</p> <p>Preston</p> <p>8th of September 2023</p> <p>Target Group: Mixture</p> <p>25 participants</p> | <p>Dardi Munwurro Smoking Ceremony</p> <p>Preston</p> <p>18th of September 2023</p> <p>Target Group: First Nations</p> <p>6 participants</p> | <p>Conversation Café</p> <p>Preston Library</p> <p>1st of September 2023</p> <p>Target Group: CALD/Older</p> <p>10 participants</p> | <p>Active & Healthy Aging Advisory Committee</p> <p>Council Conference Room</p> <p>7th of September 2023</p> <p>Target Group: Older</p> <p>3 participants</p> |

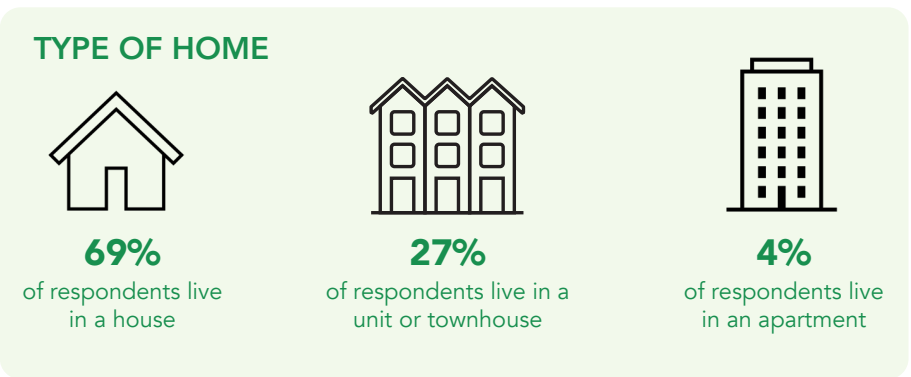
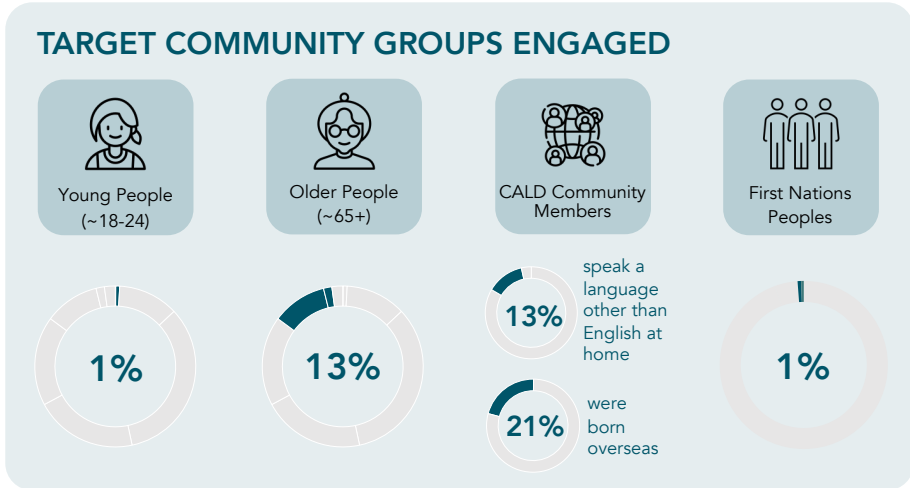
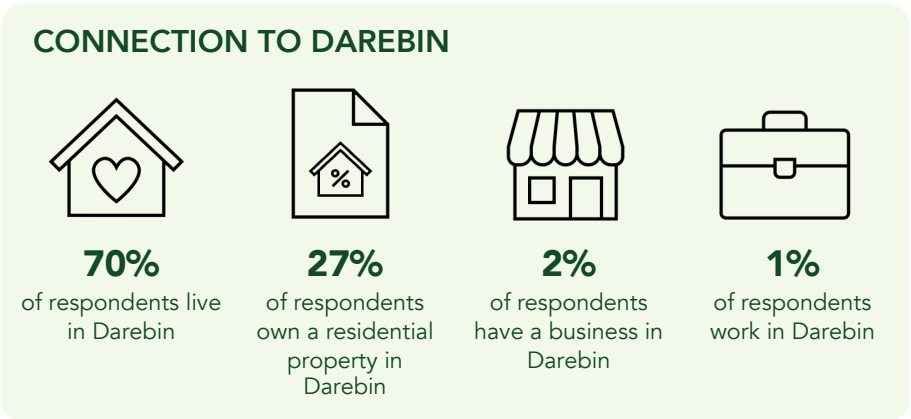
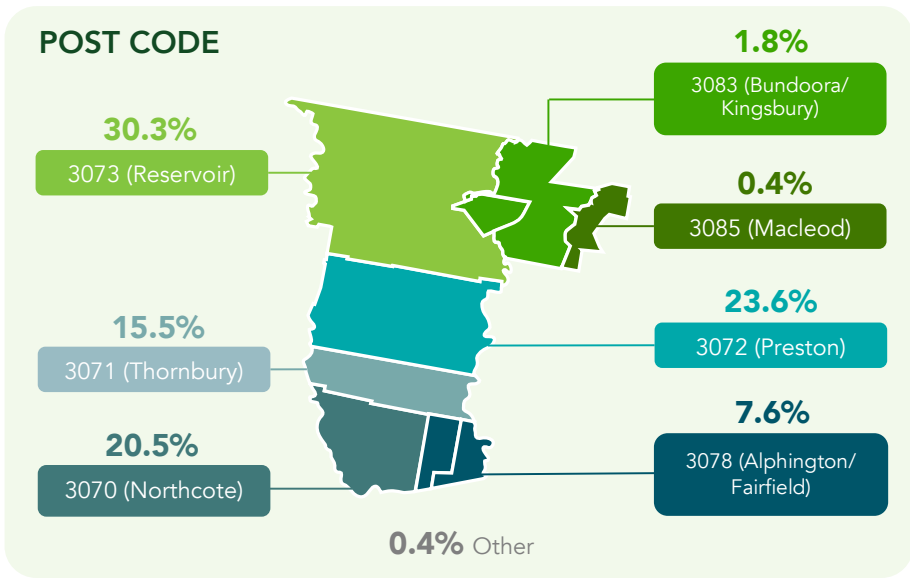


MEETING ATTENDANCE (x6)



03
ENGAGEMENT
OUTCOMES

Online Community Survey | Demographic Summary



Online Community Survey | Hard Waste Collection

Quantitative results gathered based on **preference of form of hard waste collection** of overall respondents

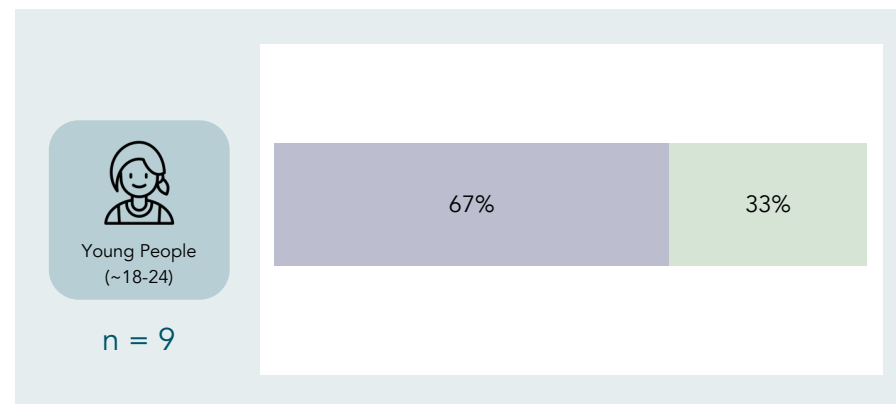
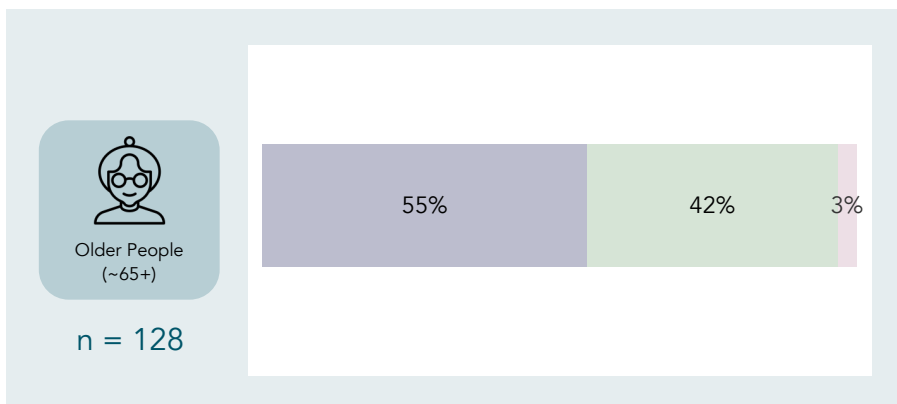
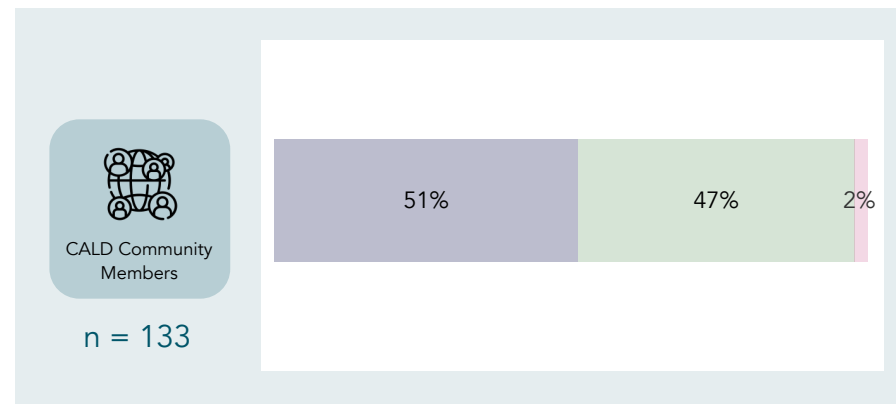
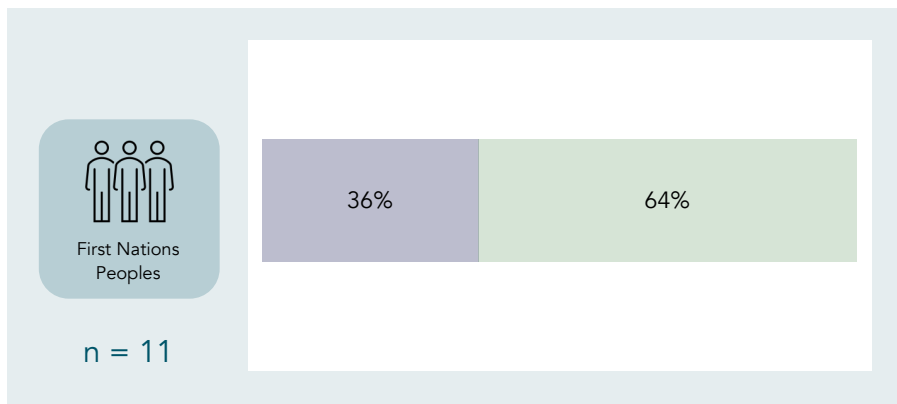


The majority of respondents (55%) preferred **two booked hard waste collections**



Online Community Survey | Hard Waste Collection

In contrast to the overall results, quantitative results gathered based on **preference of form of hard waste collection** of each target community group engaged indicated that a preference for Option A for **Older People, CALD Community Members and Young People**



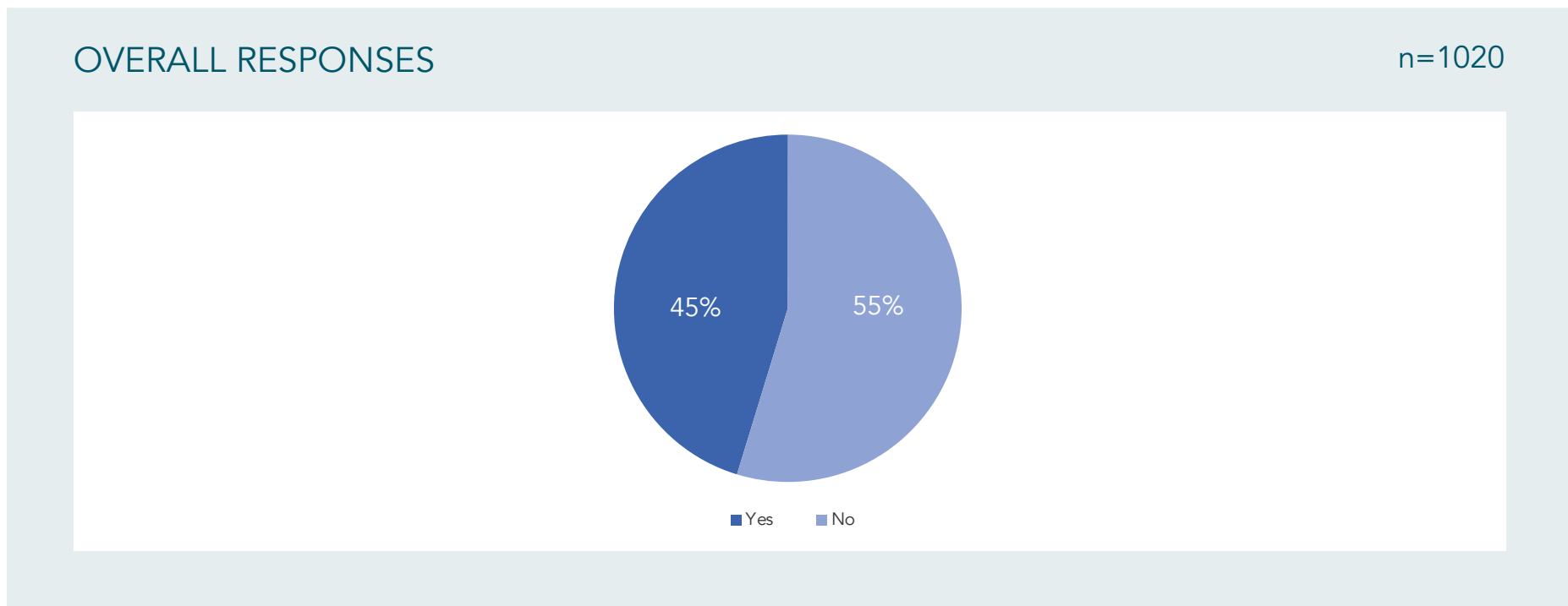
- Option A: One Council-wide collection for everyone and a limited booked collection for people who meet eligibility criteria.
- Option B: Two booked hard waste collections
- Option C: One booked hard waste collection for people who meet eligibility criteria



Online Community Survey | Hard Waste Collection

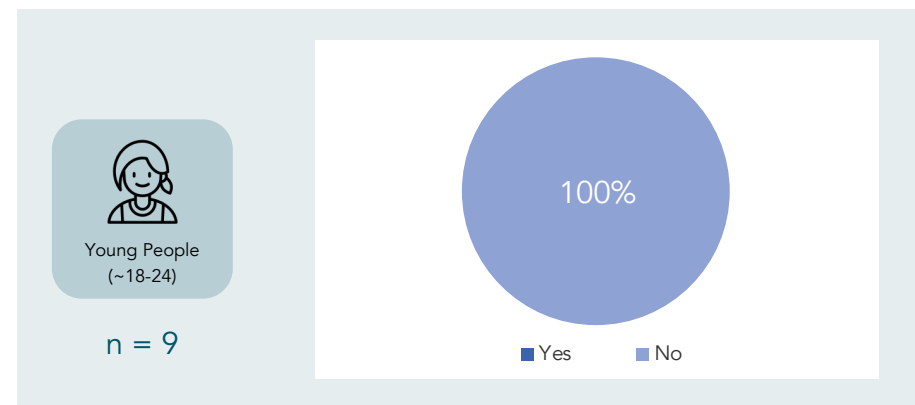
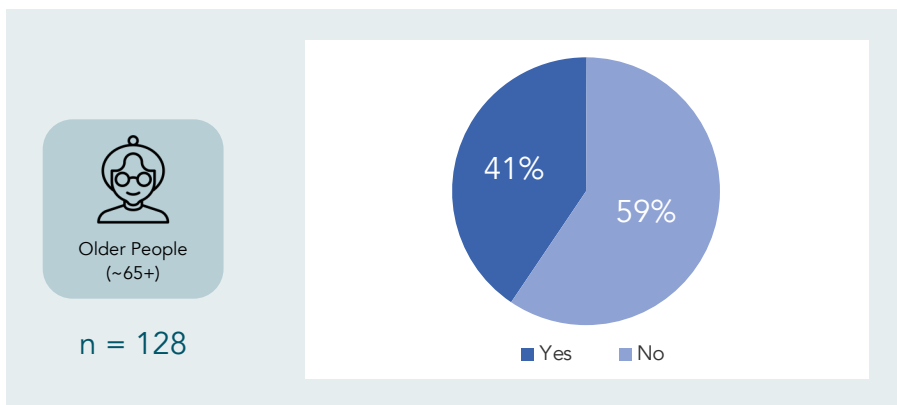
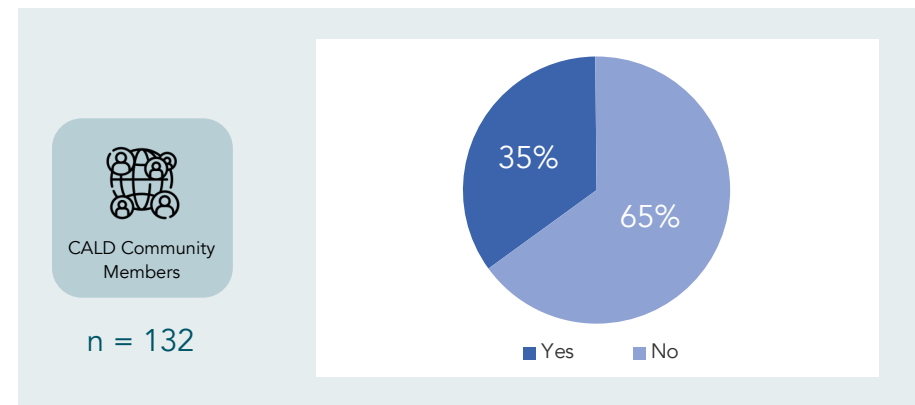
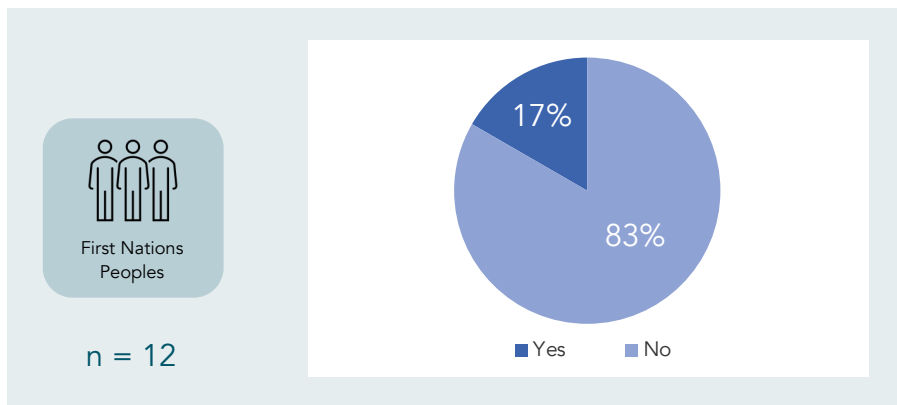
Quantitative results gathered based on **willingness to pay for extra booked hard waste collection** in addition to the option selected of overall respondents.

The majority of respondents (55%) are unwilling to pay for extra booked hard waste collection



Online Community Survey | Hard Waste Collection

Quantitative results gathered based on **willingness to pay for extra booked hard waste collection** in addition to the preferred option selected of each target community group engaged, indicated a reduced willingness to pay for extra booked hard waste collection from each of these stakeholder groups than that overall data.



Online Community Survey | Hard Waste Collection

Summary of key qualitative insights relating to **challenges or opportunities** for the community with changing the hard waste collection service (n=300)

1. Frequency and Timing of Collection 33%
 Respondents expressed concerns about the timing and frequency of collections, including items getting damaged by rain during the council-wide collections and suggested scheduling collections in better weather conditions.

2. Illegal Dumping 28%
 Many respondents raised concerns about illegal dumping of hard waste on streets and nature strips, and that reducing collection options might lead to more illegal dumping.

3. Community Reuse and Recycling 24%
 Several respondents mentioned that the current system encourages scavenging and recycling, and the sense of community that this provides. Many respondents also emphasised the importance of community initiatives, awareness, and education for waste reduction.

4. Environmental Impact 18%
 Respondents highlighted the importance of reusing and recycling items in hard waste, as well as concerns about waste going to landfill.

5. Quality of Service and Preferences 18%
 Many respondents expressed a preference for booked hard waste collections, as it offers more flexibility and convenience. Some respondents shared their opinions on the quality of the current service, and concerns about potential changes in service.

6. Cost and Accessibility 10%
 Respondents expressed concerns about the cost and accessibility for different demographics, including renters, elderly residents, and people with limited mobility or disabilities.

7. Communication and Education 10%
 Respondents mentioned the need for better communication for non-English speakers when booking hard waste collections, and education about what can be collected, recycled, and reused, as well as information about the current waste management process.

8. Responsibility of Rental Providers 3%
 Some respondents suggested that landlords and property managers should play a role in ensuring that tenants are aware of and use the hard waste collection service properly.

9. Impact on Apartment Dwellers and Renters 3%
 A few respondents mentioned the need to consider apartment dwellers, as they may face challenges in disposing of large items, and some highlighted the potential impact on renters, who may have increased need for hard waste services due to moving more frequently.

10. Additional Services 3%
 Respondents mentioned the need for additional services like free tip drop-offs, limited yearly collections, and drop-off locations for reusable items and paint, to cater to various circumstances.



Due to reporting timing constraints, the decision was made to theme qualitative responses using survey data exported on 7 September 2023. At this time, 830 survey responses had been received, representing 81% of the total responses at the survey close on 10 September 2023.



Online Community Survey | Hard Waste Collection

Summary of key qualitative insights relating to **how to help community address the identified challenges or opportunities** with changing the hard waste collection service (n=200)

- | | |
|--|--|
| <p>1. Improving Education and Awareness 16% Respondents emphasized the need for better education and awareness campaigns to reduce waste generation, responsible consumption and promote recycling. Translating information into diverse languages was mentioned by several respondents.</p> | <p>6. Communication and Information 3% Respondents mentioned the importance of effective communication through various channels, including letterbox drops and emails.</p> |
| <p>2. Flexible Booking System 9% Respondents mentioned the importance of a flexible booking system, allowing residents to book collections when they need them.</p> | <p>7. Raising Awareness 3% Respondents emphasized the importance of making more people aware of the resource centre and recycling options.</p> |
| <p>3. Maintaining a Free Yearly Collection 6% Respondents suggested keeping the current free yearly hard rubbish collection for all Darebin residents.</p> | <p>8. Community Support and Engagement 3% Respondents suggested supporting community groups and initiatives, such as the Darebin Hard Rubbish Heroes, to promote recycling and reuse.</p> |
| <p>4. Alternative Recycling Options 4% Respondents discussed the possibility of introducing additional recycling options and facilities. One example was collection for quality items.</p> | <p>9. Plan to Address Illegal Dumping 3% Respondents mentioned concerns about illegal dumping and the need for fines or education to address this issue.</p> |
| <p>5. Recycling and Reuse Initiatives 4% Respondents recommended supporting recycling and reuse initiatives like Darebin Hard Rubbish Heroes and expanding recycling facilities.</p> | <p>10. Frequency of Hard Rubbish Collections 2% Respondents discussed the frequency of hard rubbish collections, with opinions on having two collections per year or leaving it as is.</p> |



Due to reporting timing constraints, the decision was made to theme qualitative responses using survey data exported on 7 September 2023. At this time, 830 survey responses had been received, representing 81% of the total responses at the survey close on 10 September 2023.



Online Community Survey | Hard Waste Collection

Top themes gathered from qualitative responses relating to **experiences using Darebin’s hard waste collection (n=250)**

| | |
|--|--|
| <p>1. Frequency and Timing of Collection 34%</p> <p>Respondents mentioned the timing of hard waste collection in winter, the need for more frequent collections, and the desire for flexibility in choosing collection times.</p> | <p>6. Environmental Concerns 9%</p> <p>Some respondents highlighted the environmental impact of the current system, particularly in winter when items are damaged by rain, leading to concerns about waste and recycling.</p> |
| <p>2. Waste Recycling and Reuse 21%</p> <p>Respondents voiced support for recycling, rehoming, and repurposing efforts during hard waste collections, and some mentioned the Darebin Hard Rubbish Heroes Pop-Up Shop.</p> | <p>7. Need for Better Communication 7%</p> <p>Several respondents highlighted the need for better communication and notification of the hard waste collection dates and rules.</p> |
| <p>3. Booked Collection 14%</p> <p>Respondents expressed support for a booking system for hard waste collection, allowing them to schedule pickups at their convenience.</p> | <p>8. Concerns about Dumping 6%</p> <p>Several respondents expressed concerns about litter, and mess created during the hard waste collection period.</p> |
| <p>4. Desire for More Options 10%</p> <p>Some respondents expressed a desire for more options, such as additional collections throughout the year or alternatives to the current system.</p> | <p>9. Inconvenience for Some Residents 6%</p> <p>Some respondents mentioned the inconvenience of the current system, including difficulties for people with disabilities and those who travel during the collection period.</p> |
| <p>5. Community Engagement 10%</p> <p>Respondents discussed the sense of community during hard waste collections, including the positive aspect of people picking up items and the creation of a communal event.</p> | <p>10. Illegal Dumping and Scavenging 4%</p> <p>Respondents expressed concern about illegal dumping and scavenging in the community.</p> |



Due to reporting timing constraints, the decision was made to theme qualitative responses using survey data exported on 7 September 2023. At this time, 830 survey responses had been received, representing 81% of the total responses at the survey close on 10 September 2023.



Online Community Survey | Circular Economy

Summary of key qualitative insights regarding **opportunities for Council to support community to take part in the circular economy (n=468)**

- 1. Information on Recycling and Repurposing** 26%
 Many respondents expressed frustration with the lack of accessible information on recycling and repurposing options for various items, such as electronics and bulky waste.
- 2. Supporting Local Initiatives** 23%
 Some respondents mentioned specific local initiatives like Darebin Hard Rubbish Heroes and suggested supporting and promoting such efforts.
- 3. Workshops, Repair Cafes, and Events** 19%
 Several respondents emphasized the importance of engaging the community in recycling and circular economy initiatives through workshops, repair cafes, and local events.
- 4. Convenience and Accessibility** 13%
 Respondents highlighted the importance of making recycling and repurposing facilities and opening hours accessible.
- 5. Collaboration with Charities** 6%
 Collaboration with charities and community groups to repurpose items was suggested.
- 6. Soft Plastic Recycling** 6%
 The introduction of soft plastic recycling programs and encouraging plastic-free businesses, especially in the grocery sector, was highlighted by some respondents.
- 7. Hard Waste Collection** 5%
 Respondents mentioned the significance of council-wide hard waste collection as an opportunity for residents to recycle and repurpose items.
- 8. Support for Sustainable Businesses** 5%
 Encouraging businesses to adopt sustainable practices, reduce plastic usage, and support recycling initiatives was mentioned.
- 9. Legislation and Bans** 3%
 A few respondents proposed the implementation of legislation to ban non-recyclable products and promote more sustainable practices.
- 10. Incentives and Rewards** 2%
 Respondents proposed offering incentives, discounts, or rewards to encourage recycling and waste reduction.



Due to reporting timing constraints, the decision was made to theme qualitative responses using survey data exported on 7 September 2023. At this time, 830 survey responses had been received, representing 81% of the total responses at the survey close on 10 September 2023.



04

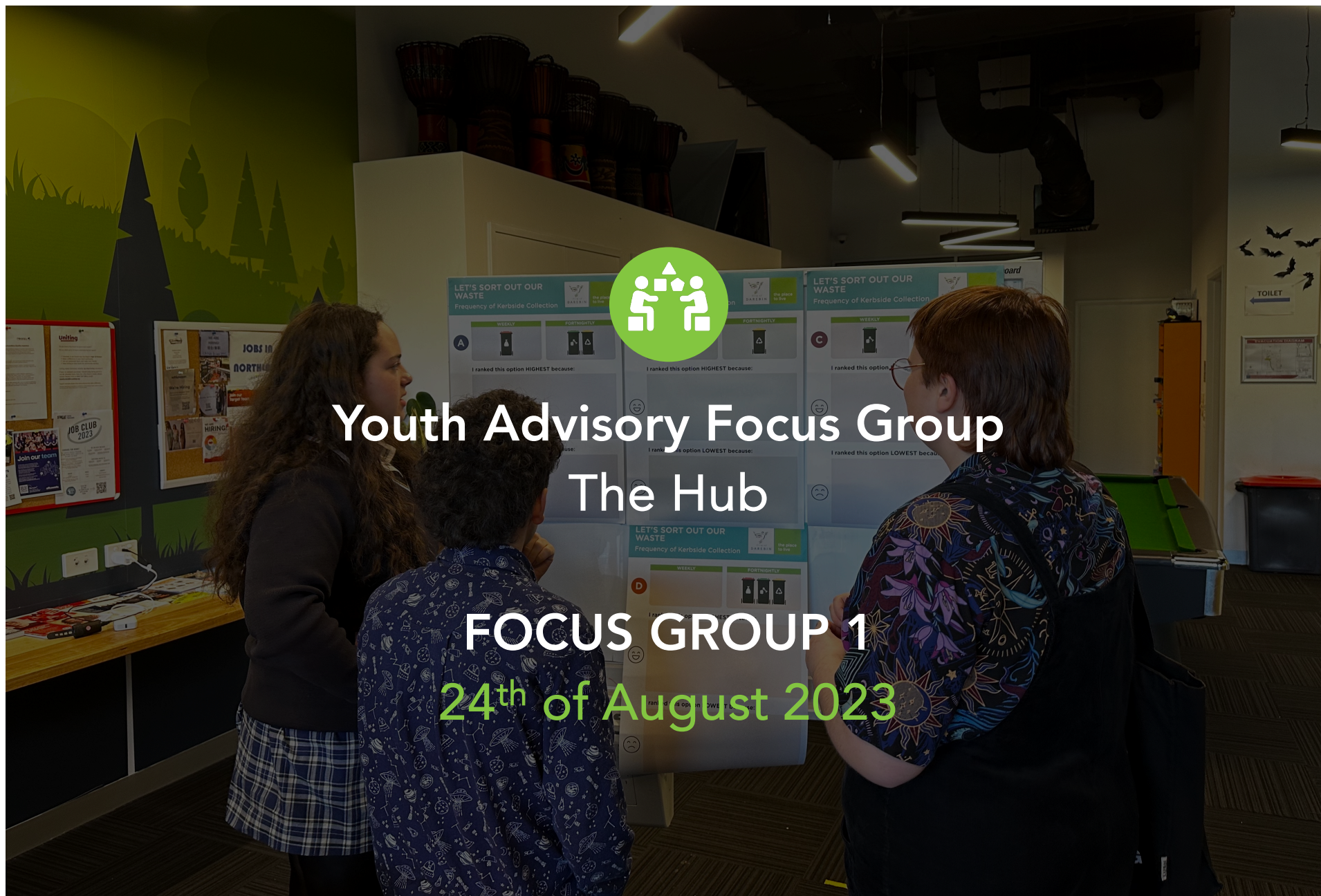
APPENDIX

04

APPENDIX

Workshops & Pop-ups Engagement Summaries





Youth Advisory Focus Group The Hub

FOCUS GROUP 1
24th of August 2023

Youth Advisory Focus Group

Demographic Summary

Target Community Groups Engaged:



Young People
(~18-24)

100%
Young People



First Nations
Peoples

16.7%
Aboriginal People



CALD Community
Members

16.7%
Speak a language other
than English at home

Total Number of Community Members Engaged:



Youth Advisory Focus Group

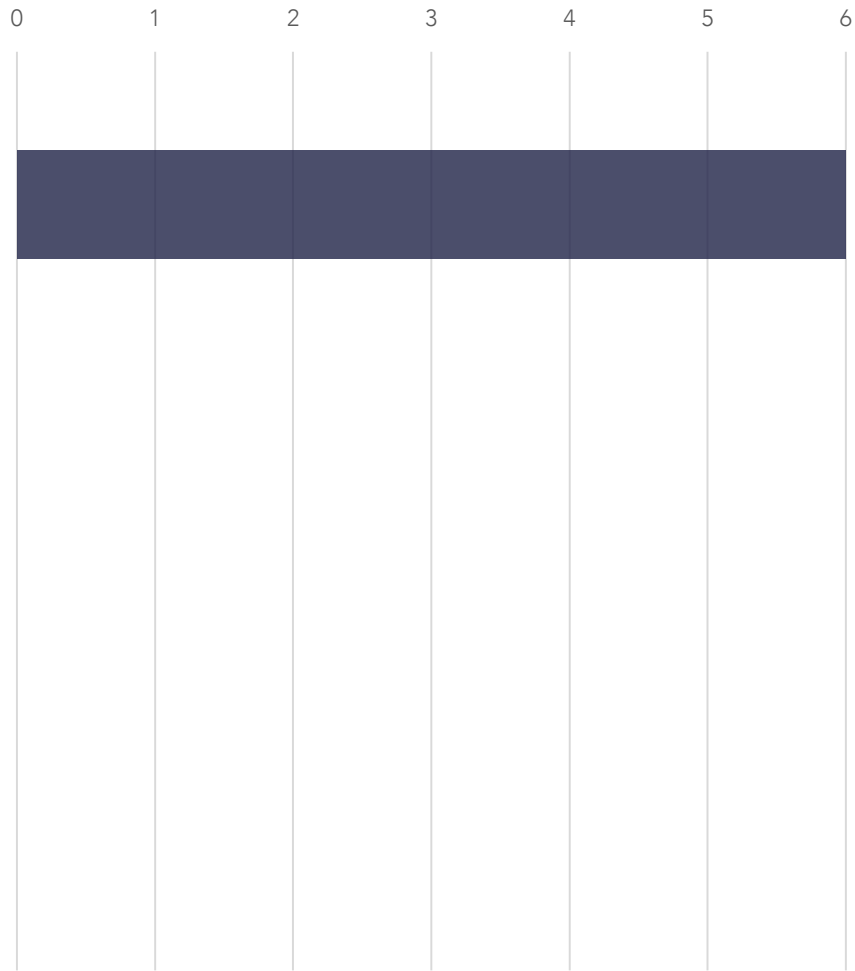
Hard Waste Collection: Preferred Option Results

6 responses

A 1x COUNCIL WIDE COLLECTION FOR EVERYONE  **LIMITED** BOOKED HARD WASTE COLLECTIONS 

B 2x BOOKED HARD WASTE COLLECTIONS 

C 1x LIMITED BOOKED HARD WASTE COLLECTION 



Youth Advisory Focus Group

Hard Waste Collection: Preferred Option Feedback¹



“This was my preferred option because...”

| | | |
|--|--|---|
| <p>“Furnished my entire house with hard rubbish. Community collections all at once are stellar.”</p> | <p>“Keeps people from dumping hard waste in public places or dumpsters. Also preserves community and accessibility.”</p> | <p>“Communal, cultural, nostalgic. People enjoy it and can support hobbies and even the economy if people upcycle and sell”</p> |
| <p>“Sense of community and some waste is diverted by people finding objects”</p> | <p>“Because of the contribution to the circular economy and also possible reduction of waste produced.”</p> | <p>“The Council collection is easy to recycle because people pick up curbside rubbish – brings a sense of community too. 1x bookable collection gives people another time to collect”</p> |

¹Included quotes are verbatim from focus group participants



Youth Advisory Focus Group

Hard Waste Collection: Non-preferred Option Feedback¹

B 2 x **BOOKED HARD WASTE COLLECTIONS** 

“I didn’t pick this as my preferred option because...”

- “Executive function issues could make booking hard or inaccessible”
- “Presents a major accessibility issue for long-term community members, especially elderly people who already have difficulty accessing public services”
- “Lack of council wide collections”
- “Not enough time/availability to everyone to be able to have a hard waste collection”
- “Takes away from circular economy – people recycle items from hard rubbish”
- “I’m less of a fan of Option B/C because it could encourage the disposal of more waste than necessary and take away from thrift culture”
- “Might draw upon increased council resources to manage year-round collections”
- “Boring, not communal or sharing. I don’t understand how this can be cheaper if you have it so adhoc”

¹Included quotes are verbatim from focus group participants



Youth Advisory Focus Group

Hard Waste Collection: Non-preferred Option Feedback¹

 **1x** **LIMITED BOOKED HARD WASTE COLLECTION** 

"I didn't pick this as my preferred option because..."

"Takes away from circular economy – people recycle items from hard rubbish"

"Lack of council wide collections"

"I'm less of a fan of Option B/C because it could encourage the disposal of more waste than necessary and take away from thrift culture"

"Might draw upon increased council resources to manage year-round collections"

"Same as B, boring, not communal, just lame"

¹Included quotes are verbatim from focus group participants



Youth Advisory Focus Group

Hard Waste Collection: Challenges and Opportunities¹



Do you see any challenges or opportunities for the community with changing our hard waste collection service?

"Bookings may be difficult/inaccessible for elderly people/people with access needs"

"Higher chance of being reused if Council wide collection"

"Council wide collection prompts people to consider if they need to get rid of anything"

"Gets rained on winter"



How can the council help the community address these challenges or opportunities?

"Reconsider timing of Council wide collection"

"Darebin Hard Rubbish heroes"

¹Included quotes are verbatim from focus group participants

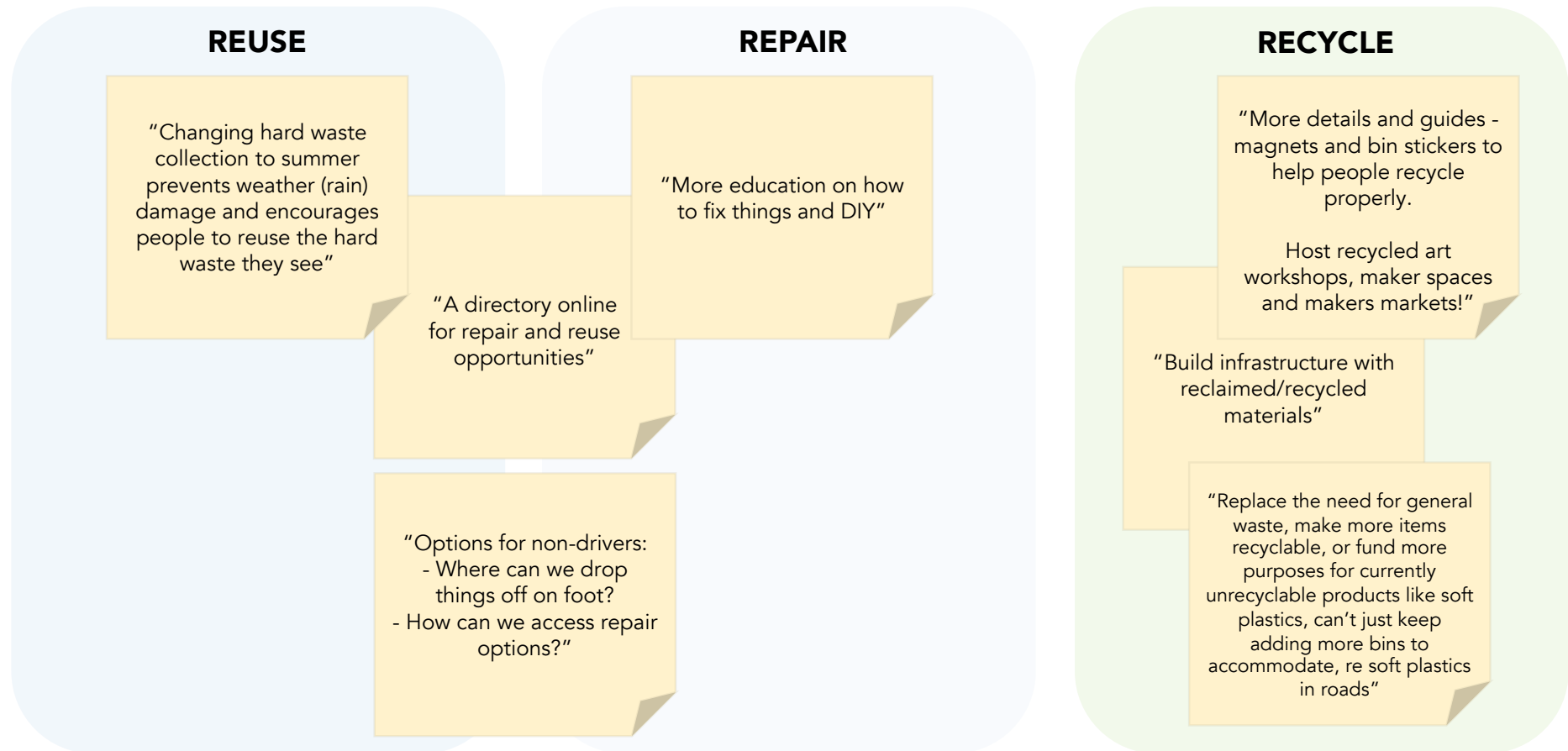


Youth Advisory Focus Group

Circular Economy¹



How can Council support the community to take part in the circular economy?



¹Included quotes are verbatim from focus group participants





Islamic Elderly Focus Group Merrilands Community Centre

Focus Group 2
30th of August 2023

Islamic Elderly Focus Group

Demographic Summary

Target Community Groups Engaged:



100%
Older People



57%
Speak a language other
than English at home

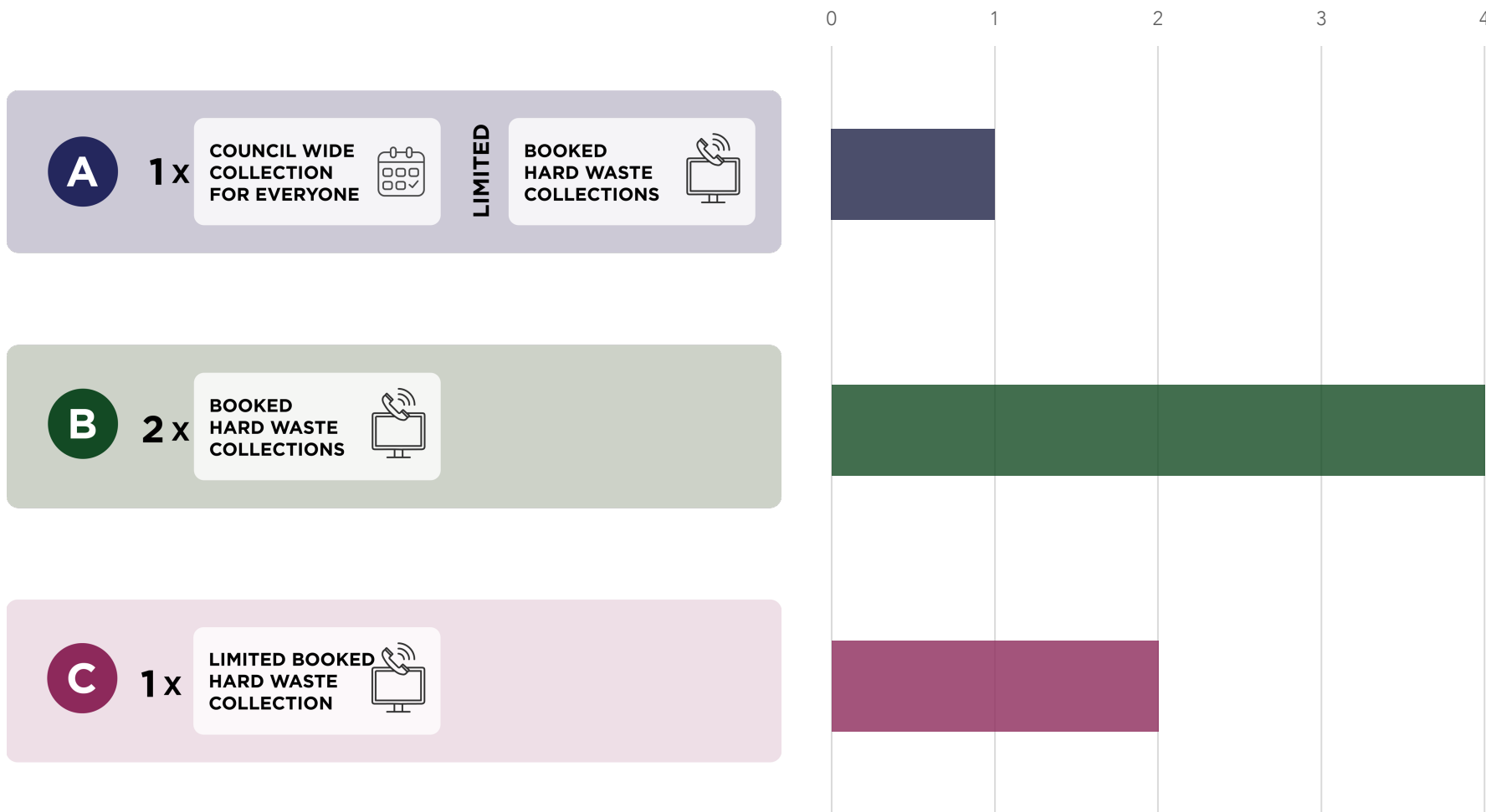
Total Number of Community Members Engaged:



Islamic Elderly Focus Group

Hard Waste Collection: Preferred Option Results

7 responses



Islamic Elderly Focus Group

Hard Waste Collection: Preferred Option Qualitative Feedback¹

“This was my preferred option because...”

| | | |
|--|--|---|
| <p>A 1x COUNCIL WIDE COLLECTION FOR EVERYONE  LIMITED BOOKED HARD WASTE COLLECTIONS </p> | <p>B 2x BOOKED HARD WASTE COLLECTIONS </p> | <p>C 1x LIMITED BOOKED HARD WASTE COLLECTION </p> |
| <p>This would be easy, because it's in the calendar</p> | <p>This means I can get rid of rubbish every 6 months</p> | <p>This option would be enough for my needs</p> |

¹Included quotes have been paraphrased by Greenshoot based on verbal feedback from focus group participants



Islamic Elderly Focus Group

Hard Waste Collection: Challenges + Opportunities¹



Do you see any challenges or opportunities for the community with changing our hard waste collection service?

No feedback provided



How can the council help the community address these challenges or opportunities?

Vouchers for hard waste

¹Included quotes have been paraphrased by Greenshoot based on verbal feedback from focus group participants





OM:NI Focus Group

Demographic Summary

Target Community Groups Engaged:



100%
Older People



22%
Speak a language other
than English at home

Total Number of Community Members Engaged:



OM:NI Focus Group

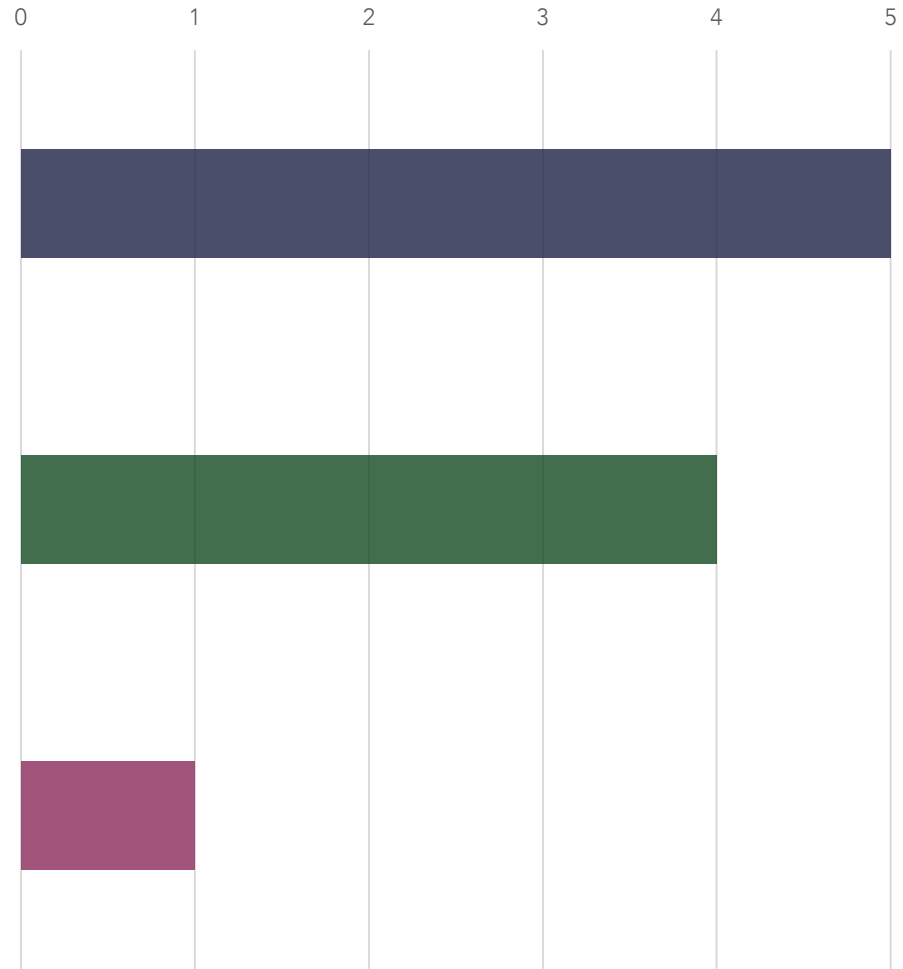
Hard Waste Collection: Preferred Option Results

10 responses

A 1x COUNCIL WIDE COLLECTION FOR EVERYONE  **LIMITED** BOOKED HARD WASTE COLLECTIONS 

B 2x BOOKED HARD WASTE COLLECTIONS 

C 1x LIMITED BOOKED HARD WASTE COLLECTION 



OM:NI Focus Group

Hard Waste Collection: Preferred Option Qualitative Feedback¹

"This was my preferred option because..."

A 1x COUNCIL WIDE COLLECTION FOR EVERYONE  **LIMITED** BOOKED HARD WASTE COLLECTIONS 

B 2x BOOKED HARD WASTE COLLECTIONS 

"Makes the council do the work paid for in the rate"

"Hard waste is notified in advance then picked up"

"Book when needed"

"Hard waste is for all the scavengers to go through the items left for collection"

"Scavengers can recycle hard waste if council wide"

¹Included quotes are verbatim from focus group participants



OM:NI Focus Group

Hard Waste Collection: Challenges and Opportunities¹



Do you see any challenges or opportunities for the community with changing our hard waste collection service?

"Time lag booking inconvenient"

"Tire waste as quarry full very quickly"

"Why didn't Council get gas out of filled quarry?"

"Not everyone looks on websites"



How can the council help the community address these challenges or opportunities?

No feedback provided

¹Included quotes are verbatim from focus group participants



OM:NI Focus Group

Hard Waste Collection: Qualitative Feedback¹



If you have any comments to make about your experiences using Darebin’s hard waste collection, please share them here:

“Good for people collecting to make money”

“Value for services”

¹Included quotes are verbatim from focus group participants



OM:NI Focus Group

Circular Economy¹



How can Council support the community to take part in the circular economy?

REUSE

"Stickers on bins"

REPAIR

Repair cafes (I know there around but not sure where they are)

Men's shed/Mr Fix It Service

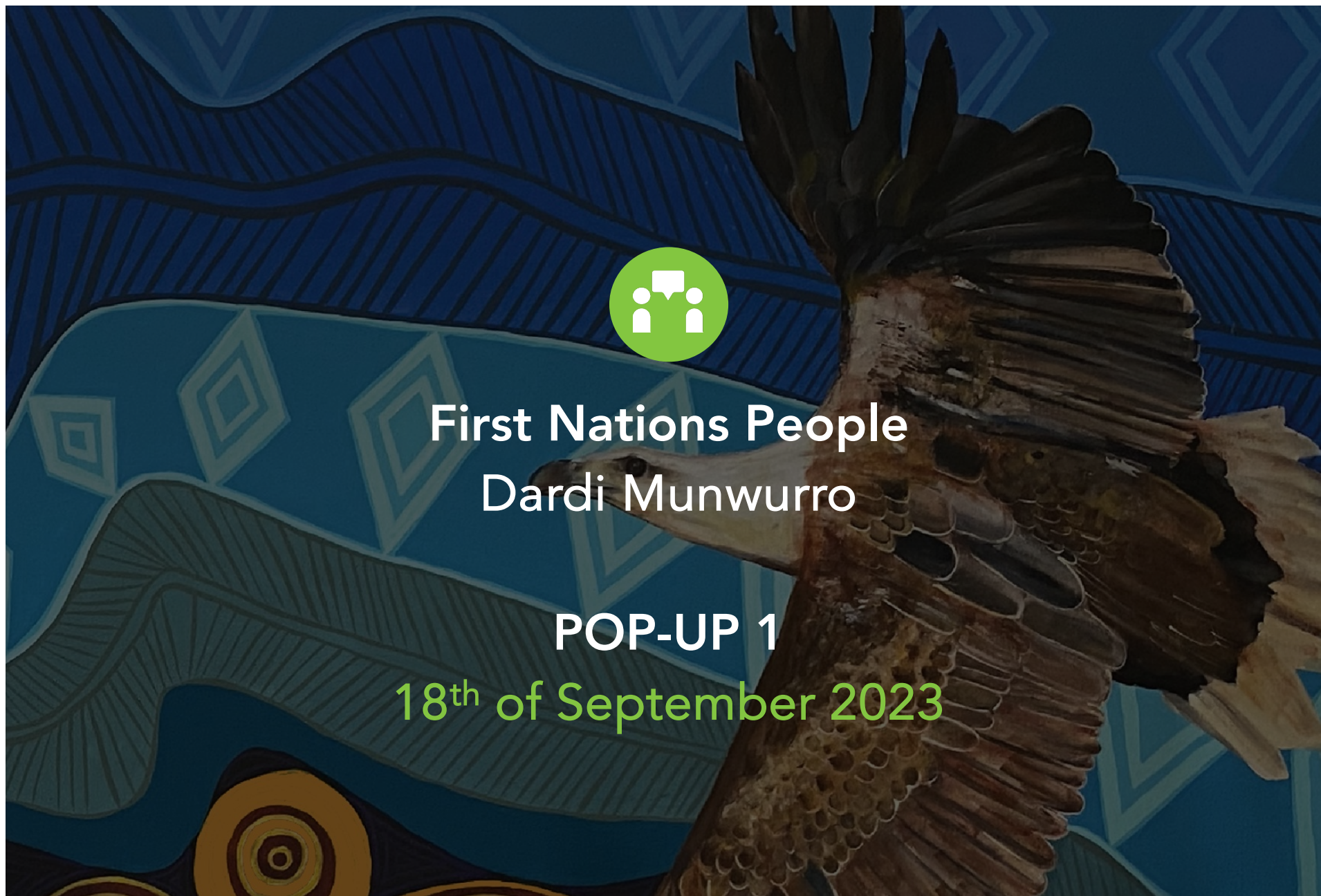
RECYCLE

Can recycling program for kids

"Education about what can/can't go in bins"

¹Included quotes with quotation marks are verbatim, while the other quotes have been paraphrased by Greenshoot based on verbal feedback from focus group participants.





**First Nations People
Dardi Munwurro**

POP-UP 1
18th of September 2023

Dardi Munwurro Pop Up

Demographic Summary

Target Community Groups Engaged:



33%
First Nations People



17%
Older People



17%
Young People

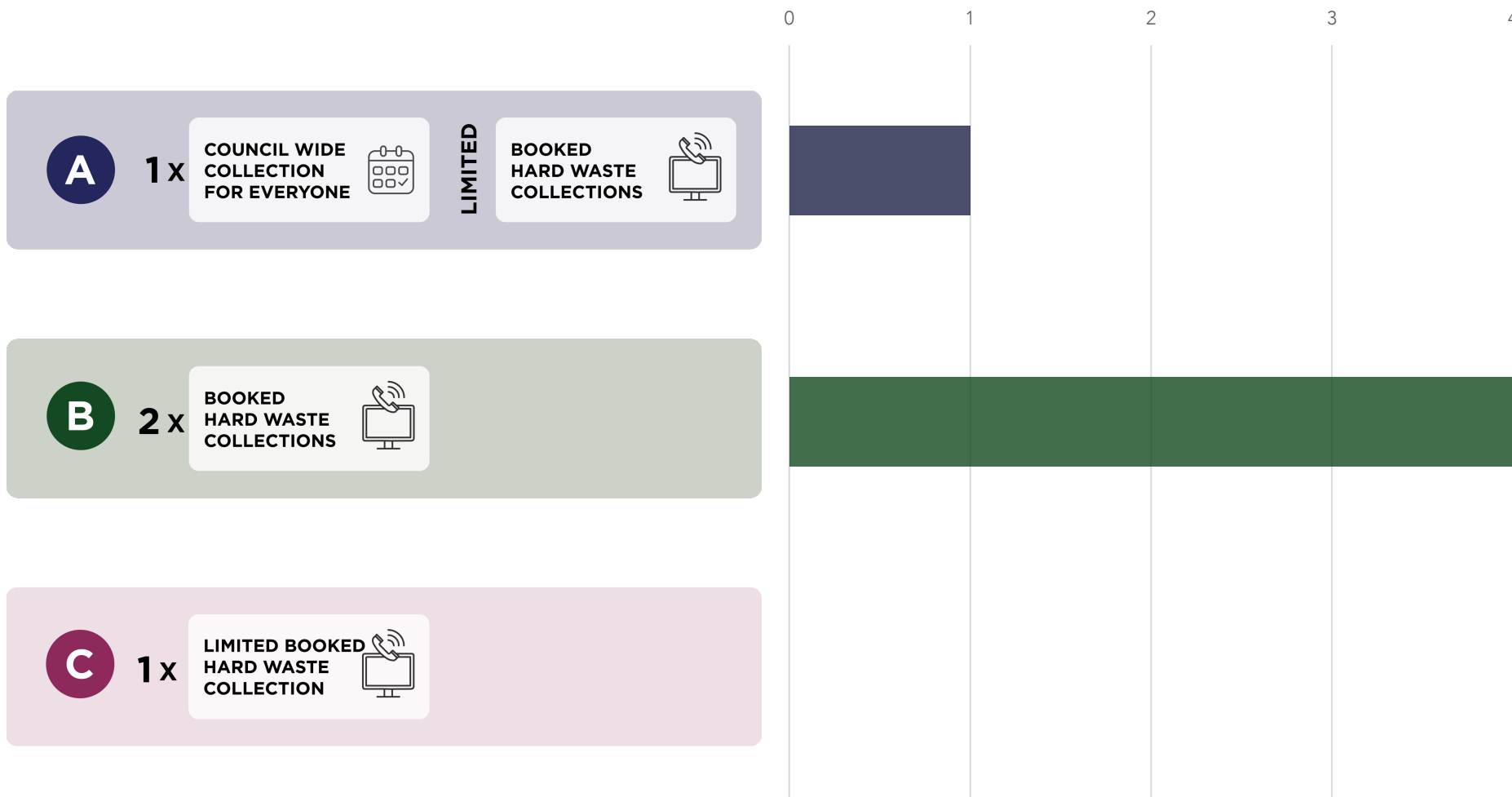
Total Number of Community Members Engaged:



Dardi Munwurro Pop Up

Hard Waste Collection: Preferred Option Results

5 responses



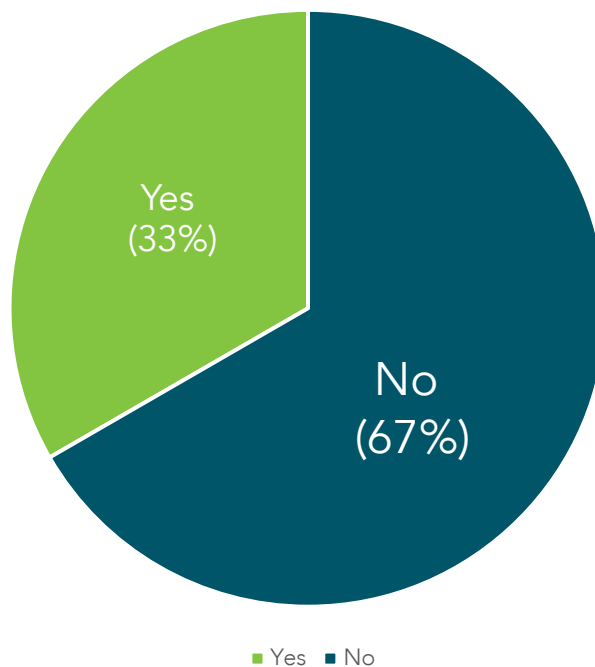
Dardi Munwurro Pop Up

Hard Waste Collection

5 responses



Would you be willing to pay for extra booked hard waste collection/s, in addition to the option you chose?



Dardi Munwurro Pop Up

Hard Waste Collection¹



If you have any comments to make about your experiences using Darebin’s hard waste collection, please share them here:

“I would like to see it done at least 2x”

¹Included quotes are verbatim from pop up participants



Dardi Munwurro Pop Up

Circular Economy¹



How can Council support the community to take part in the circular economy?

“Vending machines for recycling”

“Different types of bins for waste”

“Don’t use a one-off product”

“Ask community if any stuffs being thrown out if they’d like to use, saves more rubbish”

“Education”

¹Included quotes are verbatim from pop up participants



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CONSULTING

**9.7 MERRI COMMON AND SURROUNDS PROGRAM -
COMMUNITY CONSULTATION AND PROJECT UPDATE**

Author: Capital Project Manager
Specials Projects Officer

Reviewed By: General Manager Infrastructure, Operations & Finance

EXECUTIVE SUMMARY

This report provides an update on the Merri Common and Surrounds Open Space Improvement Project and seeks Council's approval to initiate community engagement on the draft concept designs in March 2025.

In October 2023, the Council received \$1,500,000 in grant funding from the Victorian Government's Better Parks and Playgrounds Program for the Merri Common and Surrounds Open Space Improvement Project which includes the enhancement of four existing public spaces in Northcote – Merri Common, Caddayes Corner, Peters Reserve and Green Memorial Reserve.

In June 2024, the Department of Energy, Environment and Climate Change (DEECA) and Council signed the first Funding Agreement which secures \$715,000 in grant funding and \$60,000 in-kind contributions for project management. This Funding is for the design, planning and community consultation at all four spaces and the construction at Caddayes Corner, Peters Reserve and Green Memorial Reserve. The balance of the grant funding is for the construction at Merri Common and will be subject to a separate funding agreement once the proposed works are approved by the landowner, VicTrack, and lessee, Metro Trains Melbourne.

Significant progress has been made to date, including the completion of the Project Plan, draft Concept Designs, Community Engagement Plan, and due diligence assessments on land contamination, flora and fauna, statutory planning, flood risk, and heritage.

The next step is to inform the community about the secured funding and proposed improvements at Merri Common, Caddayes Corner, Peters Reserve, and Green Memorial Reserve, and to gather feedback on the draft concept designs.

| |
|-------------------------------|
| Officer Recommendation |
|-------------------------------|

That Council:

- (1) Notes that Council has secured \$715, 000 from the Victorian Government's Better Parks and Playground program for Stage 1 of the Merri Common and surrounds open space improvements (**Appendix A - Funding Agreement**).
- (2) Notes the progress on the Merri Common and Surrounds, Open Space Improvement Project since the execution of the Funding Agreement.
- (3) Approves the commencement of community consultation for the draft Concept Plans for the Merri Common and Surrounds Open Space Improvement Project in 2025. (**Appendix B - Draft Concept Plans**).
- (4) Authorises the CEO (or delegate) to make editorial changes, corrections, formatting and design necessary to the draft Concept Designs and the Community Engagement Plan at the request of the landowner prior to community engagement.

- (5) Authorises the CEO to complete the State 2 grant application on behalf of the Council for construction works at Merri Common Reserve, pending approval from the landowner, VicTrack.

BACKGROUND / KEY INFORMATION

The Merri Commons and Surrounds Open Space Improvements Project seeks to enhance four public spaces in Northcote:

- Merri Common, 36A Bridge Street, Northcote
- Caddayes Corner, 92 Clarke Street, Northcote
- Peters Reserve, 14 Dalziel Lane, Northcote
- Green Memorial Reserve, 45 Merri Parade, Northcote

Northcote Precinct – relevant section only



87 – Grovesland Reserve
 89 – Peters Reserve
 101 – Merri Common
 133 – Caddayes Corner
 139 – Green Memorial Reserve
 181 – Merri Creek Reserve

Proposed improvements include the installation of new pathways, seating, understorey and tree planting, along with the renewal of the existing playground at Peters Reserve.

In 2022, the Victorian Government committed \$1,500,000 towards a new vision for Merri Common. This commitment was later incorporated into the state budget, with the Department of Energy, Environment and Climate Change (DEECA) inviting applications for open space improvements at Merri Common through the Better Parks and Playgrounds Program. In October 2023, Council resolved to apply for this grant and in June 2024, a Funding Agreement was signed between the Council and DEECA.

Since then, Council and DEECA have worked together to finalise the scope of works for the four sites and draft concept designs have been prepared for community engagement to gather feedback on the proposed park enhancements.

Previous Council Resolution

At its meeting held on 23 October 2023, Council resolved:

That Council:

- (1) Directs the CEO (or delegate) to apply for a grant from the Better Parks and Playground program for 'Option A' as outlined in this report to make open space improvements to Merri Common Reserve, Caddayes Corner, Peters Reserve and Green Memorial Reserve, with the additional option of a small-scale bike track for young children at Merri Common Reserve, subject to community feedback and on the basis that the State Government would retain ownership and maintenance responsibility for any improvements on its land.*
- (2) Delegates to the CEO (or delegate) to finalise the grant application and any necessary grant agreements, including making moderate adjustments to the project budget breakdown or project delivery scope, subject to these being largely consistent with Option A as outlined in this report.*
- (3) Notes that should the grant application be successful, the CEO (or delegate), would progress with implementation, in line with the CEO's normal delegations from Council.*
- (4) Note that officers will communicate Council's decision to VicTrack, the Department of Energy, Environment and Climate Action and the Merri Common Stationeers.*

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

3.2 Aim to achieve 12% canopy cover on Council owned and managed land by 2025, prioritising catchment biodiversity and shopping areas

DISCUSSION

Council has secured funding through the Better Parks and Playgrounds Program to enhance four key public sites in Northcote. These improvements are crucial for promoting community health and wellbeing, particularly in response to growing urban density and limited access to quality open spaces. The proposed upgrades aim to improve connectivity, accessibility, and appeal through pathway enhancements, asset renewals, natural seating, landscaping, and a playspace upgrade.

Draft Concept Designs and the Proposed Community Consultation Approach

A qualified landscape architect has been appointed to the project and has completed the concept designs for all four sites within the program. These drafts are informed by regional asset gap data, universal design principles, community demographic insights, and stakeholder input. The designs align with the scope of works outlined in the funding agreement, focusing on enhancing user experience, accessibility, and environmental sustainability across the spaces.

Community feedback will play a crucial role in ensuring the proposed improvements reflect local needs and aspirations. It is important to note that any improvements to Merri Common are contingent on approval from the landowner, VicTrack.

The community engagement process will be conducted to encourage broad participation and gather valuable feedback that will help refine the final designs. Further details on the consultation approach are provided in the following section of the report.

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

The total project budget for the Merri Common and Surrounds Open Space Improvement Project is \$1,500,000, funded through the Victorian Government's Better Parks and Playgrounds grant program, which is administered by the Department of Energy, Environment and Climate Action (DEECA). The grant is allocated across two stages:

- **Stage 1** has a total expenditure of \$775,000 (as detailed in **Appendix A - Funding Agreement**) comprised of \$715,000 in grant funding and \$60,000 in-kind contributions for project management. This funding is designated for the design, planning, and community engagement activities for the four sites, as well as for construction at the three sites, Caddayes Corner, Peters Reserve, and Green Memorial Reserve.
- **Stage 2** involves a separate funding agreement between the City of Darebin and DEECA, focusing on the construction of improvements at Merri Common, subject to approval from VicTrack and Metro Trains Melbourne (MTM).

The capital works costs for the project will be fully covered by the grant funding. Maintenance costs for the improvements at Caddayes Corner, Peters Reserve, and Green Memorial Reserve are expected to be in line with current maintenance costs at these sites. Maintenance for improvements at Merri Common will remain the responsibility of VicTrack (landowner) and MTM (lessee). However, it is important to note that existing soil contamination at the parks could potentially increase both construction and ongoing maintenance costs.

Community Engagement

The community will be consulted on the draft Concept Designs across the four project sites. The process will focus on gathering feedback on the proposed works and specific goals for the engagement include:

1. **Inform** the community that Council has secured funding from the Victorian Government's Better Parks and Gardens Program to improve Merri Common and surrounds including works at Caddayes Corner, Peters Reserve and Green Memorial.
2. **Seek feedback** on the proposed improvements to understand if the works included in the draft concept designs would encourage them to visit and spend more time in the parks.
3. **Seek feedback** on the option to include a small-scale bike tract for young children at Merri Common and play equipment to be included at Peters Reserve.
4. **Collect** initial data set to benchmark/measure any impact of improvements in the future.

Key engagement activities that will be undertaken include:

- Letter box drops to residents living within 100m of each park.
- Posters at Darebin Libraries and Service Centres and at each park.
- Outreach to local businesses, service providers and advocacy organisations to promote engagement.
- A dedicated Your Say page which includes a community survey to test the draft Concept Designs and invite feedback.
- Targeted engagement with various entities who have previously demonstrated interest in the parks, including the Merri Common Stationeers.
- Pop - Up Sessions at Merri Common, Caddays Corner and Peters Reserve.
- The draft Concept Designs will be tabled with Darebin Advisory Committees for consideration and feedback, including the Disability Advisory Committee, LGBTIQ+ Advisory Committee and Gender Equity Advisory Committee.

Following the community engagement process, final concept designs will be updated to reflect stakeholder and community engagement outcomes. The updated designs will then be prepared and tabled at a future Council Meeting. Stakeholders and the community will be updated on the outcome of the community engagement process and final concept designs as part of this process.

Overarching Governance Principles and Supporting Principles

- (b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;

Public Transparency Principles

- (a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;

Strategic Planning Principles

- (b) strategic planning must address the Community Vision;

Service Performance Principles

- (b) services should be accessible to the members of the municipal community for whom the services are intended;

COUNCIL POLICY CONSIDERATIONS

Environmental Sustainability Considerations (including Climate Emergency)

The draft concept plans propose works which will improve the environmental sustainability of the existing open space network by increasing tree canopy cover to reduce the urban heat island effect and new indigenous understorey planting to increase biodiversity.

As part of the community engagement process, residents will have the opportunity to choose from a selection of native and Indigenous plant species to be incorporated at each site. The plants featured in the final design will enhance environmental resilience and align with Council's rewilding commitments.

Equity, Inclusion, Wellbeing and Human Rights Considerations:

Equity, inclusion, and wellbeing are fundamental considerations in the strategic planning of both the built and natural environment.

The Equity Impact Assessment (EIA) was submitted for the project on 28 October 2024. The project will support gender equality by considering:

- **Inclusive Design:** Ensure the playspace features equipment that caters to various gender preferences and abilities.
- **Community Consultation:** Engage with local families and community groups to gather input on the playspace design. Specifically, seek feedback from women, men, and non-binary people to ensure that the space meets everyone's needs.
- **Safety and Accessibility:** Design the playspace with safety in mind, ensuring adequate visibility and access for all users.
- **Promoting Diverse Activities:** Incorporate a variety of activities that appeal to different interests, such as sports courts, sensory gardens, and artistic installations.
- **Representation in Play:** Use signage and artwork in the playspace that reflects diverse gender identities and experiences. This representation can help all users feel included and acknowledged.

The project will support **environments for health** by:

- Improving existing parks to encourage physical activity, social interaction and connection to nature.
- Planting new trees to increase natural shade and mitigate adverse impacts of heating and UV exposure.

The project will positively impact **human rights** by renewing an existing playground and promoting inclusivity, safety, and well-being, ensuring that all community members have access to enriching recreational experiences.

The EIA has influenced the project in the following ways:

- **Reinforced focus on Universal Design Principles (USD)** to prioritise accessibility, safety, and inclusive play opportunities for children of all abilities and backgrounds.
- **Community Engagement:** Proposal of structured outreach approached to under-represented groups to gather perspectives that reflects the community's diversity.
- **Post Occupancy Feedback:** Proposal to establish feedback mechanism to assess how well the playspace meets community needs. This will allow for adjustments based on user experiences, ensuring that any harmful outcomes are identified and addressed promptly.
- **Traditional Custodian Engagement:** The Community Engagement Plan has been revised to including tabling the project with the Darebin Aboriginal Advisory Committee and outreach to local Aboriginal agencies including Aboriginal Housing Victoria, Victorian Aboriginal Health Service and Aboriginal Hostels Ltd - William T Onus Hostel and Lady Gladys Nicholls Hostel.

Economic Development and Cultural Considerations

The project is not pursuing any opportunities for economic development or creative culture considering the location and nature of the project and the funding scope.

Operational Impacts

This matter has no operational impacts. Maintenance costs of improvements to Caddayes Corner, Peters Reserve and Green Memorial Reserve are estimated to be comparable to current maintenance costs at these sites. The draft Concept Plans have been reviewed by the Park Operations team and final Concept Plans will be submitted for approval prior to construction of the works.

Maintenance costs of improvements to Merri Common remain the responsibility of VicTrack and MTM. The draft Concept Plans are being reviewed by VicTrack and MTM and final concept plans will be submitted for approval prior to construction of the works.

Legal and Risk Implications

Any improvements made to the land and initiated by Council, could result in liability relating to maintenance, public safety and other risks. Project Officers are working with Council's risk and Property teams to mitigate risk to Council through appropriate leasing or licensing terms and/or insurance.

Land Ownership and Approvals

The Merri Common and Surrounds Open Space Improvement Project is unusual, as Council is the recipient of a grant to improve land which is owned by VicTrack and managed by Metro Trains Melbourne or Council. DEECA designated Council as the eligible entity to apply for the grant and deliver the project noting that all modifications must first be authorised by the VicTrack as the landowner.

In January 2025, land ownership investigations indicated discrepancies in the property ownership and title boundaries in records maintained by Council and VicTrack for Merri Common. This is likely to be the legacy of title boundaries not being updated to reflect road discontinuance when the railway line was constructed. Further work will be undertaken to understand and resolve this discrepancy.

Contamination of railway land

In December 2024, the preliminary soil contamination assessment for each site was completed. Merri Common and Green Memorial Reserve are classified as 'contaminated land' under the *Environment Protection Act 2017* and it was recommended that a documented soil management approach will be necessary to facilitate capital works, with a separate strategy recommended for ongoing use and maintenance.

DEECA has notified the landowner, VicTrack, of the findings. VicTrack's Environmental Advisory team have reviewed the soil assessment reports and agree with the recommendations that;

- Soil management is documented by the contractor in its Construction Environmental Management Plan and
- in a site Environmental Management Plan including surface layer inspections to be implemented by the party in management and control (i.e. Metro Trains).

Ongoing risks will be carefully monitored and managed throughout the construction phase of the project. While managing contamination can incur additional costs, it is generally considered to be a manageable risk.


Should Council take on the long-term maintenance of any of these sites, there may be operational risks that could increase the site's operational costs. Some of these risks could be mitigated through appropriate licensing or leasing arrangements.

IMPLEMENTATION ACTIONS

Should Council resolve to endorse the recommendation made in this report, the following actions will be undertaken:

1. Launch community engagement for the Merri Common and Surrounds Open Space Improvement Project in March 2025.
2. Continue collaboration with DEECA to seek VicTrack approval for improvements at Merri Common and Caddayes Corner (VicTrack-owned sites).
3. Integrate findings from the community engagement process into the draft concept designs.
4. Table the community engagement findings and updated designs at a Council meeting in mid-2025 for endorsement to proceed to the construction phase.
5. Pending VicTrack approval on improvements to Merri Common, commence the funding approval process for Stage 2 Grant.
6. Tender for works and commence construction under the delegation to the CEO.

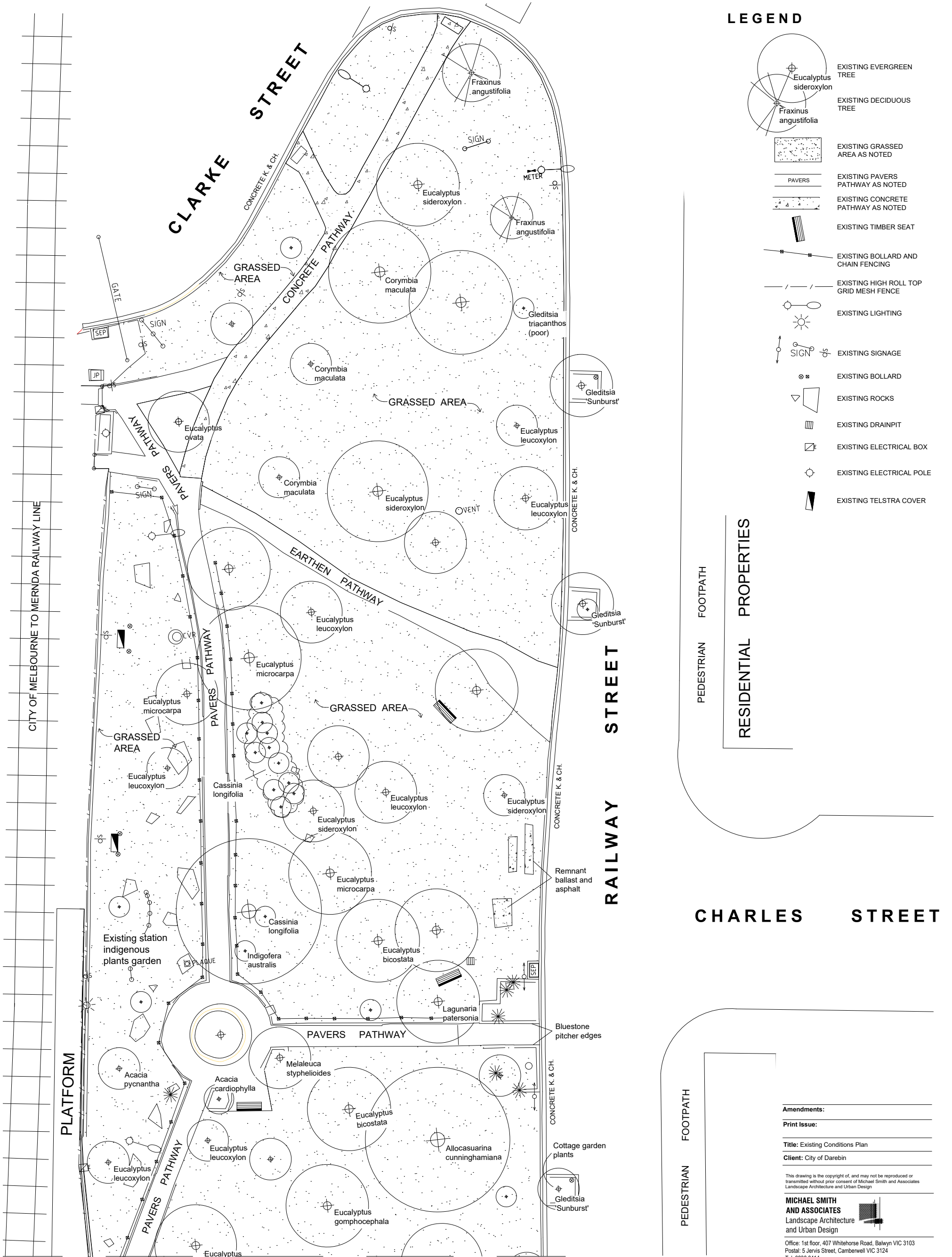
ATTACHMENTS

- Merri Commons Draft Concept Plans (**Appendix A**) [↓](#) 

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.



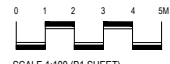
- LEGEND**
- EXISTING EVERGREEN TREE
 - EXISTING DECIDUOUS TREE
 - EXISTING GRASSED AREA AS NOTED
 - EXISTING PAVERS PATHWAY AS NOTED
 - EXISTING CONCRETE PATHWAY AS NOTED
 - EXISTING TIMBER SEAT
 - EXISTING BOLLARD AND CHAIN FENCING
 - EXISTING HIGH ROLL TOP GRID MESH FENCE
 - EXISTING LIGHTING
 - EXISTING SIGNAGE
 - EXISTING BOLLARD
 - EXISTING ROCKS
 - EXISTING DRAINPIT
 - EXISTING ELECTRICAL BOX
 - EXISTING ELECTRICAL POLE
 - EXISTING TELSTRA COVER

Amendments: _____
 Print Issue: _____
 Title: Existing Conditions Plan
 Client: City of Darebin

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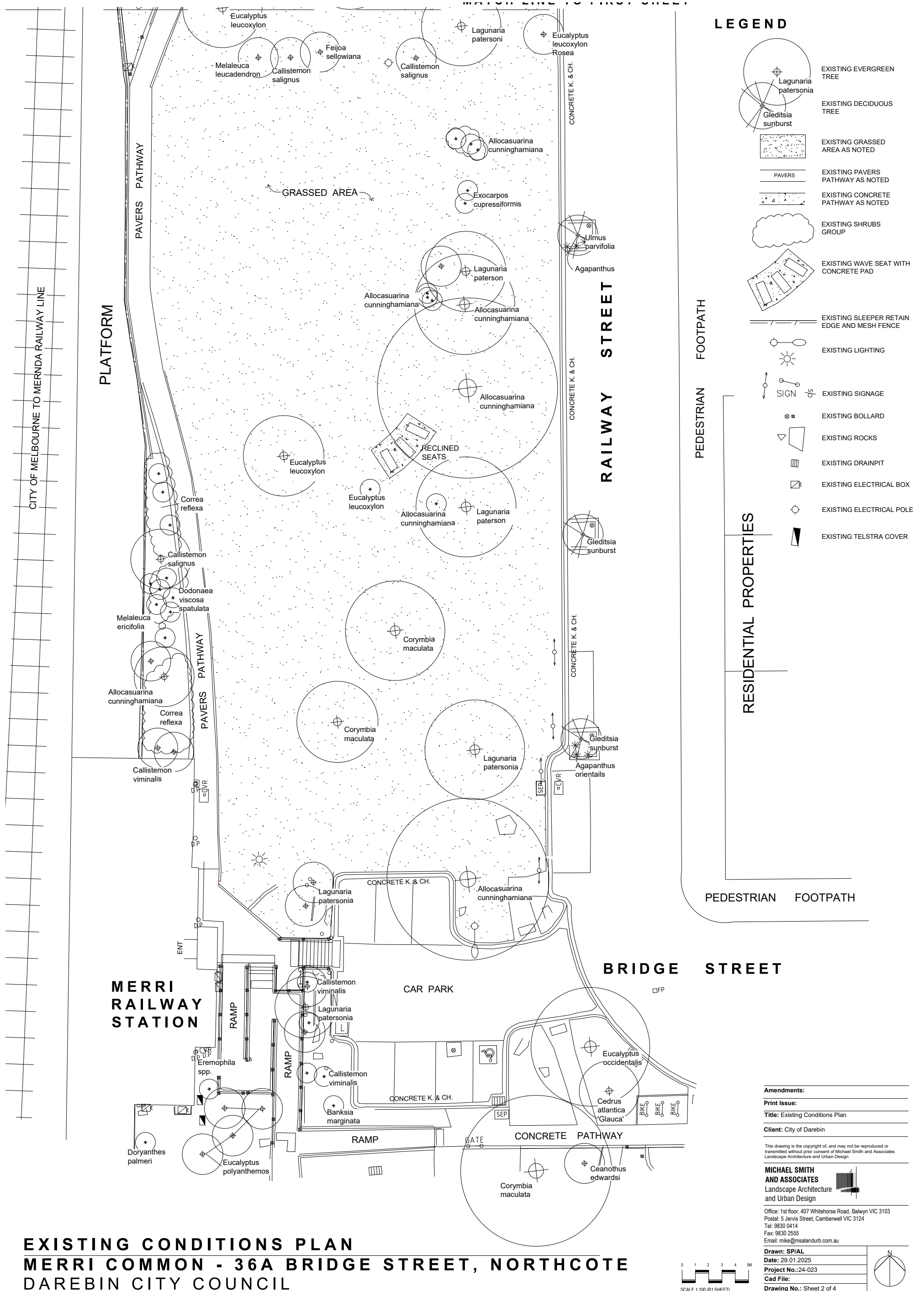
MICHAEL SMITH AND ASSOCIATES
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 Fax: 9830 2555
 Email: mike@msalandurb.com.au

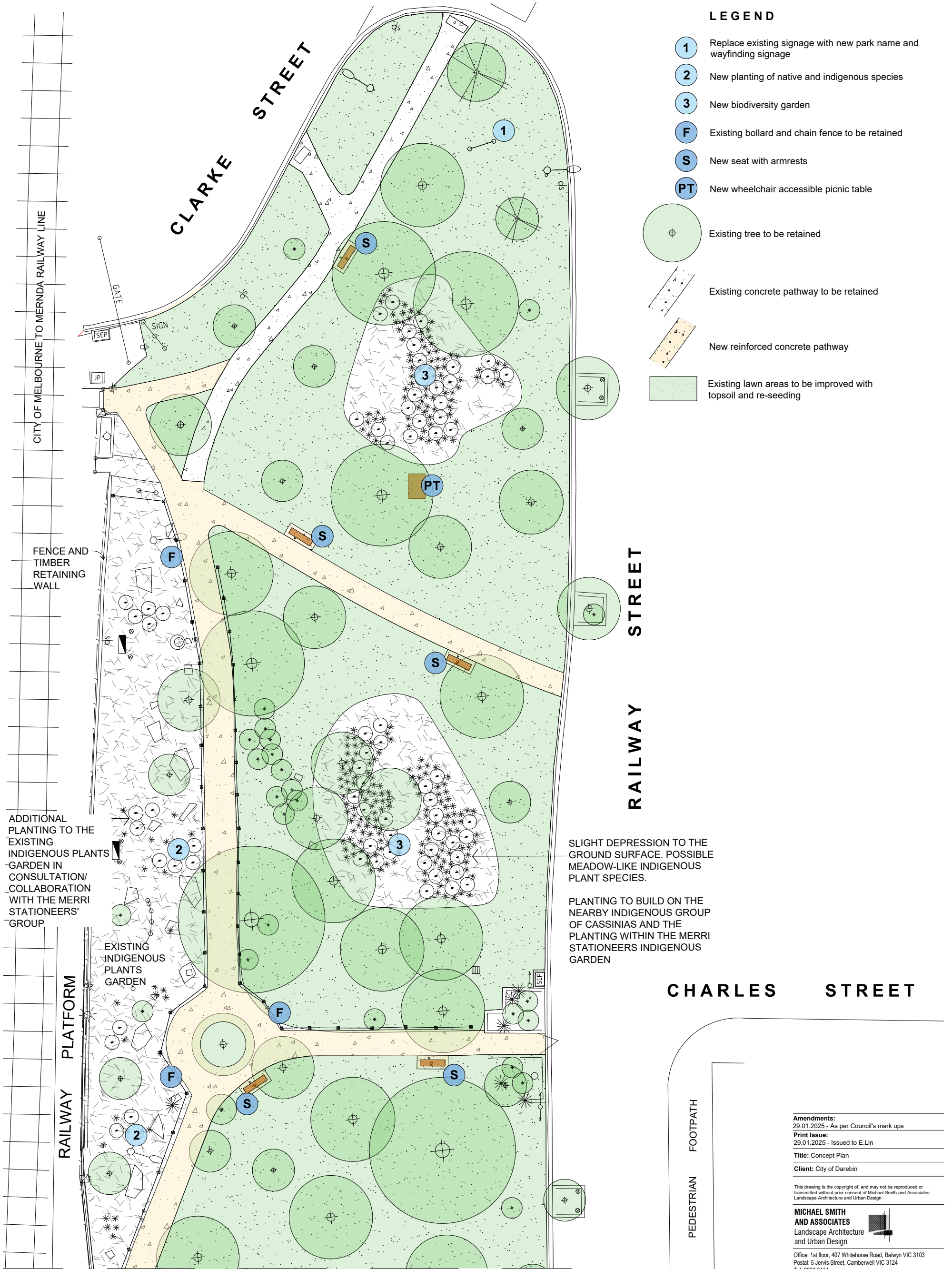
Drawn: SP/AL
 Date: 29.01.2025
 Project No.: 24-023
 Cad File:
 Drawing No.: Sheet 1 of 4



EXISTING CONDITIONS PLAN
MERRI COMMON - 36A BRIDGE STREET, NORTHCOTE
 DAREBIN CITY COUNCIL

MATCH LINE TO SECOND SHEET





LEGEND

- 1 Replace existing signage with new park name and wayfinding signage
- 2 New planting of native and indigenous species
- 3 New biodiversity garden
- F Existing bollard and chain fence to be retained
- S New seat with armrests
- PT New wheelchair accessible picnic table

- Existing tree to be retained
- Existing concrete pathway to be retained
- New reinforced concrete pathway
- Existing lawn areas to be improved with topsoil and re-seeding

FENCE AND
TIMBER
RETAINING
WALL

ADDITIONAL
PLANTING TO THE
EXISTING
INDIGENOUS PLANTS
-GARDEN IN
CONSULTATION/
COLLABORATION
WITH THE MERRI
STATIONEERS'
GROUP

EXISTING
INDIGENOUS
PLANTS
GARDEN

SLIGHT DEPRESSION TO THE
GROUND SURFACE. POSSIBLE
MEADOW-LIKE INDIGENOUS
PLANT SPECIES.

PLANTING TO BUILD ON THE
NEARBY INDIGENOUS GROUP
OF CASSINIAS AND THE
PLANTING WITHIN THE MERRI
STATIONEERS INDIGENOUS
GARDEN

CHARLES STREET

PEDESTRIAN
FOOTPATH

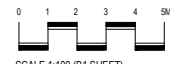
Amendments:
29.01.2025 - As per Council's mark ups
Print Issue:
29.01.2025 - Issued to E.Lin
Title: Concept Plan
Client: City of Darebin

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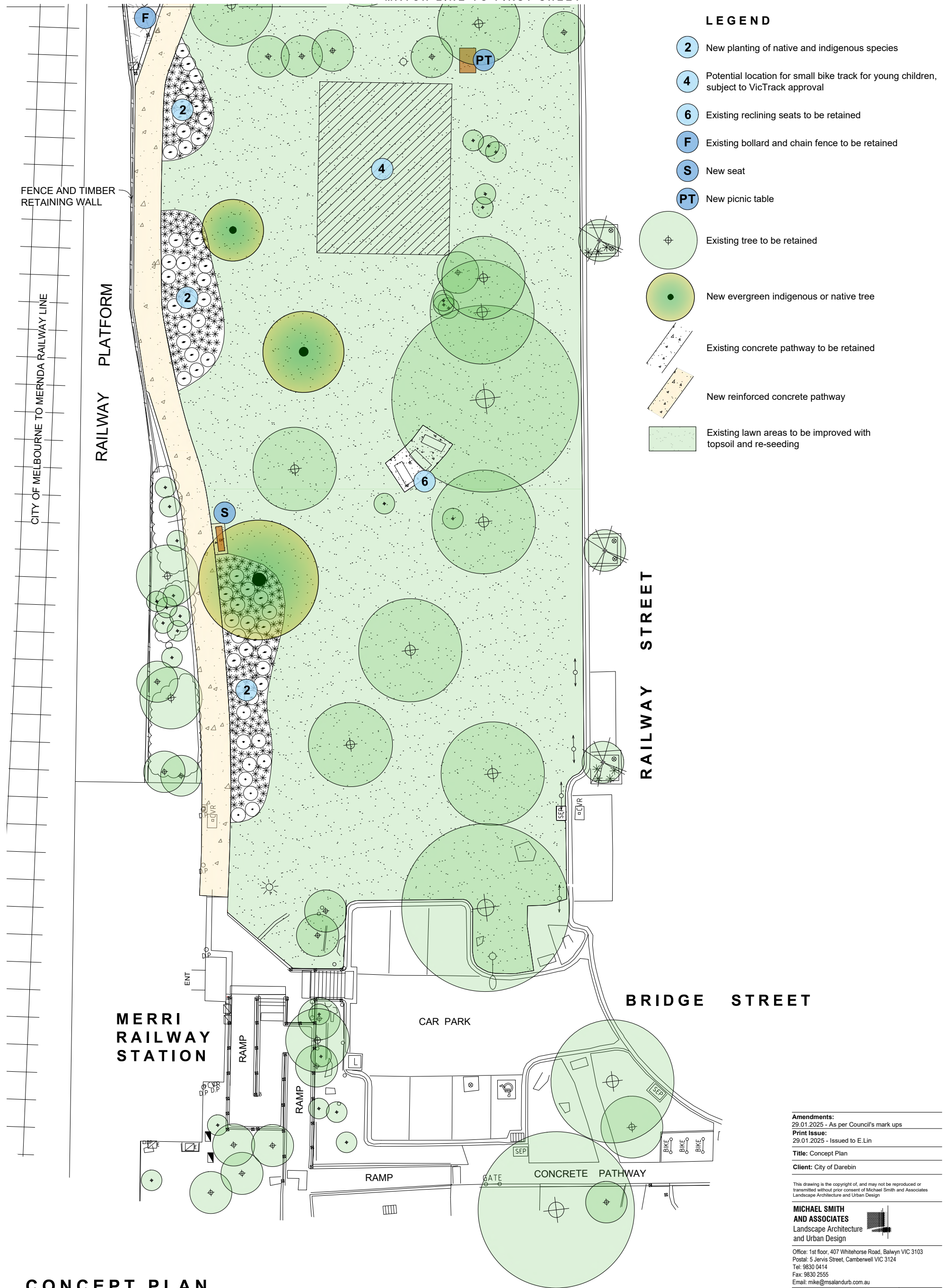
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Postal: 5 Jervis Street, Camberwell VIC 3124
Tel: 9830 0414
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Date: 29.01.2025
Project No.: 24-023
Cad File:
Drawing No.: Sheet 3 of 4



**CONCEPT PLAN
MERRI COMMON - 36A BRIDGE STREET, NORTHCOTE
DAREBIN CITY COUNCIL**

MATCH LINE TO SECOND SHEET



- LEGEND**
- 2** New planting of native and indigenous species
 - 4** Potential location for small bike track for young children, subject to VicTrack approval
 - 6** Existing reclining seats to be retained
 - F** Existing bollard and chain fence to be retained
 - S** New seat
 - PT** New picnic table
 - Existing tree to be retained
 - New evergreen indigenous or native tree
 - Existing concrete pathway to be retained
 - New reinforced concrete pathway
 - Existing lawn areas to be improved with topsoil and re-seeding

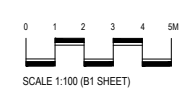
CONCEPT PLAN
MERRI COMMON - 36A BRIDGE STREET, NORTHCOTE
 DAREBIN CITY COUNCIL

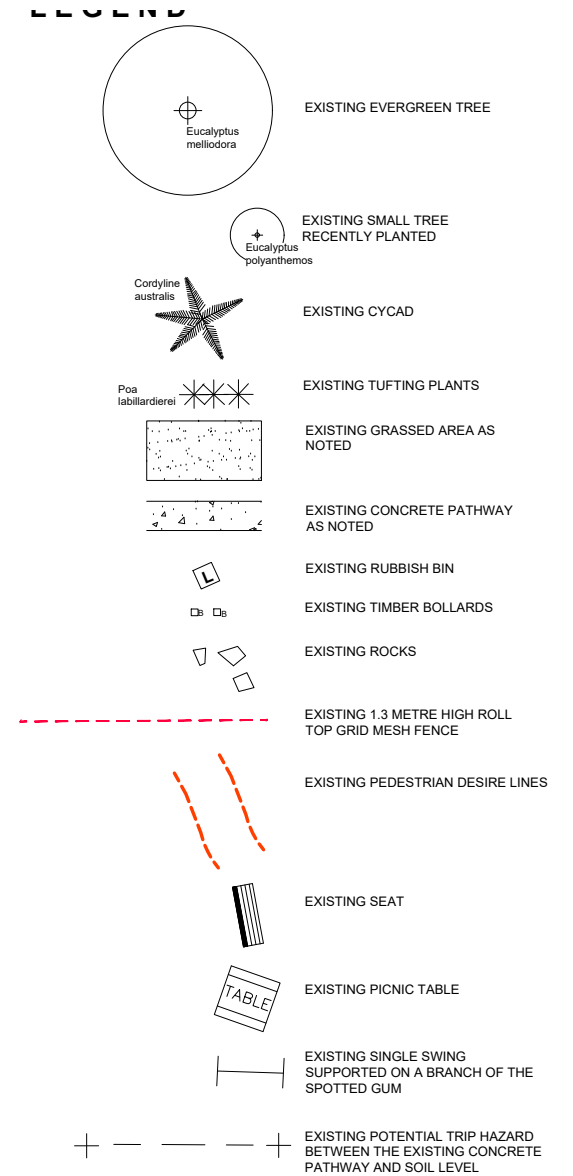
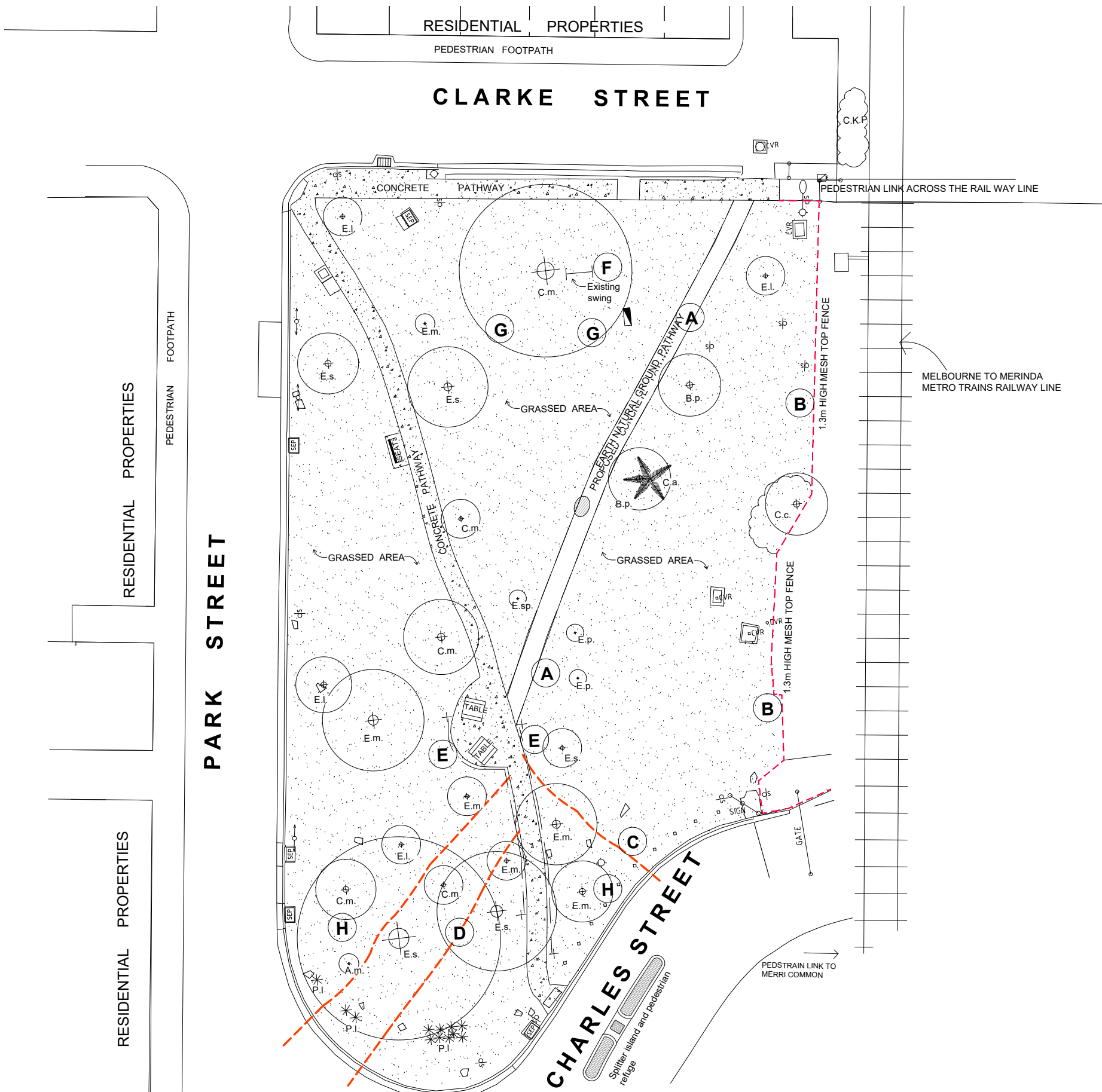
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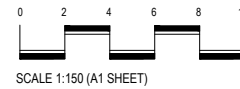
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Project No.: 24-023
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Drawing No.: Sheet 4 of 4





EXISTING CONDITIONS AND ANALYSIS PLAN
CADDAYES CORNER - 92 CLARKE STREET, NORTHCOTE
 DAREBIN CITY COUNCIL



Amendments:

Print Issue:

Title: Existing Conditions and Analysis Plan

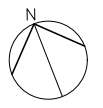
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 Project No.: 24-023
 Cad File:
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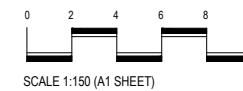


LEGEND

- 1** New planting of indigenous and native species
- B** Existing timber bollards to be retained. Chains to be installed between the existing bollards to prevent 'J' walkers from a dangerous crossing area and support plant growth
- S** New park bench in existing location
- PT** New picnic tables in existing location
- LB** New rubbish and recycling bins in existing location

- Existing evergreen tree to be retained
- New evergreen indigenous or native tree
- Existing concrete pathway to be retained
- New reinforced concrete pathway
- Existing lawn areas to be improved with topsoil and re-seeding

**CONCEPT PLAN - PATHWAY UPGRADE AND REWILDING
CADDAYES CORNER - 92 CLARKE STREET, NORTHCOTE
DAREBIN CITY COUNCIL**



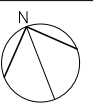
Amendments:
29.01.2025 - As per Council's mark ups
Print Issue:
29.01.2025 - Issued to E.Lin
Title: Concept Plan - Pathway Upgrade and Rewilding
Client: Darebin City Council

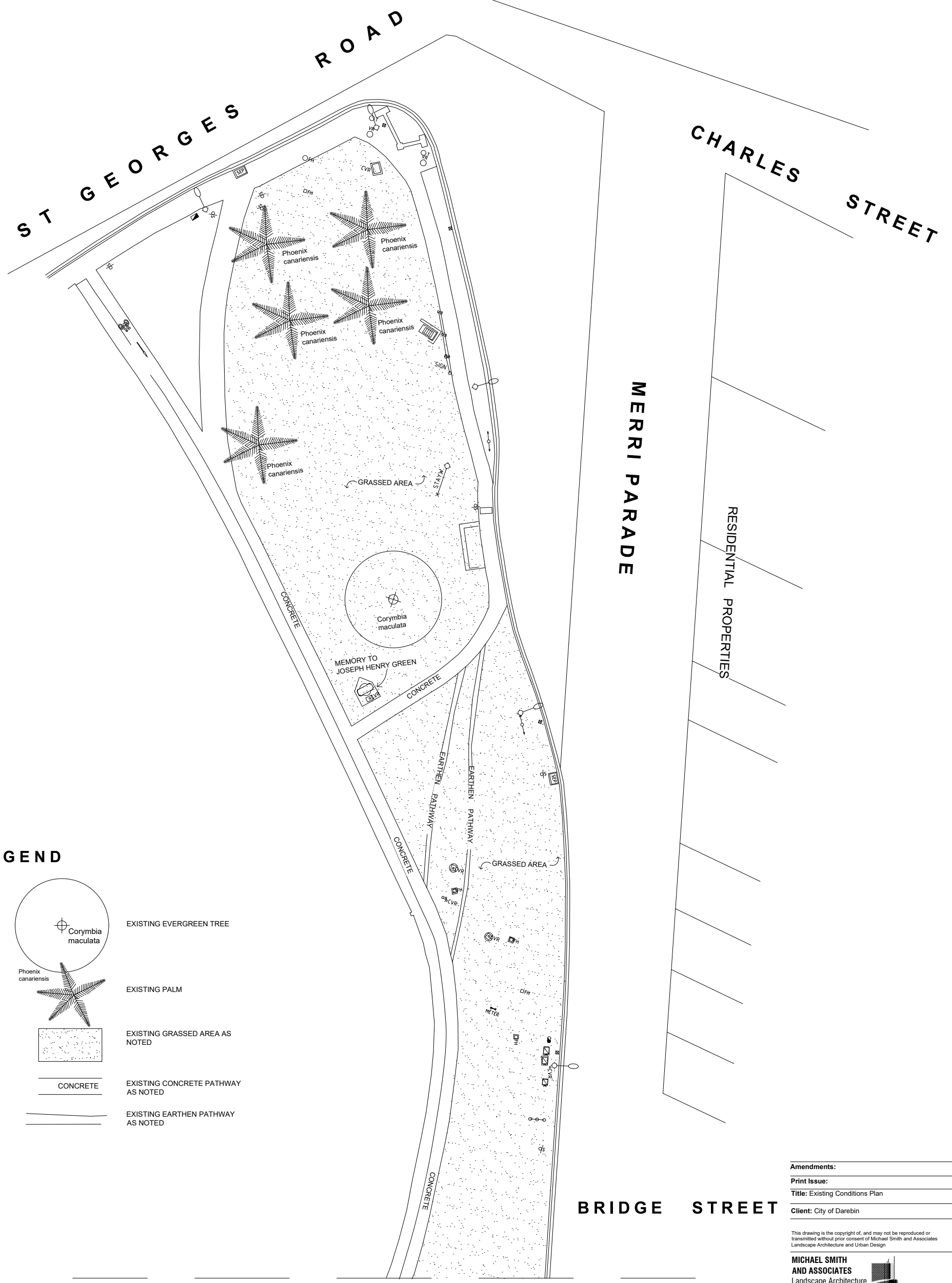
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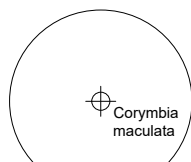

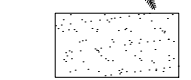
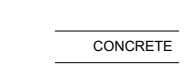
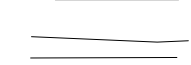
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Project No.: 24-023
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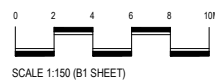


LEGEND

-  EXISTING EVERGREEN TREE
-  EXISTING PALM
-  EXISTING GRASSED AREA AS NOTED
-  EXISTING CONCRETE PATHWAY AS NOTED
-  EXISTING EARTHEN PATHWAY AS NOTED

BRIDGE STREET

MATCH LINE TO SECOND SHEET



**EXISTING CONDITIONS PLAN
GREEN MEMORIAL RESERVE - 45 MERRI PARADE, NORTHCOTE
DAREBIN CITY COUNCIL**

Amendments:
Print Issue:
Title: Existing Conditions Plan
Client: City of Darebin

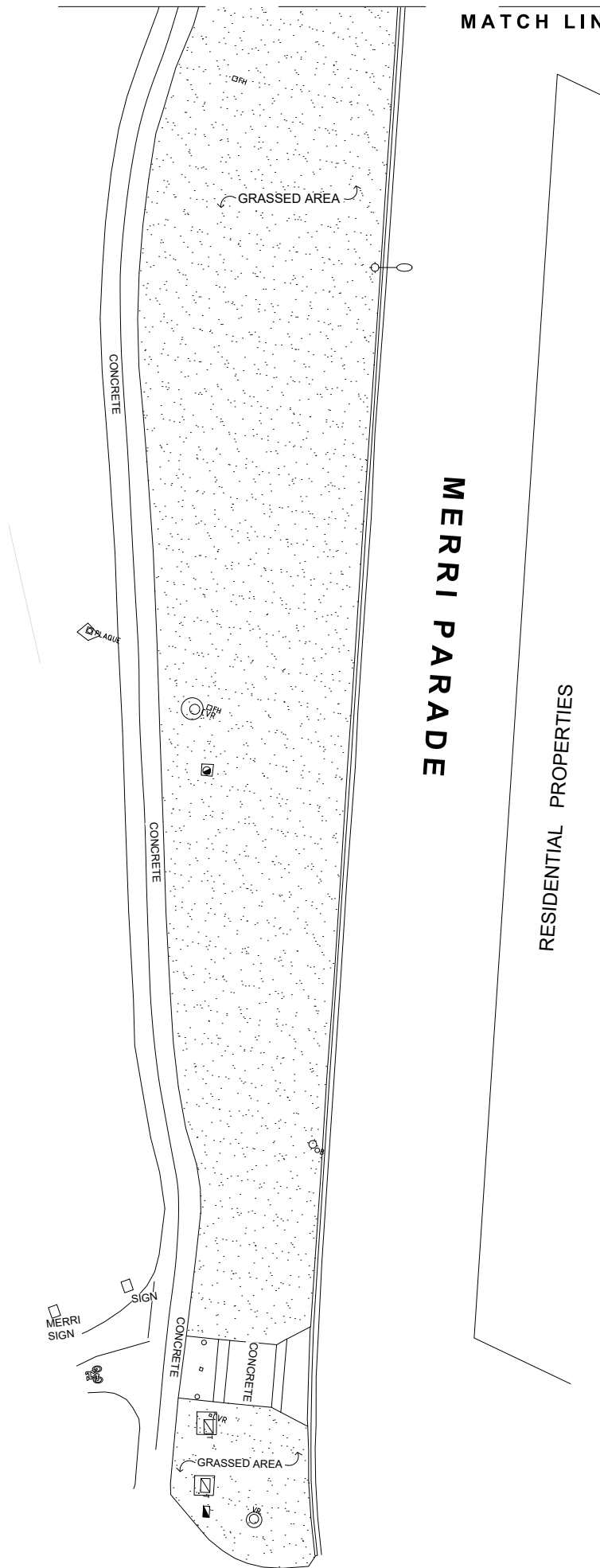
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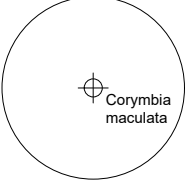





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Cad File:
Drawing No.: Sheet 1 of 3

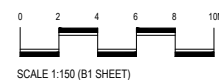




LEGEND

-  EXISTING EVERGREEN TREE
Corymbia maculata
-  EXISTING GRASSED AREA AS NOTED
-  EXISTING CONCRETE PATHWAY AS NOTED
-  OB
-  OB
-  OB

EXISTING CONDITIONS PLAN
GREEN MEMORIAL RESERVE - 45 MERRI PARADE, NORTHCOTE
 DAREBIN CITY COUNCIL



Amendments:

Print Issue:

Title: Existing Conditions Plan


Client: City of Darebin

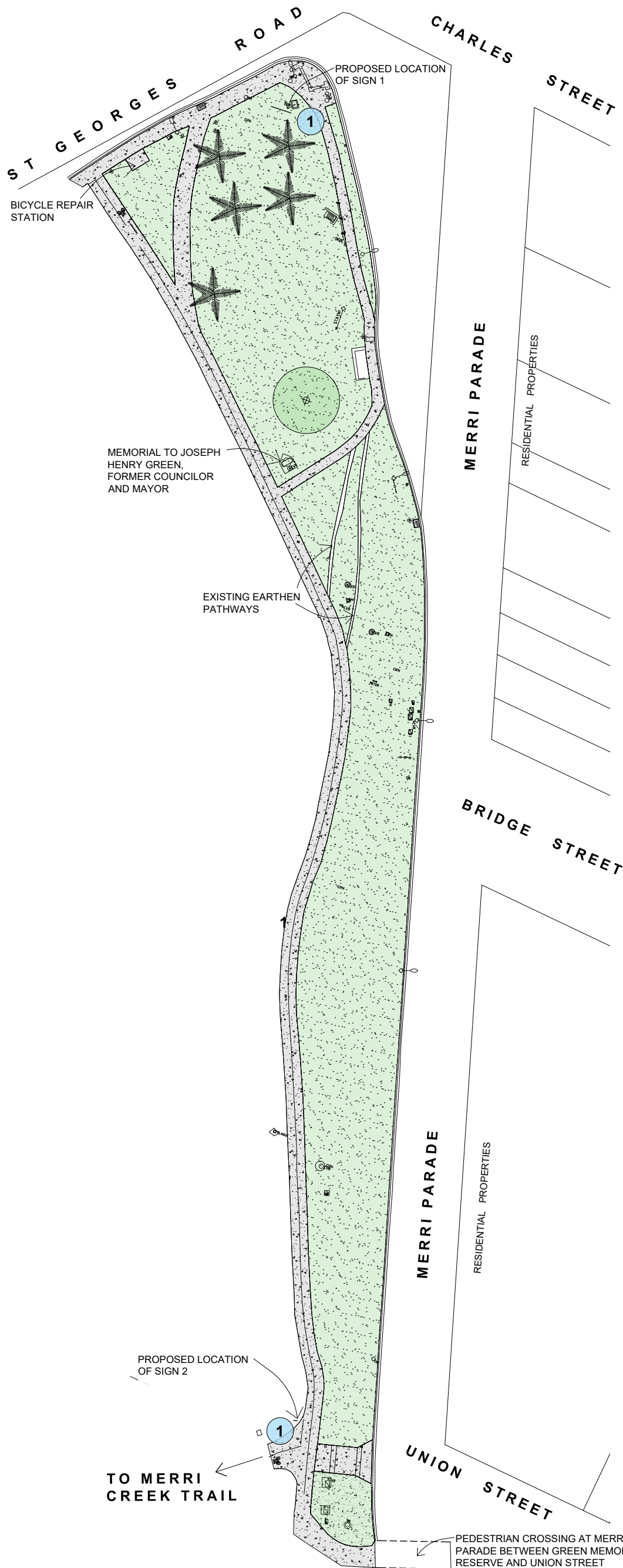
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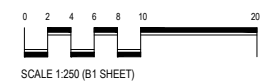




LEGEND

- 1 New wayfinding signage
- Existing concrete shared cycle and pedestrian path to be retained
- Existing trees to be retained
- Existing grass area to be retained

**CONCEPT PLAN - SIGNAGE UPGRADE
 GREEN MEMORIAL RESERVE - 45 MERRI PARADE, NORTHCOTE
 DAREBIN CITY COUNCIL**



Amendments:
 29.01.2025 - As per Council's mark ups

Print Issue:
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Title: Concept Plan - Signage Upgrade

Client: Darebin City Council

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Drawn: AL/SP
Date: 29.01.2025
Project No.: 24-023
Cad File:
Drawing No.: Sheet 3 of 3





LEGEND

- 1 Replace existing signage with new park name and wayfinding signage
- 2 New planting of native and indigenous species
- 3 New biodiversity garden
- F Existing bollard and chain fence to be retained
- S New seat with armrests
- PT New wheelchair accessible picnic table

- (Circle with cross) Existing tree to be retained
- (Circle with star) Existing concrete pathway to be retained
- (Circle with star) New reinforced concrete pathway
- (Green shaded area) Existing lawn areas to be improved with topsoil and re-seeding

FENCE AND
TIMBER
RETAINING
WALL

ADDITIONAL
PLANTING TO THE
EXISTING
INDIGENOUS PLANTS
-GARDEN IN
CONSULTATION/
COLLABORATION
WITH THE MERRI
STATIONEERS'
GROUP

EXISTING
INDIGENOUS
PLANTS
GARDEN

SLIGHT DEPRESSION TO THE
GROUND SURFACE. POSSIBLE
MEADOW-LIKE INDIGENOUS
PLANT SPECIES.

PLANTING TO BUILD ON THE
NEARBY INDIGENOUS GROUP
OF CASSINIAS AND THE
PLANTING WITHIN THE MERRI
STATIONEERS INDIGENOUS
GARDEN

CHARLES STREET

PEDESTRIAN
FOOTPATH

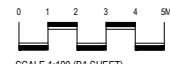
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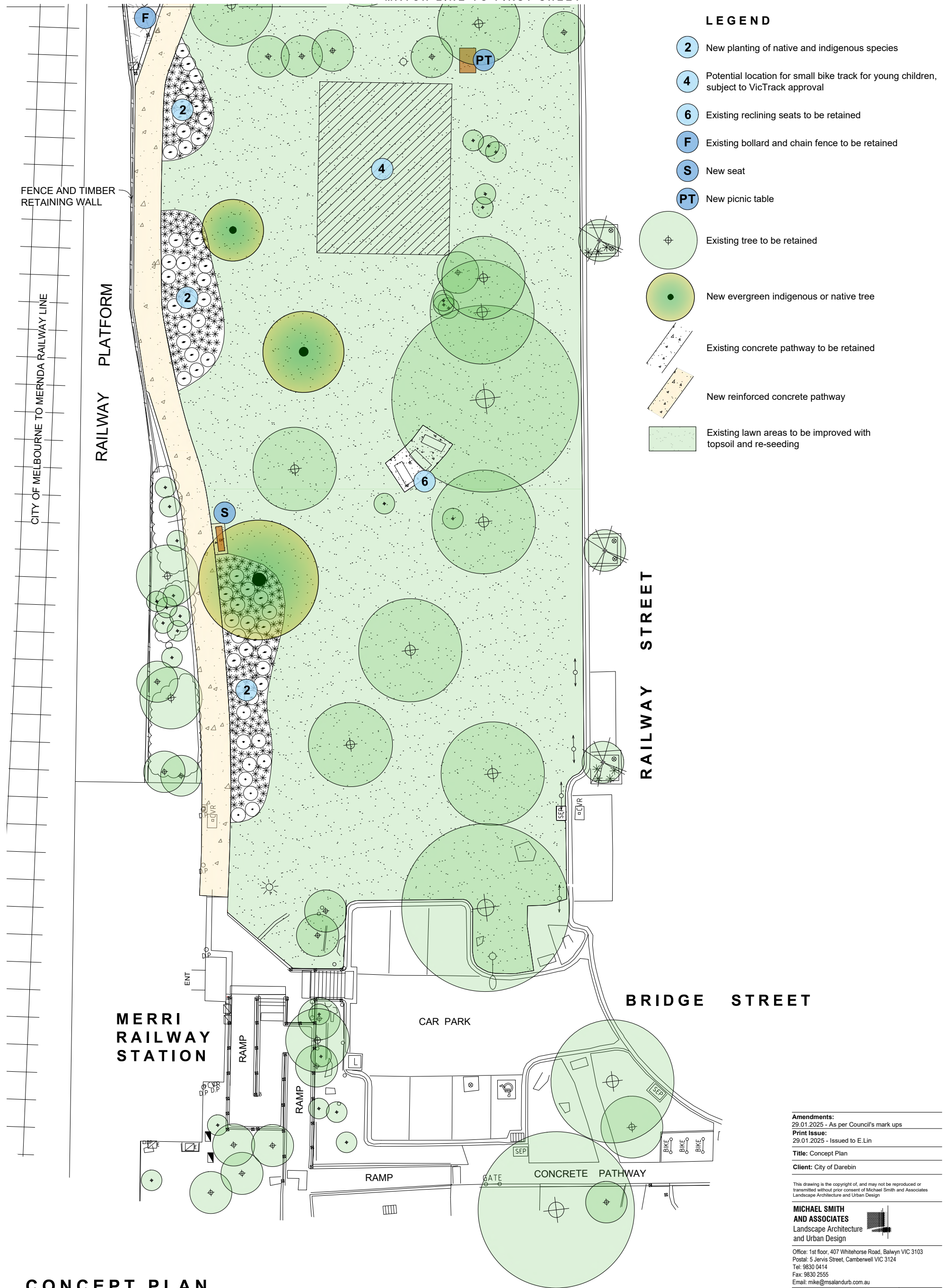
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**CONCEPT PLAN
MERRI COMMON - 36A BRIDGE STREET, NORTHCOTE
DAREBIN CITY COUNCIL**

MATCH LINE TO SECOND SHEET



- LEGEND**
- 2** New planting of native and indigenous species
 - 4** Potential location for small bike track for young children, subject to VicTrack approval
 - 6** Existing reclining seats to be retained
 - F** Existing bollard and chain fence to be retained
 - S** New seat
 - PT** New picnic table
 - Existing tree to be retained
 - New evergreen indigenous or native tree
 - Existing concrete pathway to be retained
 - New reinforced concrete pathway
 - Existing lawn areas to be improved with topsoil and re-seeding

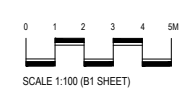
CONCEPT PLAN
MERRI COMMON - 36A BRIDGE STREET, NORTHCOTE
 DAREBIN CITY COUNCIL

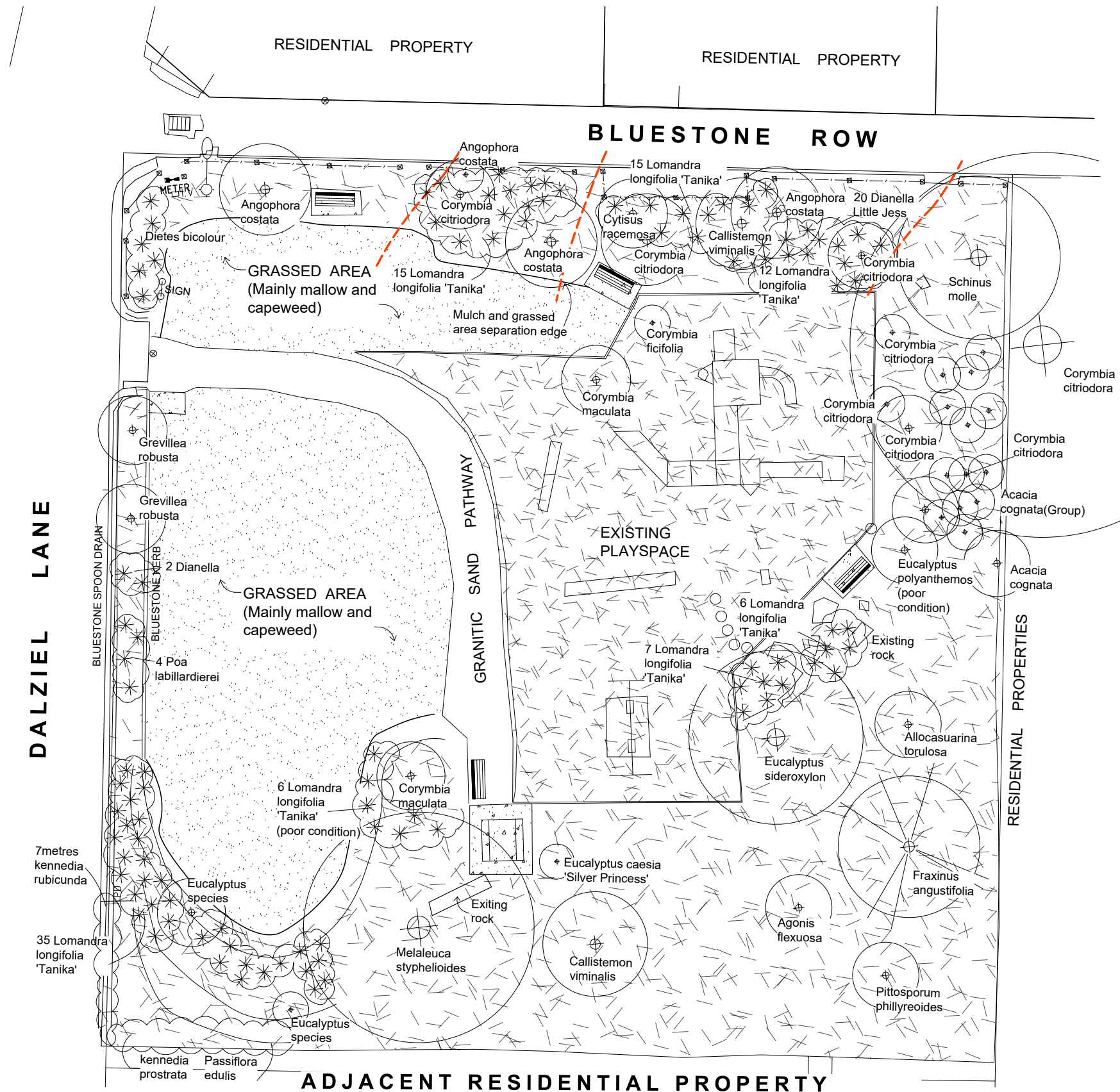
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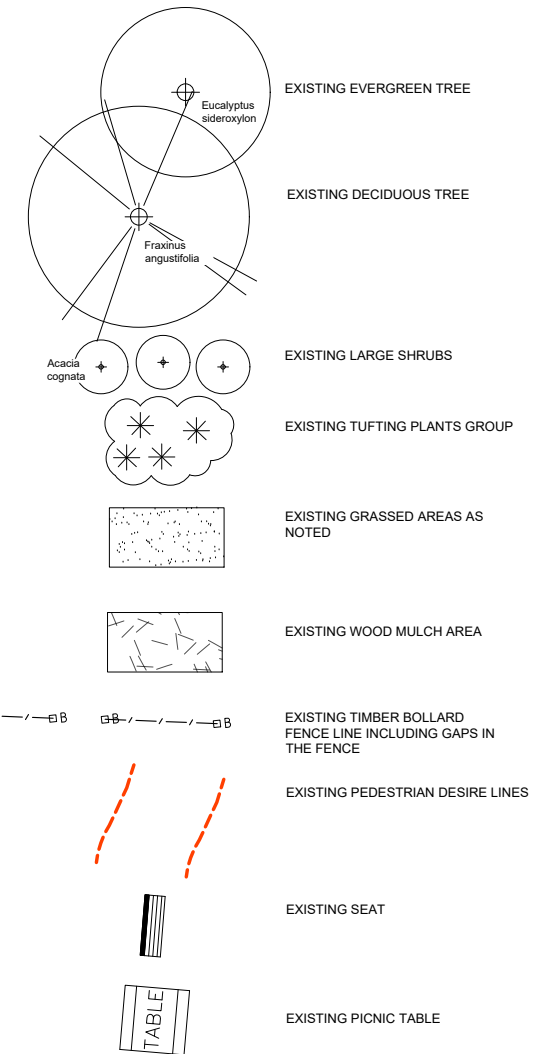
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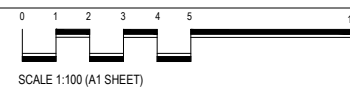




LEGEND



**EXISTING CONDITIONS PLAN
PETERS RESERVE - 14 DALZIEL LANE, NORTHCOTE
DAREBIN CITY COUNCIL**



Amendments:

Print Issue:

Title: Existing Conditions Plan

Client: Darebin City Council

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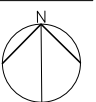
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Date: 29.01.2025

Project No.: 24-023

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Drawing No.: Sheet 1 of 2





LEGEND

- 1 New planting of indigenous and native species
- 2 Existing planting to be retained
- 3 New stepping stone pathway access from the bluestone laneway to the northern edge of the reserve
- 4 New playspace with various softfall surfaces, including pram/wheelchair accessible surfaces. Play elements to be selected based on Council's preferred suppliers and in consultation with the local community.
- 5 New nature-based playspace equipment to be selected based on Council's preferred suppliers and in consultation with the local community. See proposed apparatus selection options attached
- 6 New picnic table
- 7 New mudstone rocks/informal seating
- F Existing timber bollard fence to be retained
- S Existing seating to be retained and renewed
- PT Existing picnic table to be retained and renewed
- LB New rubbish and recycling bin in existing location
- Existing tree to be retained
- New evergreen indigenous or native tree
- New reinforced concrete pathway to replace existing granitic sand path
- Existing lawn areas (currently in poor condition) to be improved with topsoil and re-seeding

Amendments:
29.01.2025 - As per Council's mark ups

Print Issue:
29.01.2025 - Issued to E.Lin

Title: Concept Plan - Replacement Playspace and Reserve Improvement

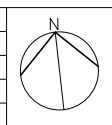
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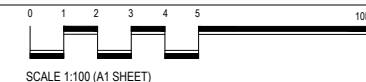
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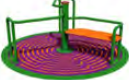






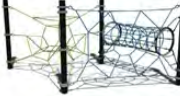





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Date: 29.01.2025
Project No.: 24-023
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CONCEPT PLAN - REPLACEMENT PLAYSPACE AND RESERVE IMPROVEMENT
PETERS RESERVE - 14 DALZIEL LANE, NORTHCOTE
DAREBIN CITY COUNCIL



PETERS RESERVE
PROPOSED APPARATUS SELECTION OPTIONS FOR COMMUNITY CONSULTATION - PLAYSPACE UPGRADE PROJECT

| | Option A | Product Code | Option B | Product Code | Option C | Product Code |
|------------------|--|--------------|--|--------------|---|--------------|
| PLAY UNIT |  Adventure + Bellevue Play Unit | S4395H |  Adventure + Tullamaine Play Unit | S5260H |  Adventure + Inverell Tower Play Unit | S7498U |
| STAND ALONE |  Adventure + Eclipse Inclusive Carousel | 0750C |  Adventure + Frog Single Rocker | 0138R |  Trampoline Round | 3002C |
| SWING |  Adventure + Gyro3.0 Nest Swing | S0330G |  Adventure + Community Swing Frame - Triple with Nest Swing | S0406NV |  Community Swing Frame - Single Post - Nest Swing | S0810U |
| CLIMBING |  Adventure + Activity Net Centre Mast Structure \$29k+ | S4000N |  Adventure + Titan Modular Structure \$29k+ | S0404N |  Play Workshop - Adventure Challenge 1 \$25,500 | PWS-AC01 |
| NATURE PLAY ZONE |  Play Workshop - Nature Play 12 | PWS-NP12 |  Play Workshop - Nature Play 13 | PWS-NP13 |  Play Workshop - Nature Play 14 | PWS-NP14 |
| SHADE SAIL |  Activity Playgrounds - Approx 60m2 Shade Sail with three Galvanised Posts | | | | | |

9.8 **2 WINGROVE STREET ALPHINGTON - RESPONSE TO NOTICE OF MOTION**

Author: Team Leader Leasing and Licensing
Head of Property

Reviewed By: General Manager Infrastructure, Operations & Finance

EXECUTIVE SUMMARY

At its meeting held on 16 December 2024, Council called for “a report at the 24 February 2025 Council meeting to include broader community consultation as part of stage one of master planning for the site at 2 Wingrove St Alphington.”

This report outlines three options for the first stage of community consultation on the Project.

Background

In June 2024, Council allocated \$40,000 for the 2024-25 year for stage one of work towards a Masterplan for 2 Wingrove Street which would set out Council’s long term vision and plans for the site. The authorised work included

- a preliminary feasibility study on the condition of buildings on site, the geotechnical conditions on the site and
- preparing an Expression of Interest (EOI) process to identify if there is interest from a private sector or community sector to partner with Council to redevelop the site.

Community consultation was planned to follow in a future year and therefore the 2024-25 budget and plan didn’t include provision for consultation.

2 Wingrove Street’s history as a landfill site and Council depot means that not all types of development or uses will be possible at the site. Gaining a better understanding of this is an essential preliminary step in planning for the future of the site. The site is also zoned public use zone which restricts the types of uses at the site.

The preliminary feasibility is on track to be finalised this financial year. A report to Council to consider initiation of the expression of interest process is scheduled for April 2025.

Options for community consultation

Option 1: Undertake community consultation in 2024/2025. Council could conduct a consultation process to understand community aspirations for the site. The main consideration is that would not be possible to share full information with community on this timeline about any issues or constraints arising from the geotechnical and building condition feasibility studies in progress and nor would it be possible to share opportunities or considerations arising from whether or not there is an organisation keen to partner with Council. It is a short lead time for consultation which would constrain the ability to reach audiences.

The Council engagement team will be focused over this time on other scheduled work and therefore the consultation work would need to be outsourced to a consultant to deliver on this timeframe.

Generally, it would also be recommended that further consultation also be undertaken at a later stage of the project when constraints and opportunities can be shared with community – if Council decided to do this, it would increase the total project consultation budget required overall. Estimated Budget \$40,000.

Option 2: Undertake ‘inform’ level community engagement in 2024/2025 and then ‘consult’ level engagement in 2025/2026. This option would allow Council to start engagement with the community in 2025 and pave the way for future meaningful consultations and engagements throughout the Project lifecycle.

The 2024/2025 work would be largely undertaken in-house through production of Project Bulletins, with some external support (Budget \$15,000 for 2024/2025), with future year’s budget to be considered through the budget development process.

Option 3 (no budget implications for 2024-25): Undertake consultation in 2025/2026, with brief updates provided to stakeholders in 2024/2025 through Council website updates, with future year’s budget to be considered through the budget development process.

| |
|-------------------------------|
| Officer Recommendation |
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That Council:

- (1) Notes that stage one of work towards a Masterplan for 2 Wingrove Street Alphington (“**the Project**”), is in progress and includes a preliminary feasibility study on the condition of buildings on site, the geotechnical conditions on the site and work to run an Expression of Interest (EOI process).
 - (2) Notes that the 2024/2025 operating budget currently does not include any allowance for community consultation for the Project.
 - (3) Authorises Council Officers to proceed with Option _____ with respect to community consultation for the Project, and authorises any additional expenditure associated with this.
-

KEY INFORMATION

Site History and Context

2 Wingrove Street (“**the Property**”), together with the neighbouring Darebin Parklands, was owned by a private operator who utilised the property and neighbouring Darebin Parklands as a bluestone quarry from circa 1900 to 1966, following which the whole site was converted into the Alphington Tip.

Following the closure of the tip in 1975, Northcote City Council acquired the property and built Council’s works depot at 2 Wingrove Street, which operated on the site until the amalgamation of Councils in 1994, when all Council depot operations were moved to Reservoir.

The property was vacant until 1998 when it was leased to the Darebin Enterprise Centre Ltd (DECL) who operated a business incubator site to support local start-up businesses. Council took over management of 2 Wingrove Street in May 2023 upon the expiry of DECL’s lease.

Council has continued to manage the site, licensing spaces to individuals and organisations who have applied for occupancy through previous EOI processes, however much of the site is currently unused and/or underutilised due to the following site constraints:

- **Building conditions** - several of the buildings onsite are in various states of dilapidation and disrepair due to their age, unregulated works by occupants, and changes to laws and regulations relating to building compliance and occupation. Additionally, several of the larger buildings were constructed pre-1980 and contain asbestos throughout their structure, including in their roofs and walls.
- **Soil and groundwater contamination** - there has been extensive contamination of the site as a result of its use as a landfill. Council undertakes ongoing monitoring in line with its obligations as landowner.
- **Shifting ground** - as was standard practice, the former quarry was filled by using the hole as a landfill. As the waste continues to degrade over time, the ground continues to compact and settle gradually. The shifting of the ground and ongoing settling of the earth may create an unstable grade to build on and, in some cases, where there is dramatic subsidence, can warp existing slabs and foundations of buildings – this has occurred with some buildings onsite.
- **Planning controls** - The land has been zoned as Public Use Zone 6 – Local Government Use (PUZ6) as a result of the operation of a works depot for and on behalf of Council. PUZ6 land can only be used without a permit if the use is for and on behalf of Council. Otherwise, Council, in its capacity as planning authority for the land, would have to make a decision as to whether a permit should be issued based on –
“... whether the proposal will produce acceptable outcomes in terms of the Municipal Planning Strategy, the Planning policy Framework, the purpose and decision guidelines of the PUZ and any other of the decision guidelines in Clause 65 [of the Darebin Planning Scheme].”

Stage One towards a Masterplan – Preliminary Feasibility Study (the Project)

Due to the site history and context, it was planned that the focus of 2024-25 would include the collection of data relating to site conditions and constraints to test feasibility of future development options. \$40,000.00 was allocated in Council’s 2024/2025 annual budget towards commencing the Project.

To date, officers have been working at procuring the following investigations:

- Condition Assessments of Buildings – this work is currently being prepared by an external surveyor to detail structural issues, non-compliance issues, contamination risks, high-level costs estimates of demolition and remediation. Due to the risks from hazardous material in some of the buildings, an asbestos hygienist must be engaged to provide advice on safe access.
- Geotechnical report - A report on the underlying landfill, providing details of which areas are likely to be unstable or unfit for building, based on the locations of fill and other earthworks.
- Planning advice - A report on the limitations on future uses based on what is/isn’t likely to be permitted under the current planning controls, and also analysis of re-zoning as a strategy. This will be prepared internally, based on existing planning advice already received by Council.
- Environmental report - An assessment of existing contamination and any uses which may be restricted based on the contamination of soil and groundwater, as well as a high-level cost-benefit analysis of undertaking remediation on the site. This will be prepared internally, based on existing reports and current data obtained from the ongoing monitoring of the site.

Community Engagement Approaches

Inform – To provide well balanced and objective information to assist our community to understand or make them aware of the problem, alternatives, opportunities and/or solutions.

Consult – To seek community feedback on analysis, alternatives and proposed decisions.

Both levels of engagement are considered forms of consultative engagement under the Community Engagement policy.

The Policy states that its purpose is to ensure that Council conducts community engagement in a way that is *‘open and transparent to ensure the community can trust the decisions we make as caretakers of this city.’*

To ensure that Council is meeting its goals of being open and transparent, it is critical that the community is engaged with on key Council projects.

Previous Council Resolutions

At its meeting held on 16 December 2024, Council resolved:

‘That Council:

- 1) *Notes at the 27 May 2024 council meeting, council resolved to direct all future decisions relating to short, mid and long-term use of at 2 Wingrove Street Alphington be reported to Council meetings for decision rather than being made under delegation as follows:*
 - a) *Decisions relating to the future use of the site including establishment or conclusion of leases or licences.*
 - b) *Decisions at key stages of the work towards master planning including approval of the project plan (and scope), approval of the community engagement plan, receiving the feasibility study and decisions about outcome of any future EOI process.*
 - c) *For avoidance of doubt, other currently delegated functions relating to this site are unchanged*
- 2) *Resolves that for avoidance of doubt, only operational matters relating to this site are to remain within the CEO’s delegated authority.*
- 3) *Receives a report at the 24 February 2025 council meeting to include broader community consultation as part of stage one of master planning for the site at 2 Wingrove St Alphington.’*

At its special meeting on 17 June 2024, Council resolved:

‘That Council:

- 1) *Notes that an Expression of Interest campaign to licence the whole (or part of) Building 1D and the ‘hothouse’, located at 2 Wingrove Street, Alphington, was advertised on 24 April 2024.*
- 2) *Notes that the Expression of Interest campaign was advertised for a period of 4 weeks (closing 22 May 2024). The EOI has been broadly advertised through Council’s website, business news publications, existing lease/licence holders, direct internal/external stakeholders, staff newsletters and Councillor bulletins.*
- 3) *Notes that Council received eight submissions in response to the EOI with one submission being withdrawn by the applicant during the evaluation process.*

- 4) *Notes that the seven submissions and evaluation has been included within this report.*
- 5) *Notes each applicant was thanked for their submission and in cases where further clarification was needed in order to assess submissions, an additional letter was sent seeking further information to support their application.*
- 6) *Notes that only one applicant was deemed compliant with the PUZ6 planning ordinance as an as of right use and that all other applicants will be required to apply and obtain a Planning Permit for their advised use and that any licence agreement will be subject to the applicant obtaining a Planning Permit.*
- 7) *Endorses that Council will waive any planning permit fee that is chargeable by Council to each of the applicants.*
- 8) *Endorses the recommended applicants in accordance with Appendix H – EOI Recommended Endorsement, and that:*
 - a) *each applicant be offered a licence for use of the whole (or part of) Building 1D and the 'hothouse', located at 2 Wingrove Street, Alphington, in line with the recommendations in Appendix H;*
 - b) *the licence term does not exceed 4 years.*
- 9) *Delegates to the CEO (or their delegate) the authority to negotiate and execute licences with each of the endorsed applicants as required to implement Council's decision.*
- 10) *Notes that all applicants will be advised of this decision on the first working day after the decision, such as it relates to the outcome of their application.*
- 11) *Endorses that the names of any Applicants and the outcome of their respective EOI be shared publicly as soon as possible, if or when any of the following occurs:*
 - a) *The Applicant agrees that their information can be shared publicly, or*
 - b) *The Applicant publicly shares information about the outcome of their EOI application, or*
 - c) *During a related planning permit application by the Applicant, and at the point in time when information about the Applicant is required to be made public, or*
 - d) *When the Licence has been agreed and is in place.*
- 12) *Requests a report be presented to an ordinary Council meeting within 6 months on the outcome of negotiations including which licences offered have been established.'*

At its meeting on 27 May 2024, Council resolved:

'That Council:

- 1) *Directs that future decisions related to short, mid and long term use of at 2 Wingrove Street Alphington be reported to Council meetings for decision as follows:*
 - a) *Decisions relating to the future use of the site including establishment of leases or licences.*
 - b) *Decisions at key stages of the work towards master planning including approval of the project plan (and scope), approval of the community engagement plan, receiving the feasibility study and decisions about outcome of any future EOI process.*
 - c) *For avoidance of doubt, other currently delegated functions relating to this site are unchanged.'*

At its special meeting held on 25 January 2023, Council resolved in part:

‘That Council:

Notes that Council does not have a master plan for the long-term use of this property and, in light of the end of the lease, that work will commence to develop a Master Plan for 2 Wingrove Street Alphington to determine the long-term future of the property with consideration to the 2041 Darebin Community Vision.

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 1: Vibrant, Respectful and Connected

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 4 Responsible, Transparent and Responsive

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

1.2 We will help to build an inclusive and empowered community, where social cohesion and community harmony are fostered

1.5 We will prioritise and respect the voices and aspirations of Traditional Owners and Aboriginal and Torres Strait Islander communities in Darebin

4.2 We will ensure our assets are optimised for the benefit of our community

DISCUSSION

Officers have identified three potential options for undertaking community consultation as part of the Project – refer table below for description of these options, including risks and benefits analysis.

| | Option 1 | Option 2 | Option 3 |
|---------------------------|---|---|--|
| Description | Commence a community consultation process prior to June 2025 to seek input on the site vision and future development options – ahead of the completion of the Preliminary Feasibility Study through engagement of an external consultant. | Commence a community engagement process prior to June 2025 with the focus being to inform the community of the current Project status, indicative timelines, upcoming milestones and future consultation rounds – with the aim to consult with the community to seek input and feedback after completion of the Preliminary Feasibility Study (ie post June 2025) | Complete Preliminary Feasibility Study, commence consultation post June 2025 with required funds to be allocated in the 2025/2026 budget – subject to completion of a robust communication and engagement plan |
| Scope of Future Site Uses | Council is not fully informed on feasible uses at this stage and it would be hard to provide good information to community about what’s possible at the site and what couldn’t be considered because of environmental or | Proactively engage with the community to Inform them of where Council is at, of the work being done to determine viable uses, so that council starts to share the challenges at this site with community and | Consult with the community following the completion of the Preliminary Feasibility Study in 2025/2026 once Council has determined viable uses, project delivery plan and timelines. |

| | Option 1 | Option 2 | Option 3 |
|-----------------|---|---|---|
| | ground stability risks. It's possible that some community ideas could ultimately be found to be unfeasible and lead to disappointment. | prepares for a future stage where community ideas are sought to help find solutions given the challenges. | |
| Budget | Would need additional funding to undertake this work in 2024-25 estimated at \$40K. Generally, further consultation would be recommended at a later stage when constraints are better understood. If Council decided to do this, further budget would be needed in future years for engagement post June 2025. | Some additional budget needed to undertake Inform level of engagement in the 2024-25 year of \$15K. Further budget would be needed in future years for Consult level of engagement post June 2025. | Budget would need to be allocated to Consult level of engagement for in future years (2025/2026) |
| Timing | The short lead time left to the end of Financial year means the process would need to be abridged as there is a limited timeframe during which community consultation could be delivered. Would reduce the opportunity to work in a meaningful way some stakeholder groups. | Consultation would effectively run from 2024-25 into 2025-26 with an inform stage in 2024-25. This would address the downsides of a short lead time and allow time to work more effectively with stakeholder groups. | Consultation would run in 2025-26. This would address the downsides of a short lead time and allow time to work more effectively with stakeholder groups. |
| Likely Approach | <ul style="list-style-type: none"> • Posted on YourSay page • Put out through social media • 2-3 weeks of data collection • Limited pop-up sessions • Direct engagement with known stakeholders, site users and volunteer groups, to these extent they are available. There may be challenges reaching some. • Direct mail to local residents • Findings likely to need to be compiled and reported to Council in July or August (2025-26) | <p>Project Bulletins to be developed and delivered through letterbox drop and social media notice with information on the current Project status, indicative timelines and the following key messages:</p> <ul style="list-style-type: none"> (1) The community will be consulted at a later date, once more information is collected by Council. (2) Information regarding the site will be shared with the community. (3) Council will not be making any major decisions concerning the site without the consultation occurring first. <p>Consult to begin 2025/2026:</p> <ul style="list-style-type: none"> (1) Yoursay survey (2) Multiple pop-up engagement sessions – utilise events | <p>Consult to begin 2025/2026:</p> <ul style="list-style-type: none"> (1) Yoursay survey (2) Multiple pop-up engagement sessions – utilise events (3) Promote through social media, business newsletter (4) Promote consultation to residents via DCN |

| | Option 1 | Option 2 | Option 3 |
|--|----------|---|----------|
| | | (3) Promote through social media, business newsletter | |

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES

Financial Management

Additional consultation was not included in the 2024/2025 budget. The additional costs of undertaking consultation are outlined above.

While the costs discussed in this report are modest considering Council’s overall budget, additional expenditure in 2024/2025 would generally reduce the ‘starting position’ for the 2025/2026 budget and would need to be offset by reduced spending in the 2025/2026 year.

Community Engagement

Community engagement options are the subject of this report. Considerations are set out above.

Other Principles for consideration

Overarching Governance Principles and Supporting Principles

- (d) the municipal community is to be engaged in strategic planning and strategic decision making;
- (i) the transparency of Council decisions, actions and information is to be ensured.

Public Transparency Principles

- (a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;

Strategic Planning Principles

- (c) Strategic planning must take into account the resources needed for effective implementation;

COUNCIL POLICY CONSIDERATIONS

Environmental Sustainability Considerations (including Climate Emergency)

There are no particular considerations associated with the decision at hand – i.e. which community consultation approach to take.

There are environmental risks at this site that need ongoing management, and which will constrain the types of development and use that is possible at this site. Council’s masterplan will need to set out Council’s long-term vision and plan for the site in the context of these risks and the requirements arising from them.

Equity, Inclusion, Wellbeing and Human Rights Considerations:

Any proposed community engagement plan will be developed in accordance with the Policy. Accordingly, it will be developed with the goal of ensuring that all community members have opportunities to contribute and benefit, no matter their preferences, abilities, cultures or where they live.

There are challenges with a short lead time in achieving high participation and deep reach with consultation. Refer to the discussion above.

No Equity Impact Assessment (EIA) or Gender Impact Assessment (GIA) has been undertaken at this stage.

Economic Development and Cultural Considerations

Later stages of the master planning will allow Council and the community more broadly to consider the appropriate uses for the site, and how those might fit into the local economy.

Operational Impacts

Options 1 and 2 would have a material impact on operational activities. The resourcing required to support consultation sooner than planned would impact other projects within the Property Management and Communications teams. This would result in delays to other priorities and projects.

Legal and Risk Implications

Council's primary risks for this project relate to establishing trust with community stakeholders and building support for Council's master-planning process and ultimately for the future vision at the site.

- Failure to keep the community informed has the potential to risk trust with community.
- Establishing a realistic understanding of the site constraints is also important given how challenging it is to develop former landfill sites. This is important for avoiding community disappointment.
- Engaging in a rushed way has the potential to risk relationships with stakeholder groups who are unavailable to participate on Council's timelines.

IMPLEMENTATION ACTIONS – to be determined following Council Resolution

RELATED DOCUMENTS

Nil

ATTACHMENTS

Nil

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

9.9 JEMENA ALPHINGTON COMMUNITY BATTERY**Author:** Team Leader Leasing and Licensing**Reviewed By:** General Manager Infrastructure, Operations & Finance

EXECUTIVE SUMMARY

This report provides information to Council about “*about locating the community battery as a first priority, at the south-eastern end of Pitcher Park near the corner of Keith Street and Parklands Avenue Alphington. If this site is not supported by those impacted, provide options for alternative locations in Alphington for immediate installation*” as requested by Council at its meeting on 28 January 2025.

Jemena initially approached Council officers in June 2023, following their receipt of a grant for the placement of a neighbourhood battery within Alphington. Jemena was seeking a lease for Council-owned land within Alphington on which to place the proposed battery. Negotiations to date have been protracted due to several locations being explored and issues/limitations being identified as part of the process.

Both Jemena and Council are working together to explore the feasibility of a battery being installed at the south-eastern corner of Pitcher Park (**‘Proposed Location’**).

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| Officer Recommendation |
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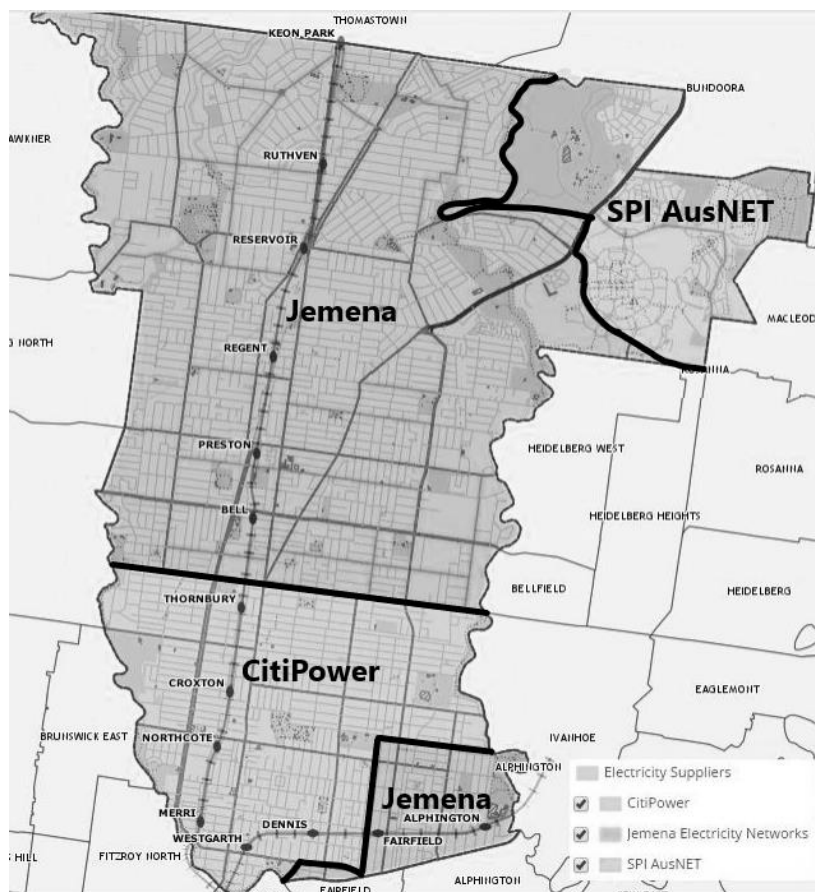
That Council:

- (1) Notes that correspondence has been sent to Jemena reaffirming Council’s commitment to negotiate a lease in Alphington
 - (2) Notes that Jemena is planning on commencing a community consultation process on the installation of a battery at the south-eastern corner of Pitcher Park in late February.
 - (3) Requests a report by May 2025 on the outcomes of Jemena’s community consultation process and options for a lease at either the first priority location or alternative locations.
-

BACKGROUND / KEY INFORMATION**Jemena**

Jemena is a \$12.4 billion company that owns and manages some of Australia's most significant gas and electricity assets. It supplies millions of households and businesses across the Northern and north-western suburbs with these essential services.

Within the City of Darebin, Jemena is the electricity distributor to more than 60% of the land:



Map of City of Darebin showing Electricity Distributors

Community Battery

In 2023 Jemena applied for and was successful in obtaining a grant of \$500,000 through the Department of Energy, Environment and Climate Action (DEECA) ‘Community Batteries for Household Solar Program’, for the purpose of installing a 360kWh community battery in Alphington.

Jemena wrote to Council seeking ‘*approval to lease (or similar tenure agreement) approximately 15m² to 24m² of land (inclusive of clearance requirements; battery footprint is approx. 5m²) located at Pitcher Park, Alphington, for a Neighbourhood Battery (also referred to as a Community Battery)*’.

Jemena advised that the battery would directly benefit up to 185 households within the area of the battery.

The benefits Jemena advised would result from the installation of the battery included:

- supporting solar uptake by increasing capacity for households to export energy into the grid;
- reducing electricity costs through a leasing battery operation to a third-party to manage peak-demand;
- reducing risk to network reliability by supporting an at capacity transformer;
- avoiding network losses; and
- reducing emissions

Whilst Jemena has advised Council Officers that there could be an opportunity to set up a Community Fund from the profits derived from the battery – it is worth noting that this is a new, untested concept and Jemena is unable to confirm with certainty that there would be profits available to place in such a fund.

A copy of Jemena's proposal summary seeking Council's provisional approval is attached (**Confidential Appendix A**)

Proposed Location

When Jemena approached Council in June 2023, they had already identified Pitcher Park as a potential location based on the suitability of existing infrastructure and incorporation with the network grid.

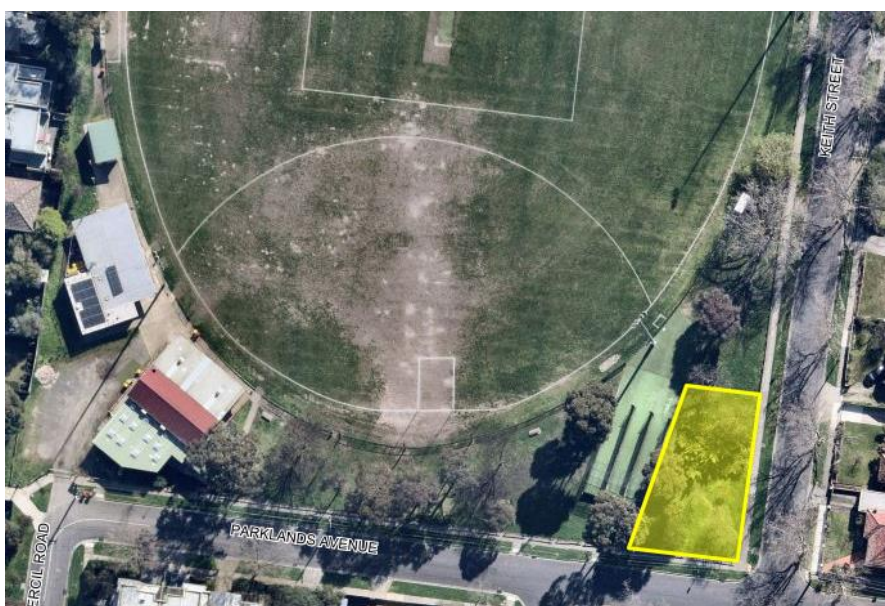
The general location initially suggested by Jemena was within the south-western corner, near the carpark and clubrooms. Options within this envelope were limited due to the need to avoid the impact on the club or members of the community seeking to park in the carpark.

A potentially suitable location was agreed to in principle in early 2024 on the section of garden bed between Parklands Avenue and the clubrooms, and negotiations continued on the basis that this was the preferred location for both parties (subject to Council approval).

Unfortunately, shortly before the report was scheduled to be heard at the Council meeting in September 2024, Jemena notified Council officers that they had learned that the battery would be bigger than originally anticipated, and therefore the agreed location was no longer appropriate.

Alternative sites were explored, including along Separation Street to the North of Pitcher Park, however Jemena advised Council officers in October 2024 that they were seeking alternative locations outside of the City of Darebin.

A new location at the south-eastern corner of Pitcher Park is now being explored (**'Proposed Location'**). Any installation in this area will need to take into consideration the existing cricket nets which also sit in this corner of the park, however this still leaves an area of roughly 500m² within which the battery could sit, as shown on the aerial map below:



Proposed Location - Aerial view with location highlighted

Preliminary inspections of the Proposed Location undertaken by Council officers note that while the area is mainly vacant, there are several established trees on the site, though these are relatively sparse. Depending on the exact placement of the battery within the Proposed Location, it is anticipated that at least one tree would have to be removed.



Photo of Proposed Location - View from Keith Street



Photo of Proposed Location - View from Parklands Avenue



Photo of Proposed Location - View from corner Parklands Avenue x Keith Street

Previous Council Resolution

At its meeting held on 28 January 2025, Council resolved:

'That Council:

1. *Notes that in early 2023 the Federal Labor Government awarded \$500,000 to Jemena to install a community battery in Alphington.*
2. *Notes that this grant, includes improvements to the area surrounding the battery, such as planting trees and providing artistic work on the battery to enhance the amenity of the site.*
3. *Urgently writes to Jemena to confirm council's commitment to having a community battery in Alphington.*
4. *Discusses the Pitcher Park location with immediately impacted local residents and the Parkside Sports Club on the installation of a community battery at the south-eastern end of the park, near the corner of Keith Street and Parklands Avenue, as this area would incur no net loss of open space and would benefit from additional trees being planted to improve the amenity of the site.*
5. *Receives a report at the 24 February 2025 Council meeting about locating the community battery as a first priority, at the south-eastern end of Pitcher Park near the corner of Keith Street and Parklands Avenue Alphington. If this site is not supported by those impacted, provide options for alternative locations in Alphington for immediate installation.'*

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

- 2.1 We will deliver equitable and accessible infrastructure to provide opportunities for our community to live well
- 3.1 We will adapt to climate change and build the resilience of our community, infrastructure and the built environment, with a focus on our vulnerable communities at risk of fuel poverty, and flooding
- 4.1 We will ensure balanced and responsible financial decision making that meets the needs of our community now and into the future
- 4.3 We will transform our services and service delivery models to ensure they meet the current, emerging and future needs of our community

DISCUSSION

Community consultation

Following the resolution at January 2025's Council meeting Jemena have confirmed that they would undertake a community engagement process with Parkside Sports Club and members of the community likely to be impacted by the installation of the battery at the Proposed Location.

Jemena's community engagement plan involves:

- 1) Letterbox drops to residents and sports club within close proximity of the Proposed Location
- 2) A webpage which includes:
 - a. Information on the proposal
 - b. Optional online survey
- 3) Online information session
- 4) Email address for fielding questions
- 5) Meetings with sports clubs in the immediate vicinity and community energy groups

The community engagement plan prepared by Jemena has been reviewed by Council officers to confirm it satisfactorily meets Council's commitments as provided for in its Community Engagement Policy.

Following approval by Council officers, Jemena began its community engagement in late February.

The consultation period is scheduled to end in early-mid April, following which Jemena has confirmed that all feedback collected will be shared with Council, having regard to privacy laws.

Planning Controls

Pitcher Park is located in a Public Park and Recreation Zone (PPRZ) and is subject to a Development Contributions Plan Overlay (DCPO) Schedule 1.

The Darebin Planning Scheme ('**Scheme**') provides that a permit is not required for uses within a PPRZ that are listed in clause 62.01 of the Scheme, which includes '*The use of land for a minor utility installation.*'

Under the Scheme, a minor utility installation includes '*a battery connected to a section of the electricity distribution network operating with a nominal voltage not exceeding 66,000 volts.*'

Based on the above, and depending on the battery specifications, it is possible that Jemena would not require a permit.

Prior to any lease being finalised, it would be a requirement of Council that Jemena makes an application through Council's planning department and either:

- a) Receives confirmation that the installation and operation of the battery at the Proposed Location is exempt from requiring a permit; or
- b) In the event that a permit is required, obtains a permit for the installation and operation of the battery at the Proposed Location.

Consideration of policy – Open Space Strategy

Council's 'Breathing Space – The Darebin Open Space Strategy' provides the below definition for the term 'open space':

'space which is publicly owned, freely accessible and set aside primarily for recreation, nature conservation, passive outdoor enjoyment and/or public gatherings ... includes not only parks and reserves, but also streetscapes, nature strips, productive food gardens, urban nodes, quasi-public space, parklets, transport corridors and overlapping uses of space with schools, public asset providers and other institutions'

A battery at this site would result in a small loss of open space, but would not significantly affect the functioning, use or access to the park for recreation and other purposes. The footprint of the battery and associated infrastructure would occupy an area of 15m² to 24m² according to Jemena.

It is anticipated that installation of the battery would necessitate the loss of at least one of the established trees growing in the Proposed Location. In the event that a lease is granted at the Proposed Location, it would be an expectation that Jemena would plant replacement/additional trees in the surrounding area. Council officers would work with Jemena to determine viable locations for planting and appropriate species.

Restrictions on Title

The land which comprises Pitcher Park is all of the land contained in Plan of Consolidation 362513M, which was the result of consolidating former residential lots.

As a result of consolidation, there are Covenants burdening several areas within Pitcher Park, including the Proposed Location, which prohibit more than one building on the land. It is unlikely that this would prevent the installation of a battery, however further confirmation will be sought before final agreement to the Proposed Location.

There is also an easement for drainage and sewerage, 3.05 metres wide, running near the Proposed Location.

If the Proposed Location is found to be unsuitable and an alternative location within Pitcher Park is proposed, both the easement and the wording of any Covenant burdening the specific area should be taken into consideration.

CONSIDERATION OF LOCAL GOVERNMENT ACT (2020) PRINCIPLES**Financial Management**

Council officers obtained an independent valuation for a location within the south-western corner during previous stages of discussions with Jemena, when it appeared that this area would be viable for Jemena's purposes.

The valuation determined a market value of \$60 per square metre, or \$900 to \$1,440 per annum for a lease area of 15m² to 24m².

This valuation was for a slightly different location and will be more than 12 months old at the time a lease is entered into following negotiations. Accordingly, a fresh valuation will be sought, however it is expected that the value provided will be substantially similar.

Community Engagement

Section 115 of the *Local Government Act 2020* requires:

3. *A Council must include any proposal to lease land in a financial year in the budget, where the lease is—*
 - a. *for one year or more and—*
 - i. *the rent for any period of the lease is \$100 000 or more a year; or*
 - ii. *the current market rental value of the land is \$100 000 or more a year;*
 - b. *for 10 years or more.*
4. *If a Council proposes to lease land that is subject to subsection (3) and that was not included as a proposal in the budget, the Council must undertake a community engagement process in accordance with the Council's community engagement policy in respect of the proposal before entering into the lease.*

Discussions with Jemena indicate that they are not seeking a lease of more than 9 years. Additionally, market rent for the approximate area required to facilitate a battery in this location would not exceed \$100,000 per annum.

Given the thresholds are not met, there is no statutory requirement under the Local Government Act for Council to undertake community engagement.

Although there is no statutory requirement, Jemena is in the process of undertaking community engagement as outlined above.

Other Principles for consideration

Overarching Governance Principles and Supporting Principles

- (c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;

Public Transparency Principles

- (c) Council information must be understandable and accessible to members of the municipal community;

COUNCIL POLICY CONSIDERATIONS

Environmental Sustainability Considerations (including Climate Emergency)

Benefits which Jemena has advised are likely to result from the installation of the battery include:

- supporting solar uptake by increasing capacity for households to export energy into the grid;
- reducing electricity costs through a leasing battery operation to a third-party to manage peak-demand;
- reducing risk to network reliability by supporting an at capacity transformer;
- avoiding network losses; and

- reducing emissions

Equity, Inclusion, Wellbeing and Human Rights Considerations:

An Equity Impact Assessment has not been undertaken on this proposal.

Economic Development and Cultural Considerations

There are no economic developments and cultural considerations in relation to the proposed lease.

Operational Impacts

No significant operational impact is expected.

Legal and Risk Implications

Community consultation will help understand community views about the proposal and any risks arising.

Provided that Council ensures that any lease is conditional on ensuring that planning controls and all other restrictions on the land are complied with, there is minimal risk to Council in regards to Council’s obligations as landowner.

Council would engage a solicitor to prepare the Lease document and provide final review following negotiation of any terms, to ensure that the risk to Council arising from any agreement is mitigated.

IMPLEMENTATION ACTIONS

- | | |
|--|------------------|
| • Jemena’s consultation commencement | Late February |
| • End of Jemena’s community consultation | Early-Mid April |
| • Report to Council with results of community consultation and decision about whether to proceed with lease at this site or alternative sites. | May 2025 |
| • Negotiation of Lease Agreement (subject to decision above | April- May 2025 |
| • Finalise Lease execution | June 2025 |
| • Installation of battery | Mid to Late 2025 |

RELATED DOCUMENTS

- Nil

Attachments

- Summary of Proposal Seeking Provisional Approval (**Appendix A**) Confidential - enclosed under separate cover

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

10. ITEMS TO BE TABLED

Nil

11. NOTICES OF MOTION

Nil

12. URGENT BUSINESS

13. CONSIDERATION OF REPORTS CONSIDERED CONFIDENTIAL


14. CLOSE OF MEETING

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