

Council Meeting

Agenda

Tuesday, 28 February 2023

Council Chamber - Civic Centre and via
Videoconference

Information for Councillors and the community

ACKNOWLEDGEMENT OF COUNTRY

Yarra Ranges Council acknowledges the Wurundjeri and other Kulin Nations as the Traditional Owners and Custodians of these lands. We pay our respects to all Elders, past, present, and emerging, who have been, and always will be, integral to the story of our region. We proudly share custodianship to care for Country together.



COUNCIL VISION

Whether you live here or visit, you will see how much we care for country, how inclusive and connected our communities are, and how sustainable balanced growth makes this the best place in the world.

VALUE OF HISTORY

We acknowledge that history shapes our identities, engages us as citizens, creates inclusive communities, is part of our economic well-being, teaches us to think critically and creatively, inspires leaders and is the foundation of our future generations.

COUNCILLOR COMMITMENT

We'll be truthful, represent the community's needs, be positive and responsive and always strive to do better.

OUR COUNCILLORS

Billanook Ward: Tim Heenan
Chandler Ward: David Eastham
Chirnside Ward: Richard Higgins
Lyster Ward: Johanna Skelton
Melba Ward: Sophie Todorov

O'Shannassy Ward: Jim Child
Ryrie Ward: Fiona McAllister
Streeton Ward: Andrew Fullagar
Walling Ward: Len Cox

CHIEF EXECUTIVE OFFICER & DIRECTORS

Chief Executive Officer, Tammi Rose
Director Built Environment & Infrastructure, Hjalmar Philipp
Director Communities, Jane Price

Director Corporate Services, Andrew Hilson
Director Planning and Sustainable Futures, Kath McClusky

GOVERNANCE RULES

All Council and Delegated Committee meetings are to be conducted in accordance with Council's Governance Rules, which can be viewed at: <https://www.yarraranges.vic.gov.au/Council/Corporate-documents/Policies-strategies/Governance-rules>

PUBLIC PARTICIPATION IN MEETINGS

Members of the community can participate in Council meetings in any of the following ways:

- making a verbal submission for up to 5 minutes on matters not listed on the agenda.
- submitting a question.
- speaking for up to 5 minutes to a specific item on the agenda. For planning applications and policy issues, the Chair will invite one person to speak on behalf of any objectors and one person to speak on behalf of the applicant. For other matters on the agenda, only one person will be invited to address Council, unless there are opposing views. At the discretion of the Chair, additional speakers may be invited for items of large interest.
- speaking for up to 5 minutes to a petition to be presented at a meeting.

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The Minutes produced after each Council Meeting form the official record of the decisions made by Yarra Ranges Council..

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In the case of an emergency during a meeting held at the Civic Centre, 15 Anderson Street, Lilydale, you should follow the directions given by staff and evacuate the building using the nearest available exit. You should congregate at the assembly point at Hardy Street car park.

CONTACT US

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Agenda

1. **COUNCIL MEETING OPENED** 6
2. **ACKNOWLEDGEMENT OF COUNTRY** 7
3. **INTRODUCTION OF MEMBERS PRESENT** 8
4. **APOLOGIES AND LEAVE OF ABSENCE** 9
5. **MAYORAL ANNOUNCEMENTS** 10
6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS** 11
7. **DISCLOSURE OF CONFLICTS OF INTEREST** 12

In accordance with Chapter 7, Rule 4, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

8. **QUESTIONS AND SUBMISSIONS FROM THE PUBLIC** 13

In accordance with Chapter 3, Rules 57 and 59, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

9. **PETITIONS** 14

In accordance with Chapter 3, Rule 60, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

10. **BUSINESS PAPER**

Planning and Sustainable Futures

- 10.1 Former Lilydale Quarry Affordable Housing Delivery Strategy 15 - 126

Corporate Services

- 10.2 Quarterly Finance Report - December 2022 127 - 163

Agenda

Communities		
10.3	Disability Advisory Committee Annual Report	164 - 172
Built Environment and Infrastructure		
10.4	Construction of New Basketball Court and Associated improvements at Kilsyth Sports Complex, Pinks Reserve	173 - 187
11.	COUNCILLOR MOTIONS	188
	<i>In accordance with Chapter 3, Division 4, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.</i>	
12.	ITEMS THROUGH THE CHAIR	189
13.	REPORTS FROM DELEGATES	190
14.	DOCUMENTS FOR SIGNING AND SEALING	191
	<i>In accordance with Clause 87 of the Meeting Procedures and Use of Common Seal Local Law 2015, as prescribed by Section 14(2)(c) of the Local Government Act 2020.</i>	
15.	INFORMAL MEETING OF COUNCILLORS	192 - 196
16.	URGENT BUSINESS	197
	<i>In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.</i>	
17.	CONFIDENTIAL ITEMS	198
	<i>In accordance with section 66(2)(a) of the Local Government Act 2020.</i>	
18.	DATE OF NEXT MEETING	199 - 200

YARRA RANGES COUNCIL

**AGENDA FOR THE 575TH COUNCIL MEETING TO BE HELD ON TUESDAY
28 FEBRUARY 2023 COMMENCING AT 7.00PM IN COUNCIL CHAMBER, CIVIC
CENTRE, ANDERSON STREET, LILYDALE / VIA VIDEOCONFERENCE**

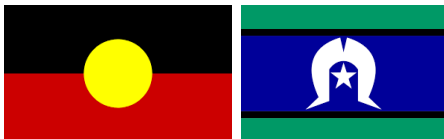
1. MEETING OPENED

2. ACKNOWLEDGEMENT OF COUNTRY

Yarra Ranges Council acknowledges the Wurundjeri and other Kulin Nations as the Traditional Owners and Custodians of these lands.

We pay our respects to all Elders, past, present, and emerging, who have been, and always will be, integral to the story of our region.

We proudly share custodianship to care for Country together.



3. INTRODUCTION OF MEMBERS PRESENT

OUR COUNCILLORS

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Director Communities, Jane Price
Director Corporate Services, Andrew Hilson
Director Planning & Sustainable Futures, Kath McClusky

4. APOLOGIES AND LEAVE OF ABSENCE

There were no apologies received prior to the commencement of this meeting.

5. MAYORAL ANNOUNCEMENTS

6. CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Council Meeting held Tuesday 14 February 2023 as circulated, be confirmed.

7. CONFLICTS OF INTEREST

In accordance with Chapter 7, Rule 4, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

The Local Government Act 2020 defines two categories of conflict of interest:

- *a general conflict of interest, which is defined as "...a relevant person has a general conflict of interest in a matter if an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty", and*
- *a material conflict of interest, which is defined as "...a relevant person has a material conflict of interest in respect of a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter. The benefit may arise or the loss incurred (a) directly or indirectly; or (b) in a pecuniary or non-pecuniary form."*

In accordance with section 130 of the Local Government Act 2020, a conflict of interest must be disclosed in the manner required by the Governance Rules and the relevant person must exclude themselves from the decision-making process.

No Conflicts of Interest have been received prior to the Agenda being printed.

8. QUESTIONS AND SUBMISSIONS FROM THE PUBLIC

In accordance with Chapter 3, Rules 57 and 59, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

A person may make a submission to Council on matters that are not listed on the Agenda. A submission may be on any matter except if it:

- (a) is considered malicious, defamatory, indecent, abusive, offensive, irrelevant, trivial, or objectionable in language or substance;
- (b) is substantially the same as a submission made to a Council meeting in the preceding 12 months;
- (c) relates to confidential information as defined under the Act;
- (d) relates to the personal hardship of any resident or ratepayer; or
- (e) relates to any other matter which the Council considers would prejudice the Council or any person.

There were Submissions from the Public received prior to the Agenda being printed.

9. PETITIONS

In accordance with Chapter 3, Rules 60, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

A person may submit a petition to Council on matters that are not listed on the Agenda. Every petition or joint letter submitted to Council must:

- a) identify a 'Lead Petitioner' who Council can correspond with;
- b) be legible and in permanent writing;
- c) be clear and state on each page the matter and action sought from Council. Every page of a petition or joint letter must be a single page of paper and not be posted, stapled, pinned or otherwise affixed or attached to any piece of paper other than another page of the petition or joint letter;
- d) not be derogatory, defamatory or objectionable in language or nature;
- e) not relate to matters outside the powers of Council; and
- f) clearly state the names and addresses of at least seven (7) people who live, work, study or do business in the Municipal district.

There were no Petitions received prior to the Agenda being printed.

FORMER LILYDALE QUARRY AFFORDABLE HOUSING DELIVERY STRATEGY

Report Author: Manager - Strategic Projects
 Responsible Officer: Director Planning, Design and Development
 Ward(s) affected: Melba;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

As part of the rezoning of the former Lilydale Quarry site, a five (5) percent affordable housing contribution was approved under Planning Scheme Amendment C203 to the Yarra Ranges Planning Scheme and formally introduced into the Comprehensive Development Zone Schedule 1 (CDZ1) applying to the site.

In accordance with the provisions of the CDZ1, an Affordable Housing Delivery Strategy (the Strategy) has been submitted for approval. Under the CDZ1, the Strategy must be to the '*satisfaction of the responsible authority*' and an Affordable Housing Section 173 Agreement that secures and implements the Strategy must be finalised before permits can be granted to develop the site.

The Strategy proposes a five (5) percent affordable housing contribution and commits to providing a total of 162 affordable housing dwellings (based on a total site yield of 3,050 dwellings). The affordable housing contribution is broken into two categories comprising 2.5 percent social housing (81 dwellings) and 2.5 percent (81) affordable purchase dwellings. The social housing contribution involves the gifting of land to the not-for-profit housing organisation Haven; Home, Safe (or an equivalent housing partner) for it to construct the 81 social housing units (1 and 2 bedroom apartment style housing). The remaining 2.5 percent affordable housing is proposed to be offered as affordable purchase dwellings to 'key workers' (equivalent to moderate income level households) at market value.

The Strategy has been assessed against section 3AA of the *Planning and Environment Act 1987* and Specified Matters outlined in the Ministerial Notice as well as consideration against Council's own research and housing policies. This assessment found that the Strategy only partially meets the various requirements under the Act and modifications are recommended to ensure consistency with the Act and Council's requirements. Given that those in greatest housing need are from Very low and Low income level households who are not in a position to purchase a home, it is recommended that the social housing component be

increased from 2.5 percent to at least 3.5 percent. It is also recommended that delivery of the social housing be brought forward by providing a portion within Precinct 1, which will be developed first. The affordable home purchase component can also be improved by ensuring the program is overseen by an independent housing organisation and further details are provided confirming the eligibility criteria. Other recommended changes and improvements to the Strategy are detailed in the report.

RECOMMENDATION

That

1. ***Council note the Former Lilydale Quarry Affordable Housing Delivery Strategy and submission of the document to satisfy the provisions of Schedule 1 to Clause 37.02 of the Yarra Ranges Planning Scheme.***
2. ***Council notify the applicant that it will approve an amended strategy generally in accordance with the recommendations of Attachment 1 and delegate its approval to the Chief Executive Officer.***

RELATED COUNCIL DECISIONS

Council considered Draft Planning Scheme Amendment C193yran (approved by the Minister for Planning in January 2022 as Amendment C203yran) in September 2020, (Item 7.2, 08/09/2020).

DISCUSSION

Purpose and Background

Planning controls applying to the former Lilydale Quarry

The purpose of this item is to consider the submitted *Former Lilydale Quarry Affordable Housing Delivery Strategy* pursuant to Schedule 1 - Clause 37.02 of the Yarra Ranges Planning Scheme.

The planning controls applying to the former Lilydale Quarry site requires preparation of an Affordable Housing Delivery Strategy (the Strategy). The Strategy must be prepared to the satisfaction of the Responsible Authority (Yarra Ranges Council) before a permit to subdivide or develop the land can be granted.

The Strategy must set out how Affordable Housing, as defined by the *Planning and Environment Act 1987* is to be achieved across the site and once approved will form the basis of a binding Affordable Housing Section 173 Agreement under the *Planning and Environment Act 1987* between the landowner and Council. Planning consultancy Urbis acting for the Proponent (Tav Lilydale Pty Ltd & LBJ Corporation Pty Ltd) has submitted an Affordable Housing Delivery Strategy for Council's consideration and approval. A copy of the Strategy is provided in Attachment 2.

The specific requirements of the Comprehensive Development Zone (Schedule 1 to Clause 37.02) relating to Affordable Housing are detailed below. These provisions are the outcome of Planning Scheme Amendment C193 which was considered under the Victorian Planning Authority (VPA) Fast Track Program and was approved as Amendment C203yr in January 2022.

CDZ1 - Provision of affordable housing

Before a permit to subdivide land is granted, the owner of the land must prepare an affordable housing delivery strategy to the satisfaction of the responsible authority, which sets out:

- *How affordable housing is to be achieved, including the identification of intended partners, timeframes, built form and response to each of the matters set out by the Minister pursuant to section 3AA(2) of the Planning and Environment Act 1987;*
- *Delivery of affordable dwellings, or land lots for construction of affordable dwellings, equal to 5% of the total dwellings proposed to be delivered across the incorporated CDP area, rounded to the nearest whole number, or any lesser number of dwellings as agreed between the owner and the responsible authority; or*
- *The provision of affordable housing by any agreed alternative method generally consistent with the value of the above provision.*

Unless otherwise agreed to by the responsible authority, a permit must not be granted to subdivide land until an agreement under section 173 of the Planning and Environment Act 1987 has been entered into between the owner of the land and the responsible authority. The agreement must require the owner of the land to make a contribution towards affordable housing (Affordable Housing Contribution) in accordance with the approved affordable housing delivery strategy.

The agreement must provide for the Affordable Housing Contribution that is to be made by the owner of the land. The agreement must provide that where the parties have agreed on a method in the approved affordable housing delivery strategy by which the Affordable Housing Contribution will be provided, and the landowner makes a contribution that is in accordance with that agreed method then any obligation on the landowner to make the Affordable Housing Contribution has been fully and finally discharged.

Victorian Planning Authority Standing Advisory Committee Recommendations

Council's submission to the Victorian Planning Authority (VPA) and to the VPA Standing Advisory Committee that considered Amendment C193yr recommended a five percent affordable housing contribution be made that was targeted to assist Very low and Low income households. To achieve this outcome, Council recommended that the five percent affordable housing be directed towards providing social housing (the only housing tenure that is realistically affordable for Very Low and Low income households) that would be owned and managed by a Registered Housing Provider or Association. Consistent with expert witness advice provided at

the Advisory Committee hearing, Council also supported a further three percent be available for Moderate income households under an affordable purchase scheme.

The proponent's Affordable Housing proposal under Amendment C193 and tabled at the Advisory Committee hearing included an overall five (5) percent Affordable Housing contribution comprising 2.5 percent social housing and 2.5 percent of housing to be provided at market value to eligible Moderate-income households that met a defined 'Key Worker' criterion. The proponent also contemplated a shared equity option to support the affordable purchase scheme.

The Advisory Committee was satisfied that an overall five percent Affordable Housing contribution was appropriate. However, it did not express a view or make recommendations on how the Affordable Housing contribution should be delivered in terms of the proportion of social housing, income ranges and location of housing, leaving this level of detail to be determined through preparation of an Affordable Housing Delivery Strategy following approval of the rezoning.

Definition of Affordable Housing

According to the Australian Bureau of Statistics (ABS), financial housing stress, which is an outcome when housing becomes unaffordable, typically occurs once the cost of housing (either mortgage repayments or rent) exceeds 30 percent of a lower income household's gross income. Higher income households that may choose to spend more than 30 percent of their household income on housing are not typically considered to be in financial housing stress as the remaining income is sufficient for them to avoid financial hardship. Affordable Housing is therefore purposefully targeted towards lower income households where housing assistance/intervention is required to avoid financial housing stress. Affordable Housing can include affordable home ownership schemes, affordable rental housing, provision of crisis accommodation or social housing that is provided by Government or a Registered Housing Agency.

In 2018, the State Government amended the *Planning and Environment Act 1987* to require consideration of affordable housing during development proposals. Under the *Planning and Environment Act 1987*, Affordable Housing is housing, including social housing, that is appropriate for the needs of Very low, Low and Moderate income households.

A Governor in Council Order forms part of the definition of Affordable Housing and specifies the household income levels, which are updated periodically for Affordable Housing that is not social housing. A Ministerial Notice specifies matters relevant to determining whether the form of affordable housing is appropriate. The relevant section of the *Planning and Environment Act 1987*, Ministerial Notice and Government in Council Order are provided in Attachment 3. In summary, the following matters are required to be considered by the landowner and responsible authority when determining Affordable Housing contributions.

- Allocation (of affordable housing);
- Affordability (in terms of the capacity for Very low income, Low income and Moderate income households that the housing is intended for);

- Longevity (in terms of the public benefit of the provision);
- Tenure (e.g. owner – occupier, rental, etc);
- Type of housing, (in terms of form and quality);
- Location (in terms of site location and proximity to amenities, employment and transport);
- Integration (in terms of the physical build and local community); and
- Housing need (estimates of need e.g. ABS data, housing studies/research)

The State Government has not mandated a requirement for Affordable Housing on private landowners but has established an expectation for Councils and developers/owners to facilitate affordable housing outcomes consistent with the *Planning and Environment Act 1987*. In the case of the former Lilydale Quarry, the provision of a five percent Affordable Housing contribution was established during the rezoning of the land and was formerly introduced as a requirement into the Comprehensive Development Zone - Schedule 1, together with the need to prepare an Affordable Housing Delivery Strategy.

Proponent's Affordable Housing Proposition

The *Former Lilydale Quarry Affordable Housing Delivery Strategy* (the Strategy) submitted by the proponent is proposing to provide two categories of Affordable Housing. Category 1 includes 2.5 percent social housing (estimated to be 81 dwellings from an expected total dwelling yield of 3,050 dwellings) to be delivered and managed by the not-for-profit affordable housing organisation Haven; Home, Safe or a similarly qualified delivery partner. The intended delivery model includes gifting of land to the housing agency for it to develop and use as social rented housing. The remaining 2.5 percent (81 dwellings) is proposed to be 'affordable purchase units' for moderate income 'key worker' households, referred to in the Strategy as Category 2 (affordable purchase) homes. In total, the Strategy proposes delivery of 162 affordable homes within the Former Lilydale Quarry Comprehensive Development Plan area.

The social housing component will be provided through a land-gifting arrangement with Haven; Home, Safe, or a similar housing provider, that will provide housing for Very low and Low income households sourced from eligible households on the Victorian Housing Register in need of housing assistance. The dwellings are to be constructed by the housing provider and will be apartment style located within Precinct 3 (20 units) and Precinct 4 (61 units) of the Kinley development (refer to the attached Former Lilydale Quarry Precinct Map, Attachment 4) and are anticipated to be developed from 2027 through to 2036.

Housing targeted for 'Key Workers' (Category 2 homes) are predominantly medium density/town houses located within Precincts 1 and 3 that will be constructed by the developer and provided to 'qualifying households' at market value. The allocation of homes will be managed by the developer or by a third party. The dwellings in this category will need to remain 'affordable' for Moderate family and Moderate couple

income ranges, as defined by the Governor in Council Order. The eligible 2022 price points for Category 2 homes identified in the Strategy include:

- \$740-760,000 for a 3-bedroom product satisfies the moderate family income bracket;
- \$635,000 for a 2-bedroom product satisfies the moderate family income bracket; and
- \$590-620,000 for a 2-bedroom apartment satisfies moderate couple income bracket

The price points would need to be monitored over time and assessed to ensure the housing on offer remains affordable for Moderate income households (family and couples).

The Strategy anticipates delivery of Category 2 homes will occur from 2024-2030.

As required under the Comprehensive Development Zone (CDZ1) applying to the site, the proponent is required to make a five per cent contribution towards Affordable Housing as defined under section 3AA(2) of the *Planning and Environment Act 1987* and Specific Matters set out by the Minister for Planning.

The proponent submits the Strategy is consistent with the requirements of the Act and CDZ1.

Assessment of the Former Lilydale Quarry Affordable Housing Delivery Strategy

The delivery of Affordable Housing as part of the approval process is a negotiated outcome between the Council as the Responsible Authority and the developer. Accordingly, there are no prescribed approaches and affordable housing contributions vary between developments depending on the individual circumstances including the needs of the local community in which the developments are proposed.

Key considerations for the developer include such things as the cost and form of development, prevailing market prices and the extent of discounting required, and the financial arrangements between the developer and a registered housing agency involved in the delivery of social housing.

Key considerations for a municipal council are the extent to which the proposal meets priority housing need as informed by recent studies and investigations and the degree to which a proposal aligns with the strategic objectives of the Council. The feasibility and practicality of the proposal as well as the overall functionality, suitability and built form outcomes are other valid considerations.

Affordable Housing agreements between developers and Councils can involve the transfer of land to a registered housing provider or the provision of completed dwellings. Some schemes involve the developer selling a required percentage of completed dwellings to a housing agency at an agreed discount. One recently rezoned area in Bentleigh East requires developers to transfer land at no cost to a Registered Housing Agency to enable affordable housing (150 dwellings). Another

site in Clayton requires the transfer of land with the capacity to support the development of 10 percent of the site's total dwellings as Affordable Housing to be provided to a Registered Housing Agency or the gifting of two percent of total completed dwellings to a Registered Housing Agency at no cost to the Agency. A recently rezoned area in Altona North requires developers to make available five (5) percent of housing to a Registered Housing Agency or to the Council, at a 25 percent discount.

Typically, affordable housing outcomes achieved across sites of a similar scale to the Lilydale Quarry development are in the order of a five to ten percent affordable housing contribution and involve most of the affordable housing commitment being directed towards the delivery of social housing managed by a registered housing agency. It is less common to see affordable purchase schemes, particularly housing offered at market value as proposed by the proponent in the submitted Strategy.

Council officers conclude that the proposed Category 1 social housing is considered to strongly satisfy the affordable housing criteria set out under the *Planning and Environment Act 1987* and Ministerial guidance. This component will provide housing for Very low and Low income households where there is a demonstrated need for this form of housing in Yarra Ranges. In line with Council's adopted policies (for example the *Health and Wellbeing Plan 2021-2025*, Council endorsed *Guiding Principles of Housing and Homelessness 2020*) Council's highest priority is to address immediate housing shortages and homelessness and the most effective way of achieving this is to facilitate an increase in social housing to provide for much needed affordable rental housing.

While the submitted Strategy provides general guidance around the delivery of social housing, it is largely silent in relation to a number of aspects of the social housing provision contemplated in the Ministerial Notice and Governor in Council guidance. For example, the Strategy is vague in its commitments around the form and location of dwellings, land size, the number of bedrooms per dwelling and how many of each dwelling type will be provided. This detail will need to be informed by further needs assessment and the views of the social housing provider, however there must be clarity around at least a commitment to provide different social housing typology including number of bedrooms. Also, additional detail is required around social housing quality, location, accessibility, land size, its integration with the broader development and the delivery method.

Bringing forward the delivery of Category 1 homes would also be advantageous which would improve integration of the social housing across the development and enable social housing to be delivered earlier to address current housing needs. The proponent has indicated providing social housing within Precincts 1 or 2 could be more costly to the housing provider and these precincts are not the preferred location for the intended apartment style development. While it is acknowledged the delivery of the social housing dwellings will be undertaken by a housing partner, it is preferable the Strategy contemplates and directs a more even spread of social housing across the development as well as provide Category 1 homes earlier than proposed, as detailed below.

The Strategy has "backloaded" most of the social housing into Precinct 4, noting Precinct 4 remains contingent on successful geo-technical outcomes. Even if

successful, that success may be deferred from estimates due to those geo-technical factors. The Strategy contemplates 61 of the 81 social housing dwellings will be delivered from 2031 to 2036 in Precinct 4. The first of the social housing is to be delivered to Precinct 3 and then only 20 units, and these provided from 2027 to 2030. At the developer's option, it may be seven years from now before the first social housing dwelling is provided.

This report contains recommendations to bring forward a percentage of that social housing provision to Precinct 1 and spread it across the development to meet existing and future need in a timely way. While Precinct 1 is not located within the proposed "Urban Core" of the development, it is still conveniently located to the existing Lilydale Station and Lilydale activity centre and will be within easy walking distance to the future Train Station and proposed neighbourhood centre within Precinct 4. Once the former quarry site is developed as planned, all Precincts 1 to 4 will be well serviced with good access to public transport, schools, Lilydale activity centre, public open space and community facilities.

In relation to Category 2 (affordable purchase) homes, for 'Key Workers' officers conclude that this Category only partially meets the Matters specified by the Minister for Planning. A key concern is that this category of housing is not responding to a high housing need, given that the market is already providing housing at the nominated price points.

While providing sufficient housing for moderate income 'workers' is a growing issue, there is no current strategic justification for 'Key workers' to form part of an affordable housing agreement particularly where it would reduce the supply of housing to cohorts that are identified as priority – Very low and Low income households.

There is also a concern that Category 2 affordable purchase homes as proposed does not provide a long-term affordable housing outcome beyond providing a one-off benefit to the initial home purchaser. A shared equity arrangement may be appropriate to maintain and improve affordability of the dwellings and it could be designed to improve the longevity of the affordable housing outcome by securing and reinvesting any discounting of the property that may be required. At this stage the proponent does not believe Council needs to be concerned about whether discounting is required as the Section 173 Agreement will obligate the owner to provide the 81 dwellings at a price within the threshold of Moderate income households. The proponent is also of the view that there is no issue or inconsistency with the *Planning and Environment Act 1987* if the affordability outcome is confined to the initial purchaser as there will be a steady stream of affordable housing products which will have a positive impact on housing affordability generally.

While the Strategy obligates Category 2 homes to be 'affordable', there is benefit in providing greater clarity around the management of Category 2 housing. Key questions include:

- Who will be eligible to purchase Category 2 homes?;
- What is the definition of a 'Key Worker'?

- How long will the owner-occupier have to commit to reside in the dwelling in order to be eligible to purchase a Category 2 home?; and
- How will the borrowing capacity of eligible customers be determined?

Council has no mechanism to approve and enforce these requirements and it would be unadvisable for Council to attempt to take on this role through a complicated section 173 Agreement. More detail is required around the implementation and ongoing management of Category 2 homes.

Council officers note that while there is a high volume of Moderate income level households in Yarra Ranges which in turn leads to a high demand for housing within this income group, this does not equate to Moderate income households being in most need of housing assistance as purported by the Strategy. On the contrary, it is the Very low and Low income households that are in most need of housing assistance. This was recently confirmed by analysis undertaken by the consultancy Affordable Development Outcomes, which reviewed data from the 2021 Census showing in Yarra Ranges it is predominantly the Low and Very Low income households which are under housing stress, refer to Figure 1 below.

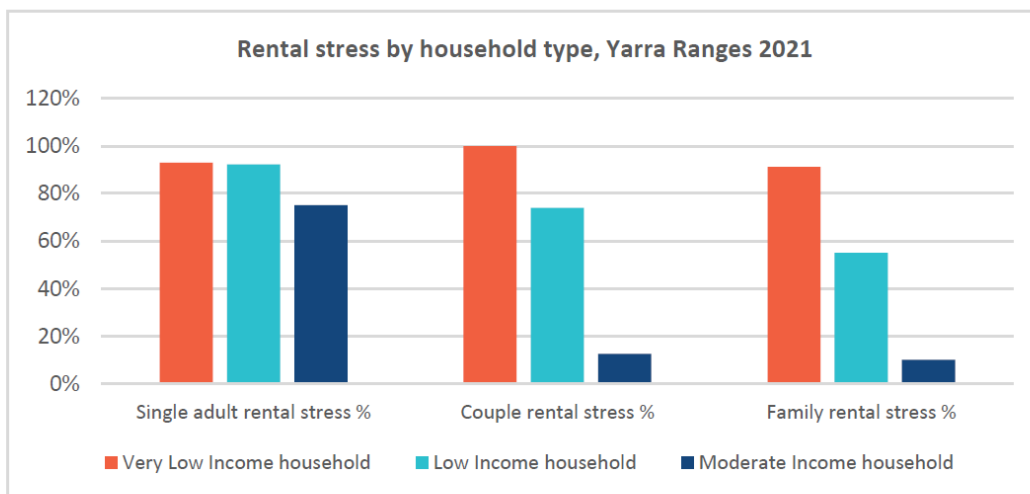


Figure 1: Rental Stress by P&E Act income bands (Census 2021 & ABS Table Builder. Affordable Development Outcomes)

It is also worth noting that the Strategy commits 162 affordable housing dwellings (81 social housing, 81 affordable purchase dwellings), which equates to a 5.32 percent contribution based on a total dwelling yield of 3,050 dwellings rather than 5.0 percent as required under the CDZ1. This is likely an inadvertent inclusion from the previous estimate total yield of 3,241 dwellings (Kinley Affordable Housing Proposition, 29 April 2020) whereby 162 equates to a 5.0 percent contribution. This will require clarification. Ultimately, however many dwellings are yielded, it will be the percentage that needs to be applied (to at least 5 percent total) and as it stands the Strategy’s commitment of 162 affordable housing dwellings is an overestimation.

Options considered

Option 1: Approve the Affordable Housing Delivery Strategy as submitted

Council is required to consider whether the submitted Strategy satisfies the requirements under the *Planning and Environment Act 1987* and the CDZ1.

The Category 1 (social housing) homes are considered to satisfy all Matters specified under the *Planning and Environment Act 1987* and will respond to the priorities identified in Council housing policies by providing housing targeted towards those in most need.

Providing the Category 2 (affordable purchase) homes remain affordable for Moderate income households, they will partially comply with the Matters specified under the *Planning and Environment Act 1987*. The housing will enable Moderate income households to enter the property market without entering into financial housing stress and potentially free up affordable rental accommodation. However, the Category 2 homes as proposed will only benefit the initial purchaser and it is arguable that this Category is not specifically addressing a major housing need given the market is already providing this level of housing affordability without Government intervention. It is therefore preferable and appropriate to direct a higher proportion of the Affordable Housing provisions under the CDZ1 to assist more vulnerable household groups.

Overall, it is recommended that Council not approve the Strategy as submitted as there are critical areas that require review and further detail. Key to this includes requesting an increase to the percentage of Category 1 homes (social housing) and bringing forward the delivery of some of this Category. It is also recommended that the Strategy provide further detail on how Category 2 (affordable purchase) will be managed and provide more detail on the eligibility criteria. It is also recommended that the oversight of Category 2 homes be managed by an independent housing organisation. Further clarity on the exact number of affordable housing dwellings (both Social and Affordable Purchase) that will be delivered is also required.

Option 2: Request that all of the five percent Affordable Housing be targeted towards Social Housing

While targeting the entire five percent of Affordable Housing towards social housing would be an ideal outcome, it is clear the proponent is not willing to support this. At the Advisory Committee hearing, the proponent rejected the full five percent affordable housing being directed towards social housing and it is highly likely the proponent will seek a review of Council's decision at VCAT, should a request be made to provide the full five percent as social housing. The Standing Advisory Committee did not stipulate a five percent social housing outcome, leaving this level of detail to be negotiated under the Affordable Housing Delivery Strategy.

Option 3: Request a modest increase in Category 1 (social housing) homes and other changes

A third option available is to request a smaller percentage increase towards the social housing outcome together with other changes to improve the implementation of the Strategy. This is discussed below.

Recommended option and justification

To improve the outcomes of the Affordable Housing Delivery Strategy and achieve greater compliance with the specified Matters under the *Planning and Environment Act 1987*, it is recommended that a higher proportion of the overall five percent of Affordable Housing be targeted to assist Very low and Low income households. The most effective way of achieving this is to increase the proportion of Category 1 (social housing) homes.

Given the scale of the development and acknowledging the significant costs associated with rehabilitating the site, a one (1) percentage increase of Category 1 (social housing) homes from 2.5 percent to 3.5 percent would realise in the order of 107 social housing units (based on a total yield of 3,050 dwellings) to be delivered over the life of the development. This would make a significant contribution towards addressing housing needs for the most vulnerable in the community.

Given the geo-technical challenges and timing of development of Precinct 4, a greater proportion of social housing should be located in Precinct 3. A commitment to deliver a proportion of the social housing in Precinct 1 is also recommended, as this will enable earlier delivery and better integration.

Increasing the extent of social housing (Category 1) will provide the greatest level of certainty and confidence around the delivery of affordable housing for the long term. Category 1 housing will be managed by a Registered Housing Agency that is regulated under the *Housing Act 1993*, which will minimise ongoing involvement (monitoring and enforcement of the Section 173 Agreement) by Council. In contrast, there is greater uncertainty with the Category 2 homes as proposed, which will require a more complex Section 173 Agreement and ongoing monitoring/enforcement of this Agreement. Matters that Council would need to monitor and make decisions on would include assessing the eligibility and vetting of 'key worker' purchasers as well as determining the 'affordability thresholds' of the housing products based on the borrowing capacity of Medium income bracket households. As previously stated, this is not a role that Council or the developer should undertake and is better suited to an independent registered housing association.

Therefore, improvements could be made to the Category 2 housing proposal by requiring an independent housing provider/association manage this component as opposed to the developer. Improving the longevity of the affordability outcome could also be achieved through a shared equity scheme which if proposed should be managed by a housing provider. This detail would need to be explained in the Strategy.

Overall, to improve compliance with the Affordable Housing criteria specified under the *Planning and Environment Act 1987*, and to enable smooth transition and implementation of the Strategy through the required Section 173 Agreement, it is recommended that the following matters listed below are addressed by the proponent before Council approves the Strategy:

- An updated needs assessment is undertaken which may eventuate as a review and update of the existing Strategy, however confidence of a needs analysis from a 2023 (and future) position is required;
- The Strategy is modified to increase the Category 1 (social housing) from 2.5 percent to at least 3.5 percent (approximately 107 social housing units). This may require a modified arrangement between the social housing delivery partner (currently Haven; Home, Safe) and the landowner to accommodate this percentage increase;
- Crucially bringing forward the delivery of social housing into Precinct 1 (roughly 25 percent or about 27 dwellings) and similar amounts confirmed in Precinct 3. Also spreading the timing for such delivery across the stages of development, not “back loading” the provision. This also partially addresses the risk of an incomplete Precinct 4;
- The Strategy confirms that the social housing to be delivered will be owned and managed by a registered agency under the *Housing Act 1983* and that all land to be transferred for social housing will meet the needs of the registered agency including location, suitability of land for the intended built form, provision of services and timing of delivery;
- The Strategy includes alternate delivery methods, or the mechanisms to achieve an equivalent social housing contribution that is committed under an approved Strategy should the landowner be unable to secure an appropriate housing partner to deliver the intended social housing;
- The Strategy include a requirement for and details as to how an independent housing organisation is to be appointed to oversee the implementation of Category 2 (affordable purchase) homes;
- The Strategy details the eligibility criteria relating to Category 2 (affordable purchase) homes and any methods by which such affordability can be secured through subsequent sales and purchases, for example a shared equity scheme;
- For each Precinct, the Strategy confirms the number of affordable housing dwellings (Social Housing and Affordable Purchase Housing) and provides details around the location, estimated land requirements, building typology, integration, number of bedrooms, and timing of delivery;
- The Strategy includes a monitoring and reporting process detailing implementation of the Strategy and associated Affordable Housing Section 173 Agreement, which is to be submitted to Council on an annual basis; and

- A draft form of 173 Agreement (or its key details) be included which address such matters as:
 - delivery of the Strategy (modified as contemplated in this report) and in turn the Affordable Housing;
 - specifying methodology to ensure allocation, location, type of housing, integration and tenure for the housing;
 - ensuring the spread of social housing particularly across each Precincts 1, 3 and 4, in roughly equal proportions; and
 - recognising that if Precinct 4 cannot be developed as contemplated, the necessary reduction in affordable housing provision and agreed methodology around such reduction.

If the Strategy is amended accordingly, officers would be in a position to recommend approval of the Strategy and its implementation through a Section 173 Agreement.

FINANCIAL ANALYSIS

Costs associated with the assessment of the submitted Affordable Housing Delivery Strategy is covered by the Strategic Project Department's operational budget. Delivery of the Strategy is not expected to result in significant additional costs to Council. There will be some additional workload generated from the need to monitor implementation of the Strategy and ensure compliance with obligations under a future Affordable Housing Section 173 Agreement, which can be covered by existing operating budgets.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan 2021 - 2025:

Quality Infrastructure and Liveable Places – Quality facilities meet current and future needs. Places are well planned hubs of activity that foster wellbeing, creativity and innovation.

Specifically: Action 9 of the Council Action Plan 2022-2025 under Quality Infrastructure and Liveable Places.

Plan, facilitate and develop urban renewal projects, including Lilydale Revitalisation project, Kinley re-development and Level Crossing Removal to facilitate the revitalisation of Lilydale. Ensuring alignment with Council's place making objectives of encouraging a vibrant, attractive, sustainable, healthy and connected community.

The following Council strategies and plans and endorsed documents are also relevant and support the provision of affordable housing, (refer to attached summary, Attachment 5)

- *Housing Strategy 2009;*
- *Health and Wellbeing Plan 2021-2025;*
- *Guiding Principles of Housing and Homelessness 2020; and*
- *Lilydale Major Activity Centre Structure Plan 2022*

RELEVANT LAW

Council, as the Responsible Authority under the *Planning and Environment Act 1987*, is required to consider the *Former Lilydale Quarry Affordable Housing Delivery Strategy*, which has been submitted pursuant to Schedule 1 to Clause 37.02 (*Former Lilydale Quarry Comprehensive Development Plan*).

Under the CDZ1, Council will be required to enter into an agreement under Section 173 of the *Planning and Environment Act 1987* with the landowner to secure Affordable Housing outcomes in accordance with the approved *Former Lilydale Quarry Affordable Housing Delivery Strategy*.

SUSTAINABILITY IMPLICATIONS

Economic Implications

The redevelopment of the former Lilydale Quarry is a major urban renewal site that will realise significant economic benefit to the region. Approval of the *Former Lilydale Quarry Affordable Housing Delivery Strategy* and execution of the Affordable Housing Section 173 Agreement will facilitate the construction of affordable housing for the community, that is conveniently located to services, facilities and public transport.

Social Implications

Securing affordable housing as part of the urban renewal of the former Lilydale Quarry site will lead to significant social benefit. The provision of additional social housing will address a significant housing gap for Very low and Low income households. The provision of homes that are within reach of Moderate income households will enable these households to purchase a dwelling without causing financial housing stress.

Environmental Implications

The Former Lilydale Quarry is located adjacent to the Lilydale town centre and is ideally located to facilitate transit orientated development and active modes of transport, thereby minimising reliance on private motor vehicles. All residential development within the Former Lilydale Quarry site will be required to meet specific environmental performance construction standards in accordance with an approved Precinct Sustainability Management Plan, which will require new development to minimise environmental impacts. The master planned development has been planned to create quality liveable places through considerations including

responsible management of urban stormwater, provision of quality public open spaces and community facilities, a network of shared paths, provision of public transport infrastructure, protection of cultural heritage and incorporation of landscaping and tree canopy opportunities.

COMMUNITY ENGAGEMENT

Approval of the *Former Lilydale Quarry Affordable Housing Delivery Strategy* is considered a secondary consent matter and accordingly there are no formal notification or advertising requirements under the *Planning and Environment Act 1987*.

The proposal to provide a five percent affordable housing contribution within the former Lilydale Quarry site was made public during the exhibition of Amendment C193 to the Yarra Ranges Planning Scheme and was considered under the Victorian Planning Authority (VPA) Fast Track Program, where submissions to the proposed Amendment were invited and these were referred to the VPA Fast Track Standing Advisory Committee.

The requirement to provide a five percent Affordable Housing contribution within the Former Lilydale Quarry site and preparation of an Affordable Housing Delivery Strategy to the satisfaction of the Responsible Authority is documented in Schedule 1 to the Comprehensive Development Zone, (Clause 37.01) which forms part of the Yarra Ranges Planning Scheme.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

In preparing this item, Council officers have considered the views of relevant internal areas of Council and have sought expert advice.

RISK ASSESSMENT

Approval of an Affordable Housing Delivery Strategy and formalising the delivery of the Strategy are requirements under the Comprehensive Development Zone (CDZ1) applying to the land. Approval of the Strategy to the satisfaction of the Responsible Authority and execution of an Affordable Housing Agreement under Section 173 of the *Planning and Environment Act 1987* must occur before development of the former Lilydale Quarry site can proceed. The proponent can seek a review at VCAT should the matter not be resolved within a 'reasonable time' (section 149 of the *Planning and Environment Act 1987*).

Delivery of the social housing component (identified in the Strategy as Category 1 homes) is proposed to be undertaken by a Registered Housing Agency (currently proposed to be Haven; Home, Safe) following gifting of land by the developer. This means that a housing partner must be available with sufficient resources to build and manage the social housing. To address this uncertainty, a recommendation has been made for the Strategy to provide an alternative mechanism detailing how the landowner will meet this obligation should a housing provider not be secured. It is also recommended that a proportion of social housing be provided in Precinct 1,

where the delivery timeline is earlier than proposed in the Strategy and a higher proportion of social housing is located outside of Precinct 4 (which includes the former quarry pit area).

The quantity of affordable housing proposed is also a percentage of the overall development yield and consequently the number of affordable dwellings committed under the Strategy is dependent on achieving the agreed estimated total yield (currently identified in the submitted Strategy at 3,050 dwellings) across the CDZ1 area. A recommendation has been made to seek clarification on the number of committed affordable housing dwellings.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Recommended Changes to the Former Lilydale Quarry Affordable Housing Delivery Strategy (September 2022)
2. Former Lilydale Quarry Affordable Housing Delivery Strategy (September 2022)
3. Extracts - Affordable Housing Legislation, Ministerial Notice & Govt. in Council Order
4. Former Lilydale Quarry Precinct Map
5. Summary of Council policies and strategies in regard to Social and Affordable Housing

Recommended changes to the Former Lilydale Quarry Affordable Delivery Strategy (September 2022)

No.	Recommendation
1	Include an up to date needs assessment, focusing on needs of the locality, or the existing needs assessment is reviewed and either confirmed and/or modified.
2	Increase the Category 1 (social housing) from 2.5 percent to at least 3.5 percent (approximately 107 social housing units). This may require modified arrangements between the social housing delivery partner(s) (currently Haven; Home, Safe).
3	<p>Incorporate methods by which social housing and affordable purchase housing numbers may be:</p> <ol style="list-style-type: none"> 1) increased (and by how much) if the total number of dwellings in the Former Lilydale Quarry (Kinley) exceeds agreed amounts; 2) reduced if Precinct 4 cannot be fully developed as contemplated.
4	Confirm the social housing to be delivered will be owned and managed by a registered agency under the <i>Housing Act 1983</i> and that all land to be transferred for social housing will meet the needs of the registered agency.
5	Provide additional information and direction for social housing as to the location, suitability of land for the intended building form, function, size, number of bedrooms, provision of services and timing of delivery.
6	Include the mechanism as to how the required social housing dwellings must be delivered as a precondition to relevant stages of each of the Precincts.
7	Includes alternate delivery methods, or the mechanisms to achieve such alternate methods, should the intended Affordable Housing outcomes (or part of them) are not achievable.
8	Include a requirement for and details as to how an independent housing organisation is to be appointed to oversee the implementation of Category 2 (affordable purchase) homes.
9	Detail the eligibility criteria relating to Category 2 (affordable purchase) homes in the Strategy, together with any methods by which such affordability can be secured through subsequent sales and purchases.
10	Confirm the number of affordable housing dwellings (both Social Housing and Affordable Purchase Housing) and estimated land requirements, building form and location, to be delivered within each Precinct.

No.	Recommendation
11	Modify the timing of the Social Housing, bringing not less than 25 percent of the total provision (or such other number Council agrees) into Precinct 1 and a further 25 percent into Precinct 3, with timing across the subdivisional stages, not deferred until the last stages of the Precinct.
12	Include a monitoring and reporting process detailing implementation of the Strategy and associated Affordable Housing Section 173 Agreement, which is to be submitted to Council on an annual basis.
13	<p>Include either a draft Affordable Housing Section 173 Agreement or a section within the Strategy detailing key components of the S173 Agreement including:</p> <ol style="list-style-type: none"> 1) Securing delivery of the Strategy (modified as contemplated in these terms) and in turn the Affordable Housing; 2) Specifying the methodology to ensure allocation, location, type of housing, integration and tenure for the housing; 3) Ensuring the spread of social housing particularly across Precincts 1, 3 and 4, in roughly equal proportion; 4) Recognising that if Precinct 4 cannot be developed as contemplated, the necessary reduction in affordable housing provision and agreed methodology around such reduction.

URBIS

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FORMER LILYDALE QUARRY

Affordable Housing
Delivery Strategy

Prepared for Tav Lilydale Pty Ltd & LBJ Corporation Pty Ltd
September 2022



This report is dated **14 September 2022** and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of **Tav Lilydale Pty Ltd & LBJ Corporation Pty Ltd** (Instructing Party) for the purpose of a **Affordable Housing Delivery Strategy** (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

Urbis staff responsible for this report were:

Director	Evan Granger Mark Dawson
Senior Consultant	James Woolway
Project code	P0039296
Report number	1.2

Urbis acknowledges the important contribution that Aboriginal and Torres Strait Islander people make in creating a strong and vibrant Australian society.

We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.

CONTENTS

Executive Summary	4
Part 1: Context	5
Former Lilydale Quarry	6
Planning Controls	7
Policy Context	8
The 'Need' for Affordable Housing	9
Moderate Income Affordability	10
Key Worker Housing	11
Part 2: Proposition	12
Affordable Housing Proposition	13
Haven; Home, Safe	14
Staging	15
Part 3: Ministerial Matters	16
Summary	23
Appendices	24

EXECUTIVE SUMMARY

Urbis Pty Ltd has prepared this Affordable Housing Delivery Strategy on behalf of **Tav Lilydale Pty Ltd & LBJ Corporation Pty Ltd** (the Proponent).

Use, subdivision and development within the Former Lilydale Quarry Comprehensive Development Plan area must be undertaken in accordance with Schedule 1 to the Comprehensive Development Zone (CDZ1).

Before a permit to subdivide land can be granted, an Affordable Housing Delivery Strategy (Strategy) must be prepared to the satisfaction of the Responsible Authority (Yarra Ranges Shire Council).

The Strategy will ultimately be used to inform the preparation of a Section 173 Agreement, which will require the landowner to make a contribution towards affordable housing.

As described within the CDZ1, the ADHS must consider the following components:

- *How affordable housing is to be achieved, including the identification of intended partners, timeframes, built form and response to each of the matters set out by the Minister pursuant to section 3AA(2) of the Planning & Environment Act 1987;*
- *Delivery of affordable dwellings, or land lots for construction of affordable dwellings, equal to 5% of the total dwellings proposed to be delivered across the incorporated CDP area, rounded to the nearest whole number, or any lesser number of dwellings as agreed between the owner and the responsible authority; or*
- *The provision of affordable housing by any agreed alternative method generally consistent with the value of the above provision.*

As detailed within the Strategy, the two 'categories' of proposed affordable housing seek to provide **2.5% social rented** housing and **2.5% key worker affordable purchase housing**. This approach to provision totals the required 5% and responds to all associated requirements.

'**Category 1**' affordable housing comprises 81 (50% of total provision) social rented units, to be delivered and managed by Project partner, Haven, or a similarly qualified delivery partner.

'**Category 2**' affordable housing comprises 81 (50% of total provision) affordable purchase units for moderate income key worker households.

The affordable housing outlined within this Strategy, and delivered by the redevelopment of the quarry, represents almost 50% of the Shire's affordable housing needs to 2031.

The Strategy is underpinned by robust economic and demographic modelling that identifies and responds to the need for affordable housing within the Yarra Ranges Shire.

The proposition will provide for affordable housing across a range of very-low, low, and moderate income households through a mix of integrated housing for singles, couples and families. This housing will be provided in an integrated manner across the development, with the Strategy providing certainty as to the staged delivery of affordable homes across the overall development of the site.

The key worker housing provided by the development will ensure that the Shire has a dedicated stream of affordable homes for workers within essential services. As detailed within the Strategy and supporting documents, it will be important to ensure a long-term supply of housing for key workers within the Shire and will generate wider economic cross-benefits as a result.

Importantly, the Strategy ensures that the delivery of affordable housing within the Former Lilydale Quarry site responds satisfactorily to the Ministerial Matters described within Section 3AA(2) of the *Planning & Environment Act*.

To guide the preparation of the Former Lilydale Quarry Affordable Housing Contribution Agreement, as required by the CDZ1, the Strategy addresses the following topics:

- **Establishment of the 'need' for affordable housing**
- **Staging of affordable housing delivery**
- **Partnerships with affordable housing providers**
- **Details of allocation**
- **Details of affordability**
- **Ongoing management of affordable housing**
- **Details of tenure**
- **Details on expected typology of affordable housing**
- **The indicative location of affordable housing within the Comprehensive Development Plan**
- **The integration of affordable housing across the defined Comprehensive Development Plan Precincts.**

PART 01 CONTEXT

Page 38

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PART 1 FORMER LILYDALE QUARRY

The Former Lilydale Quarry will become a major new urban renewal precinct with a masterplan that prioritises liveability and sustainability. A true 20-minute neighbourhood, it will provide housing diversity, recreation opportunities, services and transport across four distinct precincts.

The four precincts that make up the former quarry area are characterised by a mix of housing options and embrace the unique heritage values of the site.

Of the 3,050 homes to be accommodated, at least 5% will be affordable housing as detailed within this Strategy. The collection of affordable homes will be provided across a variety of tenures and typologies, and integrated seamlessly into the masterplan's precincts.

Importantly, the Former Lilydale Quarry site will serve to accommodate a wide range of community benefits beyond the affordable housing commitment detailed in this strategy.

The project will also supply over 11 hectares of passive and active open space, new transport and social infrastructure, and land for a new government specialist school.

The Comprehensive Development Plan is underpinned by a suite of infrastructure contributions that will provide millions of dollars' worth of new drainage, transport and community facilities, both inside and outside of the development area.

All of these development components are designed towards ensuring the long-term affordable living for all of its residents.



PART 1

PLANNING CONTROLS

The Former Lilydale Quarry Comprehensive Development Plan (CDP) has been introduced into the Yarra Ranges Planning Scheme via the Comprehensive Development Zone applied to the land. While the CDP provides the overall vision and requirements for development of the land, the Schedule to the zone includes several additional planning requirements.

Any use, subdivision or development within the CDP area must be undertaken in accordance with Schedule 1 to the Comprehensive Development Zone (CDZ1).

Before a permit to subdivide land can be granted, an Affordable Housing Delivery Strategy (Strategy) must be prepared to the satisfaction of the Responsible Authority (Yarra Ranges Shire Council).

The Strategy will ultimately be used to inform the preparation of a Section 173 Agreement, which will require the landowner to make a contribution towards affordable housing.

As described within the CDZ1, the Strategy must consider (as a minimum) the following elements:

- *How affordable housing is to be achieved, including the identification of intended partners, timeframes, built form and response to each of the matters set out by the Minister pursuant to section 3AA(2) of the Planning and Environment Act 1987;*
- *Delivery of affordable dwellings, or land lots for construction of affordable dwellings, equal to 5% of the total dwellings proposed to be delivered across the incorporated CDP area, rounded to the nearest whole number, or any lesser number of dwellings as agreed between the owner and the responsible authority; or*
- *The provision of affordable housing by any agreed alternative method generally consistent with the value of the above provision.*

This Strategy is intended to respond to the requirements of CDZ1, as well as provide further supporting context to the delivery of affordable housing within the CDP area.

PART 1 POLICY CONTEXT

On June 1, 2018, the *Planning and Environment Act 1987* (the Act) was amended to include an objective 'to facilitate the provision of affordable housing in Victoria'. The amendment was accompanied by a formal definition of affordable housing (summarised adjacent) in the Act.

A range of affordability thresholds by income range and by household type are further defined to determine the relative housing affordability by different household formations.

This information is provided in the Victoria Government Gazette annually, with the latest thresholds dated 20 June 2021 summarised in the adjacent table (2022 figures to come later this year).

These ranges will inform the eligibility and need for affordable housing through analysis of the distribution of the population by income and tenure, maximum capacity to afford, and the relativity between this and the local market prices and rents.

The Act does not provide direction on the proportionality in delivery of the classes of affordable housing, or prescribe what 'weight' should be applied to each category.

As is detailed within the Strategy, development within the Former Lilydale Quarry will provide affordable housing that is appropriate for the housing needs of **very low**, **low**, and **moderate** income households.

Definition of Affordable Housing – *Planning & Environment Act 1987*



The *Planning and Environment Act 1987* defines affordable housing as follows:

- 1) For the purposes of this Act, affordable housing is housing, including social housing, that is appropriate for the housing needs of any of the following —
 - a) very low income households;
 - b) low income households;
 - c) moderate income households.
- 2) For the purposes of determining what is appropriate for the housing needs of very low income households, low income households and moderate income households, regard must be had to the matters specified by the Minister by notice published in the Government Gazette.
- 3) Matters specified by the Minister by notice under subsection (2) cannot include price ranges or prices for the purchase or rent of housing.

Income Ranges for Affordable Housing for Greater Melbourne as at June 2021

		Income Ranges			
		Single	Couple	Family	Group
Very Low	Minimum	\$0	\$0	\$0	\$0
	Maximum	\$26,200	\$39,290	\$55,000	\$55,000
Low	Minimum	\$26,201	\$39,291	\$55,001	\$55,001
	Maximum	\$41,920	\$62,870	\$88,020	\$88,020
Moderate	Minimum	\$41,921	\$62,871	\$88,021	\$88,021
	Maximum	\$62,860	\$94,300	\$132,030	\$132,030

Source: *Planning and Environment Act 1987, Urbis*

PART 1 THE 'NEED' FOR AFFORDABLE HOMES

Projected Affordable Housing Demand, Lilydale-Coldstream SA2

	2021			2031			Change 2021 - 2031 (no.)		
	Lilydale - Coldstream SA2	Total Housing Market Area	Yarra Ranges LGA	Lilydale - Coldstream SA2	Total Housing Market Area	Yarra Ranges LGA	Lilydale - Coldstream SA2	Total Housing Market Area	Yarra Ranges LGA
Population	19,700	152,000	158,500	25,400	169,000	171,400	5,700	17,000	12,900
Demand for Housing (Based on HH Size)	7,700	57,300	59,500	10,000	64,600	65,800	2,300	7,300	6,300
Dwelling Demand by Housing Tenure									
Owner Occupier	2,640	20,110	21,360	3,430	22,680	23,620	790	2,570	2,260
Purchaser	3,660	27,060	30,400	4,760	30,510	33,620	1,100	3,450	3,220
Renter	1,510	11,000	8,660	1,960	12,400	9,580	450	1,400	920
Dwelling Demand by Household Type									
Family With Children	3,600	27,890	28,720	4,510	30,750	30,440	910	2,860	1,720
Multiple Family Without Children	2,140	15,310	17,080	2,890	17,550	19,390	750	2,240	2,310
Group Household	150	1,320	1,220	180	1,440	1,280	30	120	60
Lone Person	1,810	12,780	12,480	2,420	14,860	14,690	610	2,080	2,210
Dwelling Demand by Dwelling Type (*Some Dwellings are Outside These Classifications)									
Separate House	6,340	52,850	56,130	8,230	59,580	62,070	1,890	6,730	5,940
Semi-Attached	1,240	3,790	2,980	1,620	4,270	3,300	380	480	320
Flat, Unit or Apartment	70	670	250	90	760	280	20	90	30
Affordable Housing Demand									
Mortgage Stress	499	3,410	4,177	648	3,845	4,619	149	434	442
Rental Stress	489	3,214	2,605	635	3,623	2,881	146	409	276
Homeless People	44	126	360	57	142	398	13	16	38
Social Housing	107	561	427	139	632	472	32	71	45
Shared Equity Scheme	3	39	59	4	44	65	1	5	6
Housing Co-Op, Community, Church	20	140	150	26	158	166	6	18	16
Housing Need (No.)	1,162	7,490	7,778	1,509	8,444	8,601	347	950	820
Housing Need (% of Dwelling)	15.1%	13.1%	13.1%	15.1%	13.1%	13.1%	-	-	-

Note: Numbers have been derived using census/ VIF2019 figures as per previous analysis and carried forward for updated population projections.
Source: Victoria in Future 2019, ABS, Urbis

An initial assessment of local affordable housing 'need' was prepared in 2020 to support the preparation of the CDP. This assessment identified the need for new affordable housing dwellings for the following study areas (between 2019 – 2029):

- Lilydale – Coldstream SA2: **333 new AH dwellings**
- Local housing market: **1,101**
- Yarra Ranges LGA: **919**

A 2022 update assessment noted the following requirements for the period between 2021 and 2031:

- Lilydale – Coldstream SA2: **347 new AH dwellings**
- Local housing market: **950**
- Yarra Ranges LGA: **820**

The above changes are driven primarily by change in population growth in the above areas, with an increase witnessed in the Lilydale SA2, and a reduction in population across the other two areas.

Accordingly, the dedicated 162 affordable homes delivered in the Former Lilydale Quarry represent approximately 20% of Yarra Ranges' affordable housing need, and almost 50% of the Lilydale SA2, to 2031.

Notwithstanding this, it is recognised that it is not incumbent upon the former quarry site to address the affordable needs of the entire Shire despite the large individual contribution it will make.

The 2020 Affordable Housing Needs Assessment and 2022 update Are included at **Appendix A and B.**

PART 1 MODERATE INCOME AFFORDABILITY

Moderate income households represent the greatest volume of affordable housing demand within the Shire

The local housing market within the Yarra Ranges Shire has been offering limited diversity to date and deteriorating affordability, which is creating challenges throughout the entire housing system. The consequences are being felt in both the purchase and the rental markets.

The income profiles across the Lilydale-Coldstream SA2, Local Housing Market Area, Yarra Ranges LGA and Greater Melbourne are broadly similar. Lone persons have the highest propensity to fall into lower income brackets while families with no children had a greater tendency to be in higher income ranges. Out of very low, low and moderate income ranges identified in Section 3AB of the Act, the group that had the largest representation within Yarra Ranges (in absolute terms) was the moderate income group.

Moderate income earners, accordingly, represent the greatest demand for provision within the municipality by volume. Ensuring a secure long-term supply of tailored moderate income housing within Yarra Ranges will be crucial to supporting the full range of affordable housing needs of the Shire over time. Failure to address the needs of moderate income households in the short-term will exacerbate the lack of affordability throughout the entire housing market.

Providing affordable housing for moderate income households will deliver a range of affordability benefits

This moderate income group also holds the greatest opportunity from a delivery perspective, as the percentage discount to market rent required to provide an affordable dwelling for this income band will be lower than what is typically required around Greater Melbourne. The need from this cohort is anticipated to grow over time, which will further increase the requirement in future and add pressure to affordable housing needs.

A significant proportion of the market is already enduring housing stress, spending more than 30% of household income on housing costs with 482 Lilydale-Coldstream SA2 households paying more than 30% of annual household income on rent. In the same SA2, 492 households are paying more than 30% of annual household income on mortgage repayments.

Providing for moderate income housing will serve to address these identified issues across both rental and mortgage stress within the SA2 by providing increased supply and accessibility for households not currently able to move between rental and ownership classes. The provision of moderate income housing within the Former Lilydale Quarry, and elsewhere, will apply downward pressure on the rental market through providing an outlet for existing moderate income renters to transition into ownership and therefore increasing rental supply locally.

Any approach to affordable housing provision should also provide for very low and low income households

While the affordable housing proposed to be delivered within this Strategy responds to the needs of the full range of income levels identified in Section 3AB, it is noted that no particular income range is given greater weight than the next within the requirements of the CDZ1 or the Act more broadly.

It is recognised that while there is a relatively smaller volume of very low and low income households in the municipality, they tend to have the most acute housing needs. Therefore, despite representing a smaller overall proportion of need, very low and low income housing comprises 50% of the offer (see **Part 2** of the Strategy).

As detailed above, **secure moderate income housing will reduce the significant proportions of households enduring housing stress in both ownership and rental classes, as well as increasing the capacity of rental accommodation within the Shire as moderate income households gain access to secure accommodation.**

PART 1 KEY WORKER HOUSING

The number of key workers in Lilydale will grow strongly over the coming years

By 2024, the number of employees who work in key industries will increase by approximately 350 people or 130 households in Lilydale – Coldstream SA2. As a share of total employees in the local area, this is expected to increase from 24.3% in 2016 to 26.6% in 2024, driven primarily by Education & Training (see chart below). Key worker group employees are expected to grow faster than other employee groups in Lilydale.

Lilydale and surrounds must remain affordable for key worker households

The 2019 Urbis Housing Needs Assessment (Appendix A) converted labour force projections across ‘key worker’ occupations anticipated to drive an important housing requirement in Yarra Ranges Shire, in order to understand their specific housing needs.

To understand what this demand might look like by 2029, a forecast has been prepared per the table below. The forecast assumes that current growth rate remains the same and figures have been extrapolated accordingly.

Key workers will be needed to support jobs growth in priority industry sectors and service the Shire’s growing population. This highlights the importance of providing worker-friendly housing to the growing base of employees that service the local community and economy.

The housing needs and incomes of key workers are diverse and include a substantial moderate income cohort. Providing homes that appeal to this group and that are affordable can assist the Yarra Ranges value proposition to key workers and ensure these important community and economic needs are met by local residents.

“Employees working in Education and Training, Health Care and Social Assistance and Public Administration & Safety industries are forecast to grow significantly over the period 2019-2029. To support this growing employee base, an additional 280 dwellings would be required in the Lilydale-Coldstream SA2 and 1,420 across the entire municipality to meet this demand.”

Urbis Housing Needs Assessment (2019)

Lilydale-Coldstream SA2	% of Total Employees 2016	Employed Persons 2019	Employed Households 2019	% of Total Employees 2024	Employed Households 2024	Employed Households 2029
Public Administration and Safety	5.1%	460	170	4.8%	180	190
Education and Training	7.7%	770	280	9.4%	350	430
Health Care and Social Assistance	11.8%	1,110	410	12.5%	480	520
Total	24.3%	2,340	860	26.6%	990	1,140
Divided by 2.7 Persons per House						
Yarra Ranges LGA						
Public Administration and Safety	3.2%	1,230	450	3.0%	470	500
Education and Training	12.2%	5,150	1,910	14.7%	2,330	2,850
Health Care and Social Assistance	10.4%	4,220	1,580	11.1%	1,780	1,990
Total	25.8%	10,600	3,920	28.9%	4,560	5,340
Divided by 2.7 Persons per House						

Source: Department of Jobs and Small Business, ABS, Urbis

PART 02 PROPOSITION

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Page 28

PART 2 AFFORDABLE HOUSING PROPOSITION

The affordable housing provision for the Former Lilydale Quarry site is comprised of **two components**.

In total, the Strategy proposes the delivery of **162 affordable homes** within the Former Lilydale CDP area.

The provision of these homes will represent **5%** of the total dwellings to be delivered in the CDP area, and will provide homes for the full spectrum of affordable income ranges.

The proposition can be summarised as providing for:

- 81 social rented homes
- 81 affordable purchase homes for eligible moderate income, key worker households

Category 1 Social Rented Housing

81 social rented affordable homes will be provided through a land-gifting arrangement to Haven, or a similarly qualified and established alternative housing provider.

The allocation of housing will be managed by Haven tailored to its requirements for the sustainable provision of social rental affordable housing.

Suitable occupants will be taken from the state's social housing list (Victorian Housing Register) and comprise households that meet the prescribed income levels.

This category will provide housing for **very low** and **low** income households.

Category 2 Affordable Purchase Key Worker Housing

81 homes will be constructed by the developer and provided to qualifying key worker households at market cost as part of wider master plan delivery.

Allocation of homes will be managed by a dedicated housing register managed by the developer, or by a suitably resourced third-party.

Benchmark income levels will be updated as necessary and used to ensure the housing remains affordable for **'moderate' family** and **'moderate' couple** income ranges.

This allocation will ensure that at least 2.5% of homes within the development will remain affordable to **moderate income key worker households** at purchase.

Key workers are defined within the scope of this Strategy as:

"employees in services that are essential to a city's functioning but who earn low to moderate incomes."

AHURI, Aug 2021

<https://www.ahuri.edu.au/research/brief/key-workers-and-commuting-during-covid-19>

PART 2 HAVEN; HOME, SAFE

Category 1 (Social Rented Housing) within the development will be delivered by **Haven; Home, Safe** ('Haven') in partnership with the Proponent.

Haven is an established housing provider, managing over 1,900 homes across Victoria.

Through a land-gifting arrangement of land within Precincts 3 and 4, Haven will deliver a minimum 81 social housing units, which will be available to rent for very low and low income households.

Haven operates a 'wrap around' support model, which integrates social support services into its projects.

This ensures that for households within the most acute 'need' category, that enduring service provision will be provided alongside the housing.

This management model relies upon medium density housing accompanied by wrap-around services at ground levels.

Mindful of this, it is most appropriate for this housing to be delivered in Precincts 3 and 4, which allows for housing to be delivered at higher densities.

In the event that Haven is unable to deliver part, or all of the required Category 1 homes, an alternative and equally capable provider will be sourced.


Haven Profile

 **\$38m**
operating budget
(FY 19/20)

 **1900+**
houses managed
(FY 19/20)

 **\$360m**
in assets
(FY 19/20)

Impact Metrics

 **\$5.8m**
spent on brokerage
helping and housing
people (FY 19/20)

3,473 people housed
in total
1,091 Transitional
2,382 Long-term

1,073 people housed
(FY 19/20) **591**
Transitional
482 Long-term



New Epping
Source: Haven

PART 2 STAGING

The various affordable homes will be delivered at different stages of the development's lifecycle, recognising that each Precinct has its own character and locational attributes suited to different housing typologies.

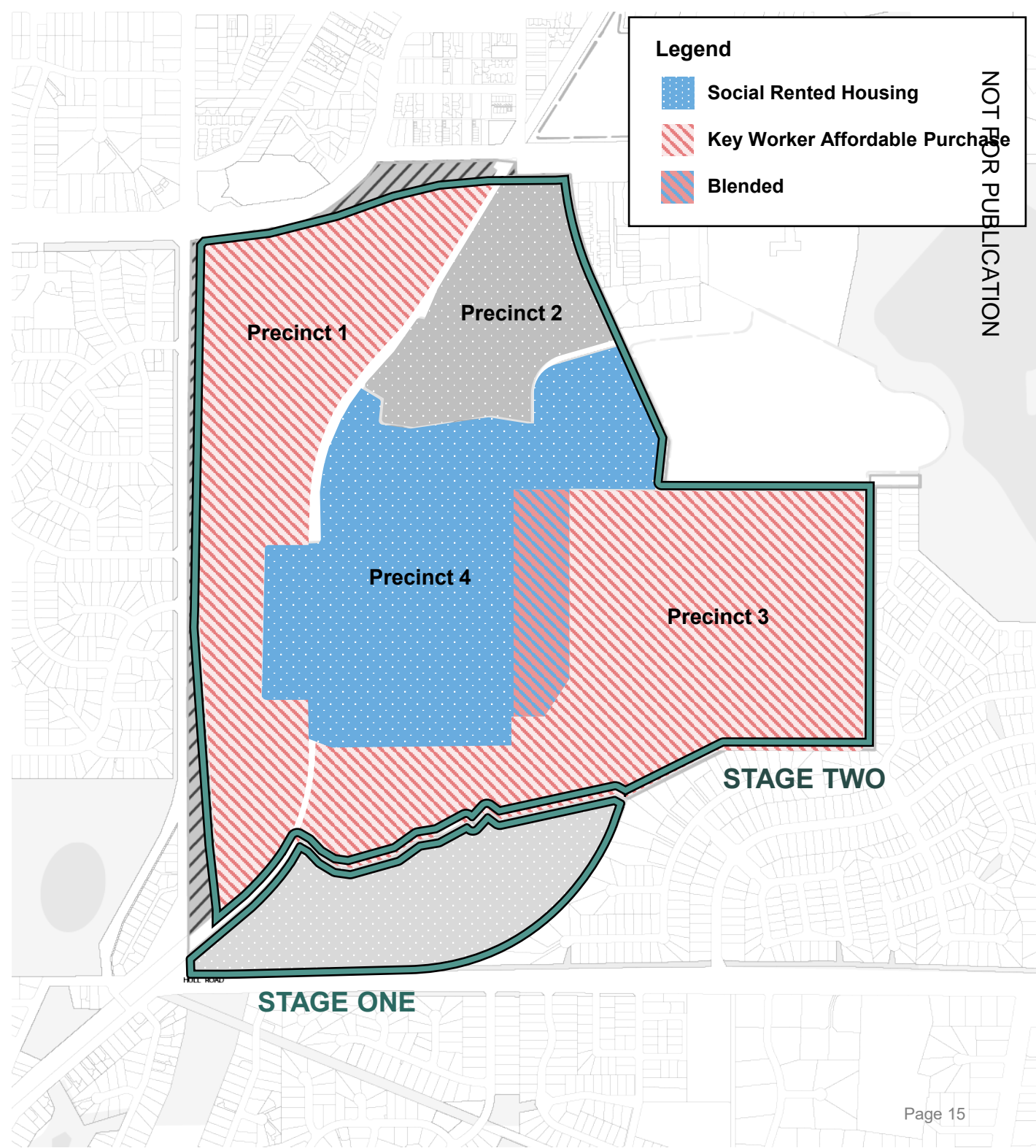
Social Rented Housing is considered most suitable for delivery within **Precincts 3 and 4**. This is due to the typology of housing anticipated in these locations, proximity to services, and the topography within these Precincts, which is flatter and more cost effective to deliver social rented homes.

Affordable Purchase Housing **will** be delivered predominantly within **Precincts 1 and 3** due to the similarity in product, and to provide for consistent delivery of housing across the development.

Indicative layouts for Affordable Purchase Housing is included at **Appendix C**, and indicates the potential distribution of moderate income, key worker housing throughout **Precinct 1**.

While the specific distribution of housing is not fixed at this point in time, it is expected that the provision of affordable housing will follow the timeline below:

- **2024 – 2026**
Affordable Purchase (Cat 2)
 Precinct 1 – approx. 20 dwellings
- **2027 – 2030**
Affordable Purchase (Cat 2)
 Precincts 1 & 3 – approx. 61 dwellings
Social Rented Housing (Cat 1)
 Precinct 3 – approx. 20 dwellings
- **2031 – 2036**
Social Rented Housing (Cat 1)
 Precinct 4 – approx. 61 dwellings



PART 03 MINISTERIAL MATTERS

Page 28

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PART 3 MINISTERIAL MATTERS

Section 3AA(2) of the *Planning and Environment Act 1987* specifies the matters to which regard must be had for the purposes of determining what is appropriate for the housing needs of very low, low, and moderate income households.

The matters are detailed below, and provide the framework for deliver of affordable housing within the Former Lilydale Quarry:

- **Allocation**
- **Affordability**, in terms of the capacity for very low income, low income and moderate income households that it is intended for
- **Longevity**, in terms of the public benefit of the provision
- **Tenure**
- **Type of housing**, in terms of form and quality
- **Location**, in terms of site location and proximity to amenities, employment and transport
- **Integration**, in terms of the physical build and local community

Section 3AA(2) also notes that the following official estimates of housing need must be considered during the delivery of affordable housing:

- Australian Bureau of Statistics Community Profiles
- Census profiles for Victoria
- Department of Health and Human Services Rental Report
- Metropolitan regional housing plans to guide housing growth
- Public housing waiting list (Victorian Housing Register list)
- Victoria in Future data tables.

Accordingly, this Strategy for delivering affordable housing within the CDP area is constructed around eight matters. As is summarised over the following pages, the affordable housing proposal responds appropriately to all matters.

CATEGORY 1

SOCIAL RENTED HOUSING

81 units of social rented housing will be delivered and subsequently managed by Haven, an established manager of affordable housing in Victoria.

Haven will allocate housing to eligible households on the Victorian Housing Register who meet the prescribed income ranges.

It is expected that Haven will manage the allocation through its established practices, which ensure that only the most vulnerable households are provided social rented housing within the CDP area.

Page 29

CATEGORY 2

KEY WORKER AFFORDABLE PURCHASE

81 dwellings will be constructed by the Proponent and allocated to eligible moderate income, key worker households for purchase.

Allocation of this housing will be managed by the Proponent, or a suitably qualified partner.

The housing register will be managed to ensure that affordable purchase housing is only provided to eligible key worker households that meet the 'moderate' income ranges of the day.

The auditing process will ensure that the housing is only provided to owner-occupiers, and will not be initially purchased by investors.

KEY WORKER DEFINITION

For the purpose of allocating Category 2 housing, key workers will be considered as:

“employees in services that are essential to a city’s functioning but who earn low to moderate incomes.”

AHURI, Aug 2021

<https://www.ahuri.edu.au/research/brief/key-workers-and-commuting-during-covid-19>

PART 3

ALLOCATION

With respect to the Ministerial Matters described within Section 3AA(2) of the *Planning and Environment Act 1987*, the **allocation** of affordable housing within the CDP area will ensure equitable access to eligible households.

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PART 3

AFFORDABILITY

With respect to the Ministerial Matters described within Section 3AA(2) of the *Planning and Environment Act 1987*, the housing within the CDP area will provide **affordable** housing for a range of income brackets.

CATEGORY 1

SOCIAL RENTED HOUSING

The affordability of the **Category 1** affordable housing will be tailored to 'very low' and 'low' income households.

These households are identified on the Victorian Housing Register and as such meet the prescribed income levels.

Haven will ensure that residents selected for the social rented product continue to meet income requirements.

CATEGORY 2

KEY WORKER AFFORDABLE PURCHASE

As detailed within the affordable housing need assessment at **Appendix A**, there remains a demonstrable need for housing that is accessible for key workers on 'moderate incomes' within Yarra Ranges.

The **Category 2** housing will be a bespoke product delivered to market that satisfies the 'moderate income' affordability criteria for key worker families and couples.

The details of this housing is provided at **Appendix D**, noting that:

- At a purchase price range of **\$740-760,000**, a 3-bedroom product satisfies the **moderate family bracket**
- At **\$635,000**, the 2-bedroom townhouse satisfies the **moderate family bracket**
- At a range of **\$590-620,000** the two-bed apartment satisfies the **moderate couple bracket and moderate family bracket**.

While the above reflects moderate income price points in 2022, these benchmarks will be updated in over time as affordability levels change.

This will ensure that the 81 key worker homes within the development remain affordable to moderate income households over the duration of development.

CATEGORY 1 SOCIAL RENTED HOUSING

The housing will be retained as social housing in the long-term, with ongoing management provided by Haven.

CATEGORY 2 KEY WORKER AFFORDABLE PURCHASE

Category 2 housing will be provided as 'one-off' affordable housing, with the Proponent controlling the distribution of the housing at first sale only.

Notwithstanding the 'one-off' nature of the product, the Category 2 housing will elevate residents out of housing stress and secure long-term affordability for occupants.

Over the course of the development, this housing will remain targeted to moderate income key worker households and ensure a reduction in the overall need for affordable housing within the Shire.

As the housing will be delivered predominantly through Precincts 1 and 3, it will provide long-term affordability as the housing is released over a 10-15 year period.

CATEGORY 2 KEY WORKER AFFORDABLE PURCHASE

Category 2 housing will be provided as 'one-off' affordable market sale. The Proponent will only sell the dwellings to genuine owner-occupiers.

PART 3 LONGEVITY

With respect to the Ministerial Matters described within Section 3AA(2) of the *Planning and Environment Act 1987*, the affordable housing within the CDP area will provide **long-term affordability**.

CATEGORY 1 SOCIAL RENTED HOUSING

Category 1 housing will be constructed, owned and operated by Haven as social-rented tenure.

The housing will be included within Haven's substantial portfolio of dwellings under management (1,900+ dwellings).

TENURE

With respect to the Ministerial Matters described within Section 3AA(2) of the *Planning and Environment Act 1987*, the affordable housing within the CDP area will provide affordable housing across a **mix of tenures**.

PART 3 TYPOLOGY

With respect to the Ministerial Matters described within Section 3AA(2) of the *Planning and Environment Act 1987*, the affordable housing within the CDP area will provide a mix of affordable housing **typologies**, catering for singles, couples and families.

CATEGORY 1 SOCIAL RENTED HOUSING

The Category 1 housing will be constructed by Haven on land gifted by the Proponent across a number of sites within the CDP area.

The typology of housing will reflect the wider service needs and management model of Haven, which requires 'wrap around' social services accompanying its housing.

This typology of housing, as shown in the below example, is ideally suited for delivery by Haven. The apartment and unit development anticipated will allow for Haven to take a standardised approach towards delivery, reducing construction costs and maximising efficiencies in their long-term management.

Schematic examples of Category 1 housing are provided at **Appendix E** and highlight how they may be configured to meet the needs of Haven.



CATEGORY 2 KEY WORKER AFFORDABLE PURCHASE

The affordable purchase housing will be delivered in an integrated manner across a number of precincts within the CDP area.

A range of housing products will be made available including:

- 2-3 bedroom townhouses (Precinct 1 and 3)
- 1-3 bedroom apartments (Precinct 3).

Appendices C-D provide further details on examples of housing likely to be provided as Category 2 housing across Precincts 1 and 3.



CATEGORY 1 SOCIAL RENTED HOUSING

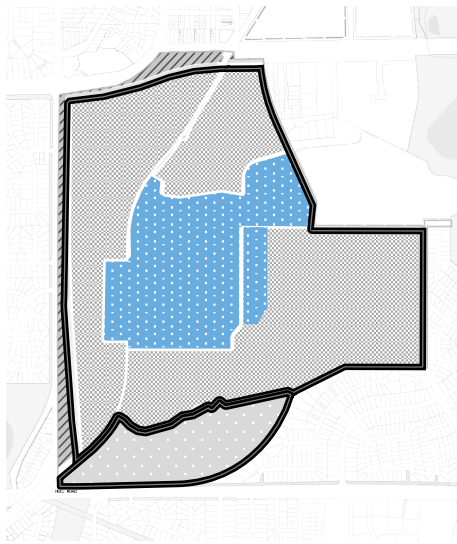
The Proponent will gift land to Haven sufficient to deliver 81 Category 1 homes within the development.

As the typology of housing will be medium-density apartment and unit homes (3-6 storeys), it is expected that it will be accommodated predominantly within precincts 3 and 4 of the CDP.

The distribution of Category 1 homes will ensure they are provided in areas that allow for tenure-blind integration and are close to essential services and public transport.

The 'Heritage Village' character of Precinct 2 raises some challenges associated with the delivery of affordable housing at this location.

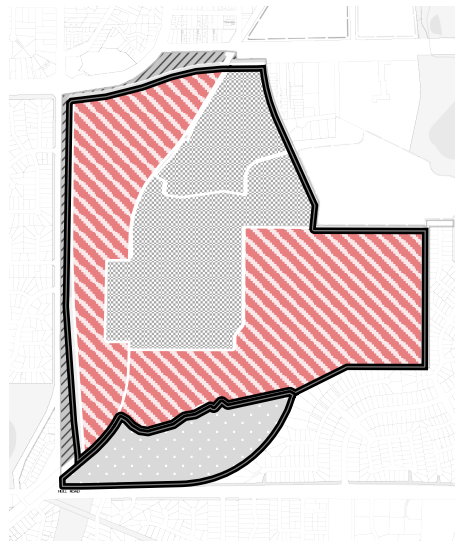
While the proposed allocation does not currently propose to include affordable housing within Precinct 2, it does not preclude it being delivered should the opportunity arise.



CATEGORY 2 KEY WORKER AFFORDABLE PURCHASE

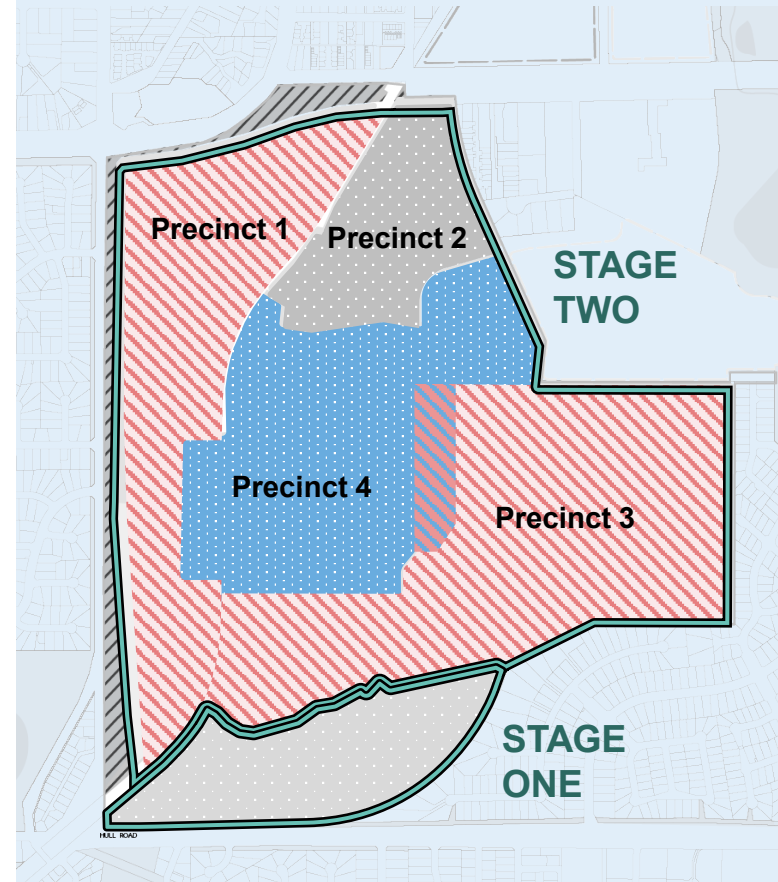
Over the course of developing the CDP area, Category 2 housing will be provided in an integrated fashion alongside broader market housing.

The affordable purchase homes will be built to the same standard as market housing, and 'pepper-potted' throughout precincts 1 and 3.



PART 3 DISTRIBUTION & INTEGRATION

With respect to the Ministerial Matters described within Section 3AA(2) of the *Planning and Environment Act 1987*, the affordable housing within the CDP area will be **distributed** in an **integrated** and tenure-blind fashion across three Precincts – ensuring a steady rollout and spread of affordable homes.



SUMMARY

Allocation	The affordable housing will be allocated by Haven and the Proponent, with long-term management of social rented housing provided by Haven.
Affordability	The proposition will cater for all identified incomes bands (very low, low, and moderate).
Longevity	<p>The social rented housing will be delivered, owned and managed by Haven in the long-term.</p> <p>One-off affordable purchase will be provided across the lifespan of the development for key worker households that meet the prescribed moderate income range.</p>
Tenure	<p>The social rented housing will be provided as rental accommodation, managed by Haven in the long-term.</p> <p>The key worker affordable purchase housing within the development will be exclusively sold to owner-occupiers.</p>
Typology	A mix of housing types will be provided, catering for single, couple and family households.
Location	The affordable housing will generally be distributed within Precincts 1, 3 and 4.
Integration	The affordable housing dwellings will be tenure-blind, and integrated seamlessly with the broader market housing.
Need	The need for affordable housing has been established through the 2020 Urbis Needs Assessment, as updated in 2022 (see Appendix B).

As required by Schedule 1 to the Comprehensive Development Zone, the Former Lilydale Quarry Affordable Housing Delivery Strategy has considered and addressed the following points:

- *How affordable housing is to be achieved, including the identification of intended partners, timeframes, built form and response to each of the matters set out by the Minister pursuant to section 3AA(2) of the Planning and Environment Act 1987;*
- *Delivery of affordable dwellings, or land lots for construction of affordable dwellings, equal to 5% of the total dwellings proposed to be delivered across the incorporated CDP area, rounded to the nearest whole number, or any lesser number of dwellings as agreed between the owner and the responsible authority; or*
- *The provision of affordable housing by any agreed alternative method generally consistent with the value of the above provision.*

A range of housing typologies will be provided for very low, low and moderate income households. The delivery of this housing will be included across various precincts within the CDP area and delivered incrementally over an estimated 10-15 year development horizon.

The staged delivery of the affordable housing will ensure that a steady supply of affordable homes will be provided over this period.

A dedicated provision of affordable housing for moderate income households will address the Shire's greatest need by volume, while improving the affordability of the private rental market by transitioning more households into home ownership and ensuring a steady supply of local accommodation for key workers within Yarra Ranges.

The affordable housing provided within the development contributes to the wider public benefits provided by the CDP, including new education and community facilities, and generous open space provision.

These elements are in addition to the development contributions secured through the Comprehensive Development Plan, which fund infrastructure improvements to the benefit of the wider community.

As detailed within the Strategy, the affordable housing proposition appropriately addresses all eight elements of Section 3AA(2) of the Act.

APPENDIX A
2020 AFFORDABLE
HOUSING NEEDS
ASSESSMENT

URBIS

LILYDALE QUARRY AFFORDABLE HOUSING NEEDS ASSESSMENT

Prepared for
INTRAPAC PROPERTY
29 April 2020

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TABLE OF CONTENTS

Executive Summary	1
1. Introduction	7
1.1. Catchment Area	7
1.2. Residential Market	8
1.2.1. Rental Market	8
1.2.2. Sales Market.....	9
1.3. Current Affordable Housing Income Ranges	10
2. Population & Demographics	12
2.1. Population & Dwellings	12
2.2. Key Demographics.....	13
2.3. Housing Stress.....	14
2.3.1. Rental Stress	14
2.3.2. Mortgage Stress	16
2.3.3. Other groups in housing stress	17
2.3.4. Housing Stress Summary, 2016.....	17
2.4. Key Workers	18
2.4.1. Demographics	18
2.4.2. Income Ranges	19
3. Affordable Housing Need	21
3.1. 2019 Affordable Housing Need.....	21
3.1.1. Population & Demographics	21
3.1.2. Key Workers	21
3.1.3. Current Affordable Housing Need	22
3.1.4. Summary	22
3.2. Forecast Housing Need	23
3.2.1. Population & Demographics	23
3.2.2. Key Workers	24
3.2.3. Future Affordable Housing Need.....	24
3.2.4. Summary	26
4. Delivery of Affordable housing	27
4.1. Affordable Housing Costs	27
4.1.1. Rental Housing	27
4.1.2. Purchaser Housing	28
4.1.3. Summary	30
4.2. Quantum Reduction of Need by Reduced Housing Cost	30
5. Summary of Findings	32
5.1. Housing Need and Demand	32
5.2. Subject Site Strategic Contribution	33
Disclaimer	35

EXECUTIVE SUMMARY

The purpose of this report is to understand and critically analyse the need for affordable housing in Lilydale and the wider Shire of Yarra Ranges. This is intended to inform appropriate housing products that can make a positive contribution to the future prosperity of the community.

This report assesses housing demand, the characteristics of local residents and the extent of housing need related to typical affordability thresholds as well as non-market housing. This will be used to inform the Lilydale Quarry Amendment to further develop the dwelling proposition to meet housing demand and how to target affordable housing need where it can be viably delivered.

Urbis understands that the Yarra Ranges Shire Council is currently in the process of preparing an Affordable Housing Strategy, which will outline approaches to facilitate affordable housing outcomes across the entire municipality.

In time, we will see how this work views the opportunities to distribute response to need across the municipality and which levers can be pulled to deliver increased affordable housing across the local government area.

In the meantime, this study reviews need and opportunities with the view to understanding an appropriate response at Lilydale Quarry and how the Kinley development can make a contribution among the suite of initiatives in the Affordable Housing strategy designed to promote provision throughout the municipality.

This study does not consider the wider community benefits that may occur with a development of this magnitude, including but not limited to:

- Addition of diverse, high quality open space
- Addition of new community facilities, such as a primary school, kindergarten and maternal and child health services
- Addition of links through the site to improve overall connectivity in the broader area
- Improvement of land utilisation through the removal of an empty quarry site
- Preservation and activation of significant heritage-built form assets
- Provision for a new train station to service residents of the development and the surrounding area
- Diversification of suburb demographics and housing stock.

This report focuses on determining the demand for affordable housing across Yarra Ranges Shire and how the development at Lilydale quarry may contribute to meeting this demand.

The analysis in this report can be summarised as follows:

Lilydale and the LGA have been growing more rapidly than previous estimates and require more homes to be delivered

- The population of the Lilydale-Coldstream SA2 is forecast to grow at 2.4% per annum, which equates to almost 250 dwellings per year between 2019 - 2036. This is greater than the previous forecasts of 1.5% population growth per annum or by nearly 130 dwellings each year. The Yarra Ranges LGA is expected to grow by 715 dwellings per annum, well above previous estimates of 278 dwellings per annum for the Yarra Ranges Shire.
- Demand for medium density and rental accommodation are also likely to have been understated based on this approach and reflects current housing data which is highly skewed towards traditional, single-family housing.
- When you consider the relationship with the surrounding local housing market area, density continues to ripple out from the centre of Melbourne. There is a sizeable future requirement of medium density in the surrounding local housing market area. Lilydale can also contribute to this requirement given the way it is currently functioning within this housing market.
- The analysis indicates **a requirement to deliver 12,160 additional homes in the LGA and 4,200 homes in the Lilydale SA2 by 2036**. It is integral that housing policy accounts for not only meeting

housing demand but also achieving diversification as the provision of high quality new dwellings at a range of densities would be expected to cater to the needs of single, couple and family households of all tenure types.

Housing choice is limited for residents of the local area

- Housing choice is predominantly limited to low density separate houses with flats, units and apartments having low representation across the municipality. This is reflected in dwelling structure options where dwellings with 3 or more bedrooms have the strongest weighting. This can limit the housing and affordability options for individuals looking to purchase or rent a property.
- Price growth for both units and houses has remained above the Greater Melbourne average over the last 20 years. Transaction volumes have however fallen over this period. This is a likely function of a market becoming established. It is also representative of the lack of housing choice on the smaller end of the spectrum, which limits the ability for purchasers to obtain a more affordable home.
- Whilst renting is the least represented form of housing tenure in the Lilydale area, the last decade is evidence that appetite for this form of living is growing and should be considered in the development of future housing at Kinley to assist with consumer choice and affordability pressures.

Moderate Income Earners and Above Make Up the Largest Proportion of Households and the greatest opportunity

- The income profile across the Lilydale-Coldstream SA2, Local Housing Market Area, Yarra Ranges LGA and Greater Melbourne are broadly similar. Lone persons have the highest propensity to fall into lower income brackets whilst families with no children had a greater tendency to be in higher income ranges. Out of Very Low, Low- and Moderate-income ranges identified in the *Planning & Environment Act 1987* (P&E Act), Section 3AB, Order in the Council, the group that had the largest representation (in absolute terms) was the moderate-income group.
- This moderate-income group also holds the greatest opportunity from a delivery perspective, as the percentage discount to market rent required to provide an affordable dwelling for this income band will be lower than what is typically required around Greater Melbourne. See table 0.2 and section 4.1 for further details.
- There is a significant proportion of the market already participating in market housing that is spending more than 30% of household income on housing costs. In the Lilydale-Coldstream SA2, 482 households are paying more than 30% of annual household income on rent. Furthermore, in the Lilydale-Coldstream SA2, 492 households are paying more than 30% of annual household income on mortgage repayments.
- Based on the calculation of affordable housing need across the three benchmark areas (including those already participating in market housing as well as non-market housing), 1,189 lots of affordable housing are currently required in the Lilydale-Coldstream SA2, 7,623 in the Local Housing Market Area and 8,051 in the Yarra Ranges LGA. Within a decade, this need could increase to 1,522 lots of affordable housing being required in the Lilydale-Coldstream SA2, 8,725 in the Local Housing Market Area and 8,970 in the Yarra Ranges LGA.
- Outside of this calculation we note also that the Victorian Housing Register and transfer list by local area shows how many people were waiting to move and transfer to a social housing property as at December 2019. The list in the Outer Eastern area of Melbourne (includes 763 households listed under priority access and a further 1,097 that have registered interest. A further 132 transfer applicants are listed as priority access while a further 121 have registered interest to transfer to a social housing property.

Table 0.1 Current Affordable Housing Need, 2019

	Total Households 2019	Affordable Housing Need 2019 (%)	Affordable Housing Need 2019 (No.)
Lilydale-Coldstream SA2	7,880	15.1%	1,189
Local Housing Market Area	58,320	13.1%	7,623
Yarra Ranges LGA	61,592	13.1%	8,051

Source: ABS, Victoria in Future 2019, Urbis

Table 0.2 Affordable Threshold of Income by Range Against Weekly Market Rents by Locality

		Single Person	Couple (One Bedroom)	Couple (Two Bedrooms)	Family (Two Bedrooms)	Family (Three Bedrooms)
Croydon- Lilydale	Very Low	27%	40%	31%	44%	37%
		54%	80%	62%	87%	73%
	Low	70%	104%	81%	114%	95%
		86%	128%	100%	140%	117%
	Moderate	107%	150%	117%	175%	146%
		128%	193%	150%	210%	176%
Yarra Ranges	Very Low	26%	39%	31%	44%	38%
		52%	77%	62%	87%	76%
	Low	67%	101%	81%	114%	99%
		83%	124%	100%	140%	121%
	Moderate	103%	145%	117%	175%	152%
		124%	186%	150%	210%	182%
Greater Melbourne	Very Low	20%	30%	24%	34%	30%
		40%	60%	49%	68%	59%
	Low	52%	78%	63%	88%	77%
		64%	96%	78%	109%	95%
	Moderate	80%	113%	91%	136%	118%
		97%	145%	116%	163%	142%

Source: DHHS, Planning & Environment Act 1987, Urbis

Key worker housing demand will continue to grow and the response will form an essential part of the Shire of Yarra Ranges’ economic prosperity

- A key contributor to future housing demand is the scale of employment, with municipalities needing to ensure that key worker groups are attracted to support the local economy. Healthcare and social assistance, education and training and public administration industries represent key worker groups and are among the top 10 local industries of employment for all three benchmark areas. There would be a strategic benefit in providing housing that appeals to these key worker groups that make up a significant portion of the local economy and are projected to grow.
- For all household types, most of the individuals that worked in the industries included in the key worker group were above the ranges identified in the P&E Act (i.e. Very Low, Low and Moderate). This is a factor that should be considered in the planning for affordable housing as it suggests that a large proportion of key workers may be able to afford to rent or purchase close to or at market rates based on their income profile.

Future affordable housing need can be met in a number of ways

- Individuals living under rental stress represent the group with the highest degree of disadvantage, given that in all three benchmark areas, nearly 50% of renting households were living under rental stress. Providing more private rented accommodation at Kinley may inject some needed rental supply into the market. This may ease affordability pressures derived from minimal rental stock.
- Between 2019 and 2029, an additional 333, 1,101 and 919 affordable housing dwellings are required in the Lilydale SA2, local housing market area and Yarra Ranges LGA respectively. In absolute

terms, the greatest need for affordable housing in all of these regions is expected to be driven by those living under mortgage and rental stress.

- Employees working in Education and Training and Health Care and Social Assistance industries are forecast to grow significantly over the same period. To support this growing employee base, an additional 280 dwellings would be required in the Lilydale-Coldstream SA2 and 1,420 across the entire municipality, although some of this will be subsumed within the existing affordable housing need quantum.

Table 0.3 Affordable Housing Demand Summary Table, 2019 - 2029

	2019			2029			Change 2019-29 (No.)		
	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA
Population	19,920	152,440	159,270	25,040	170,550	173,010	5,120	18,110	13,740
Dwelling Demand	7,880	58,320	61,590	10,110	66,780	68,640	2,230	8,460	7,050
Dwelling Demand by Housing Tenure									
Owner Occupier	2,680	20,150	21,830	3,430	23,070	24,330	750	2,920	2,500
Purchaser	3,670	27,010	30,790	4,700	30,930	34,320	1,030	3,920	3,530
Renter	1,530	11,170	8,970	1,970	12,800	9,990	440	1,630	1,020
Dwelling Demand by Household Type									
Family With Children	3,820	29,210	30,350	4,890	33,440	33,830	1,070	4,230	3,480
Couple Family No Children	2,160	15,420	17,320	2,780	17,650	19,310	620	2,230	1,990
Group Household	110	1,130	1,050	140	1,290	1,170	30	160	120
Lone Person	1,790	12,570	12,860	2,300	14,390	14,340	510	1,820	1,480
Dwelling Demand by Dwelling Type									
Separate House	6,430	53,070	57,830	8,240	60,770	64,450	1,810	7,700	6,620
Semi-Attached	1,370	4,420	3,400	1,760	5,060	3,790	390	640	390
Flat, Unit or Apartment	80	830	360	100	960	400	20	130	40
Key Worker Demand									
Public Administration and Safety	170	n/a	450	190	n/a	500	20	n/a	50
Education and Training	280	n/a	1,910	430	n/a	2,850	150	n/a	940
Health Care and Social Assistance	410	n/a	1,560	520	n/a	1,990	110	n/a	430
Affordable Housing Demand									
Mortgage Stress	511	3,471	4,323	654	3,973	4,817	143	501	494
Rental Stress	500	3,271	2,697	640	3,743	3,004	140	473	308
Homeless People	45	128	373	57	147	415	12	19	43
Social Housing	110	571	442	141	653	492	31	82	50
Shared Equity Scheme	3	40	61	4	45	68	1	6	7
Housing Co-Op, Communit, Church	21	143	155	27	164	173	6	21	18
Housing Need (No.)	1,189	7,623	8,051	1,522	8,725	8,970	333	1,101	919
Housing Need (% of Dwelling)	15.1%	13.1%	13.1%	15.1%	13.1%	13.1%	-	-	-

Source: ABS, Victoria in Future 2019, Department of Jobs & Small Business, Urbis

- Tables 0.4 – 0.5 shows more households would be able to access housing within 30% of their income if housing were provided at 10%, 20% or 30% less than current levels across rental and mortgage costs. The results highlight that delivering lower rents and mortgage costs can assist in alleviating disadvantage from a large proportion of residents living in both the Lilydale-Coldstream SA2 and the Shire of Yarra Ranges. We can also see that sizeable gains can be made at close to market prices to assist people over the affordability threshold.

Table 0.4 Affordability Threshold Analysis: Lilydale - Coldstream SA2, 2019

	No. of Households Living Under Rental Stress	Additional Households <u>Not</u> Living Under Rental Stress	No. of Households Living Under Mortgage Stress	Additional Households <u>Not</u> Living Under Mortgage Stress
Standard Rent/Mortgage Repayment	482		495	
10% Lower	274	+ 208	217	+ 278
20% Lower	187	+ 87	92	+ 125
30% Lower	120	+ 67	48	+ 44

Source: ABS, Urbis

Table 0.5 Affordability Threshold Analysis: Local Government Area, 2019

	No. of Households Living Under Rental Stress	Additional Households Not Living Under Rental Stress	No. of Households Living Under Mortgage Stress	Additional Households Not Living Under Mortgage Stress
Standard Rent/Mortgage Repayment	2,699		4,324	
10% Lower	1,594	+ 1105	2,074	+ 2250
20% Lower	1,034	+ 560	1,051	+ 1023
30% Lower	733	+ 301	612	+ 439

Source: ABS, Urbis

A holistic response will be required to deliver against the municipality’s affordable housing objectives

The key to delivering more affordable housing sits within a number of areas:

1. Ability to deliver more housing overall and avoid the issue deteriorating
2. Ability to deliver a more diverse housing stock that can expand both choice and affordability in the market with medium and high-density options
3. Ability to deliver affordable housing contributions that can be viably delivered, without impacting upon the delivery of housing volume overall

Therefore, in meeting the three objectives above the opportunity at Lilydale Quarry includes:

- Delivering a range of densities to compensate for the scarcity of smaller dwelling types and enhance the ability to deliver against forecast dwelling demand from continued population growth
- Deliver a range of price points (linked to the size and type) to include relatively more affordable options
- Deliver homes targeting key workers to ensure talent continues to be attracted to this area and support the growth of these essential sectors to the Shire of Yarra Ranges local economy
- Deliver targeted private rental stock adding supply to the section of the market that is experiencing affordability pressure
- Exploring measures such as shared equity and rent to buy schemes that assist first home buyers to access the market
- Affordable housing for purchase to qualifying households (criteria to be determined)
- Explore Housing Association requirements and viability implications (for both the developer and Registered Housing Associations) for providing land with permits in place to deliver affordable housing.

We expect that the emerging Affordable Housing Strategy will present a range of strategies to deliver affordable housing outcomes at locations throughout the Shire of Yarra Ranges, using a variety of instruments which could include establishing targets, potential inclusionary rezoning, subdivision or density bonuses to promote the provision of affordable housing throughout the municipality.

There are a range of ways in which a development of this scale can deliver against affordable housing objectives. It should however be noted that given the vast requirement for affordable housing across the municipality, no one site or development has the capability to fulfil the entire requirement for affordable housing. Nevertheless, this report provides some assistance and guidance toward how need can be best targeted in Lilydale and the wider municipality.

There is a strategic rationale to deliver density, to add rental supply, to target key workers and even the prospect that smaller scale reductions to housing costs could push a reasonably high number of households positively over the affordability threshold.

In pursuing these objectives, it will be critical to assess viability when determining the extent of provision. This is especially true when one considers the importance of delivering homes (of all kinds) sooner, rather than later to meet the needs of a growing population and keep wider affordability in check.

NOT FOR PUBLICATION

The development of Lilydale Quarry will be staged over time. The affordable housing landscape will continue to evolve as need is monitored and delivery models and funding are progressed. Therefore, it makes sense to continue to firm up the affordable housing proposition at each stage as appropriate.

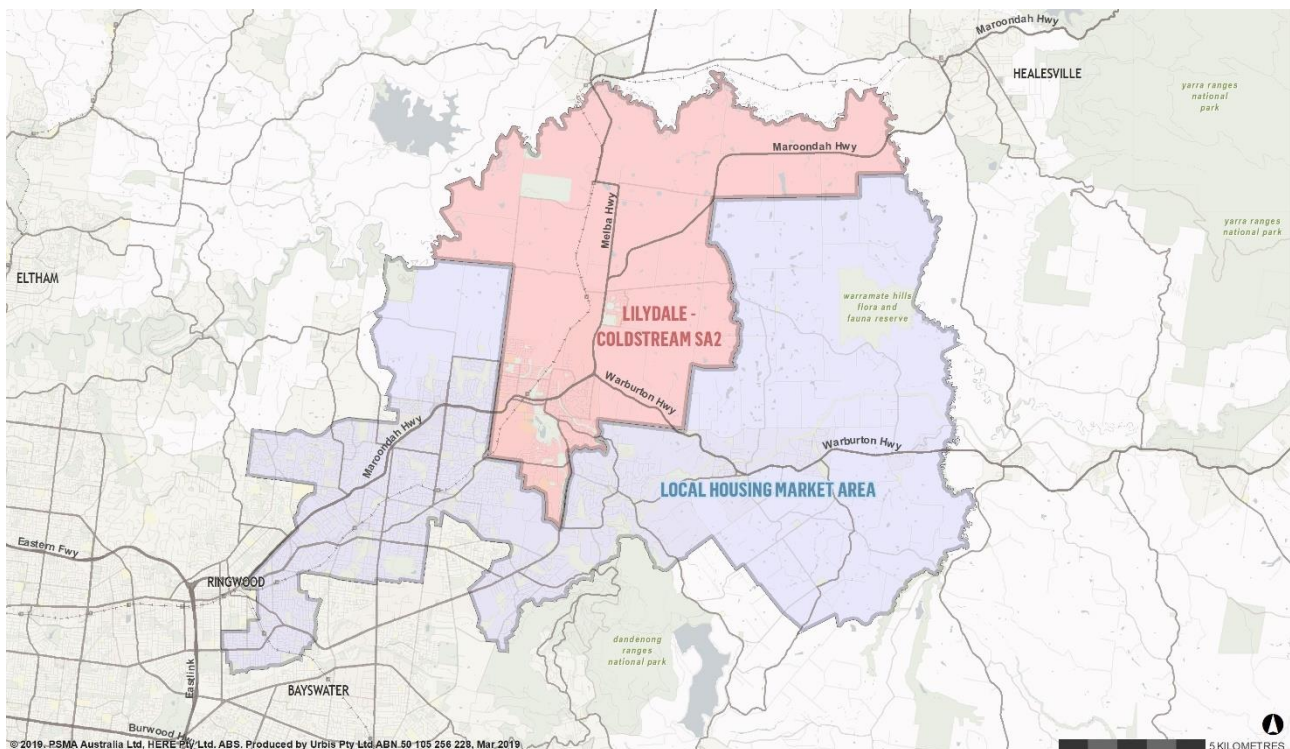
1. INTRODUCTION

The purpose of this report is to provide an evidence base of local housing requirements and affordable housing need in and the around the Lilydale area to understand levels of need at different thresholds of affordability (as defined by the state) for both residents and workers. This analysis also tests affordability thresholds in a local context and provides evidence of 'market' prices and rents in the market.

This report is intended to inform the joint venture partners' strategy for providing the appropriate housing products and target specific needs for housing by understanding how the development can make a positive contribution to the future prosperity of the wider community.

1.1. CATCHMENT AREA

Map 1 Lilydale Quarry Catchment Area



The study area benchmarks have been defined as follows:

Lilydale-Coldstream SA2 – The Australian Bureau of Statistics defines Statistical Areas Level 2 (SA2s) as areas designed to reflect functional areas that represent a community that interacts together socially and economically. The Lilydale-Coldstream SA2 is the primary trade area of the study area and is where the subject site is located.

Local Housing Market Area – This area comprises neighbouring SA2s based on migration patterns to Lilydale SA2 from 2015 to 2016. These include Mooroolbark, Chirnside Park, Mount Evelyn, Croydon – West, Croydon Hills- Warranwood, Croydon-East, Ringwood East, Montrose and Wandin-Seville SA2. There is a visible interrelationship between these areas as a functioning housing market.

Shire of Yarra Ranges – This is the municipality where the subject site and majority of the neighbouring SA2s reside in. However, the Local Government Area (LGA) covers a vast area with varied characteristics in different locations.

1.2. RESIDENTIAL MARKET

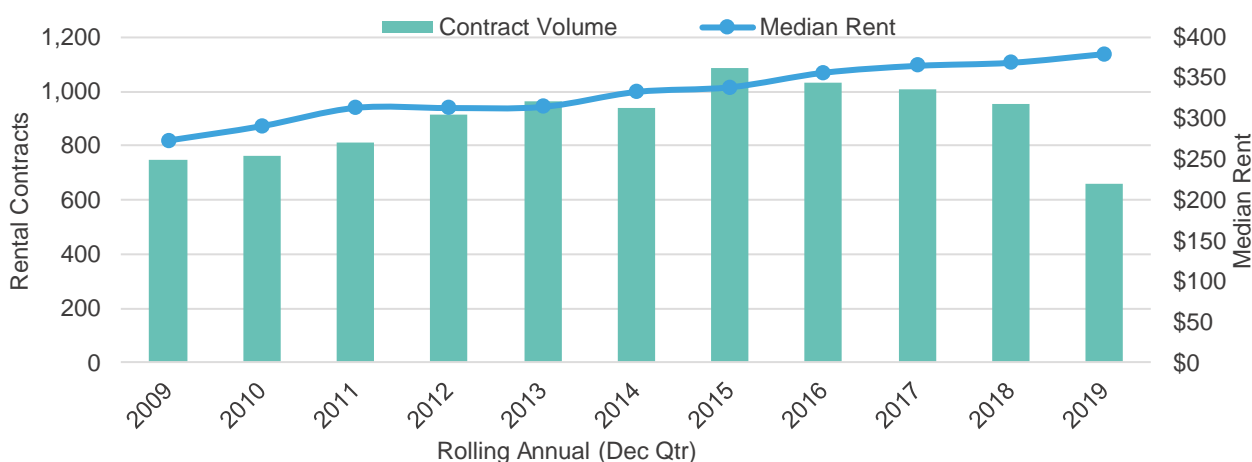
1.2.1. Rental Market

Under the Department of Health & Human Services' geographical definitions, Lilydale in addition to Chirnside Park, Croydon Hills, Croydon North, Croydon South, Kilsyth and Mooroolbark belong to the Croydon-Lilydale area.

The Croydon-Lilydale rental market has grown consistently in the decade to December 2019, with the median rents for houses and units growing annually by 2.8% and 3.4%, respectively. New contract volumes likewise grew at stable rates, increasing by 37% for house contracts and 11% for unit contracts in the ten years to December 2019. Despite renting being the least represented form of housing tenure in the Lilydale area, the market over the last decade highlights that the appetite for this form of living is growing and should be considered in the development of future housing to assist with the affordability and housing choice in the local area.

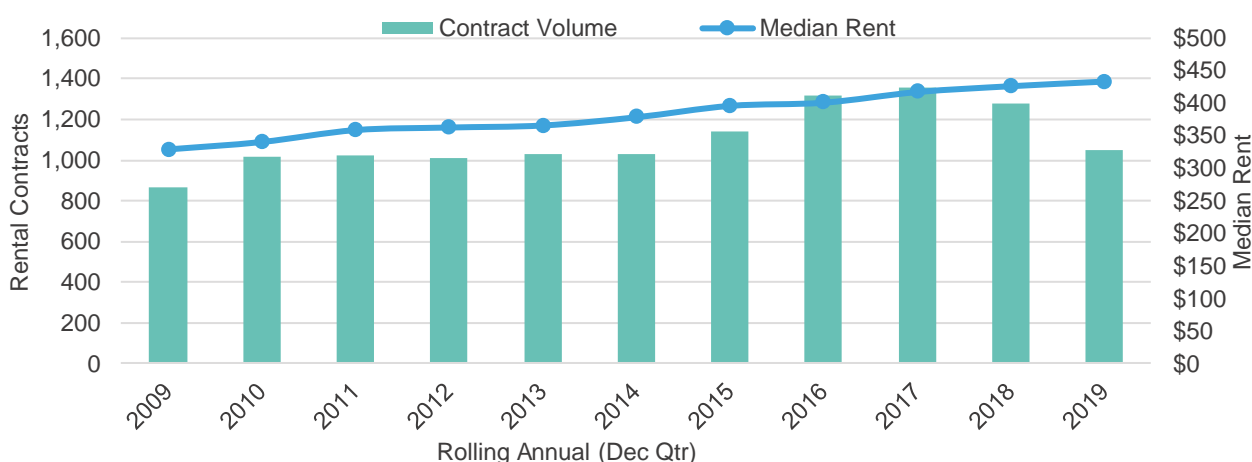
While the volume of newly signed contracts declined in 2019, the median weekly rent continued to increase for both houses and units. This demonstrates rental demand in the area. Introducing affordable housing into the area could assist to steady rental price points as well as generate further newly signed rental contracts.

Chart 1.1 Median Weekly Rents for Units: Croydon-Lilydale Area, 2009-2019 (Year to December)



Source: Department of Health & Human Services, Urbis

Chart 1.2 Median Weekly Rents for Houses: Croydon-Lilydale Area, 2009-2019 (Year to December)



Source: Department of Health & Human Services, Urbis

Table 1.1: Rental Market Summary

	Median Rent 2009	Median Rent 2019	Per Annum Growth 2009 – 2019	Contract Volume 2009	Contract Volume 2019	Per Annum Growth 2009 – 2019
House	\$329	\$433	2.8%	866	1050	1.9%
Unit	\$273	\$379	3.4%	749	660	-1.3%

1.2.2. Sales Market

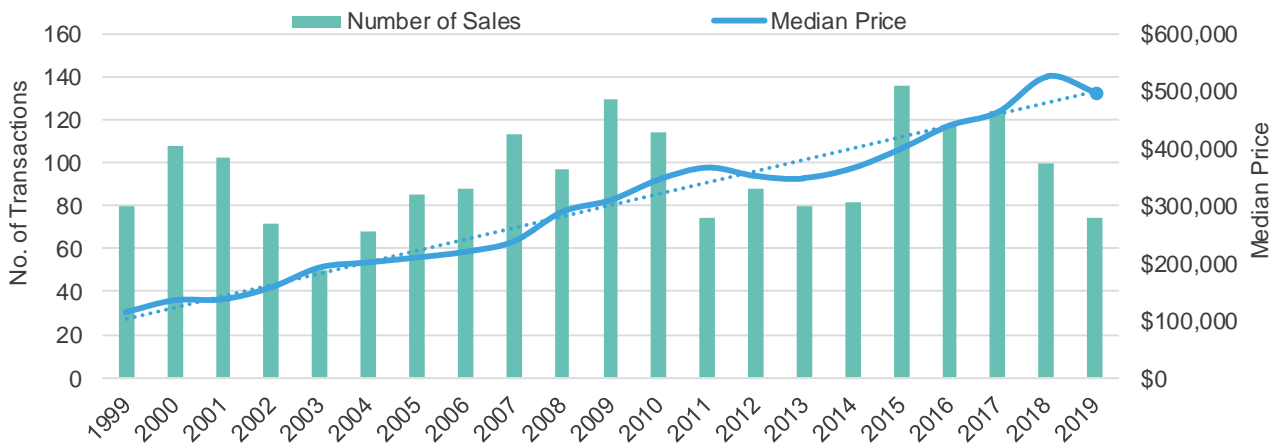
Over the last two decades, the median prices for both houses and units in Lilydale have increased significantly. In the 20 years to December 2019, the median price of houses increased from \$125,000 to \$690,000, representing a per annum increase of 9% or a total increase of 450%. The median price growth of houses over the last 20 years has remained above the Greater Melbourne Average.

Similarly, the median unit price increased 7.6% annually in the 20 years to December 2019. Likewise, median price growth over this period outstripped the rate achieved across Greater Melbourne.

Sale volumes for both houses and units have however decreased over this 20-year period. This stability is likely a function of an established market, but also a lack of diversity of housing stock on the smaller end of the size spectrum, purchasers are unable to gain access to a smaller and more affordable home.

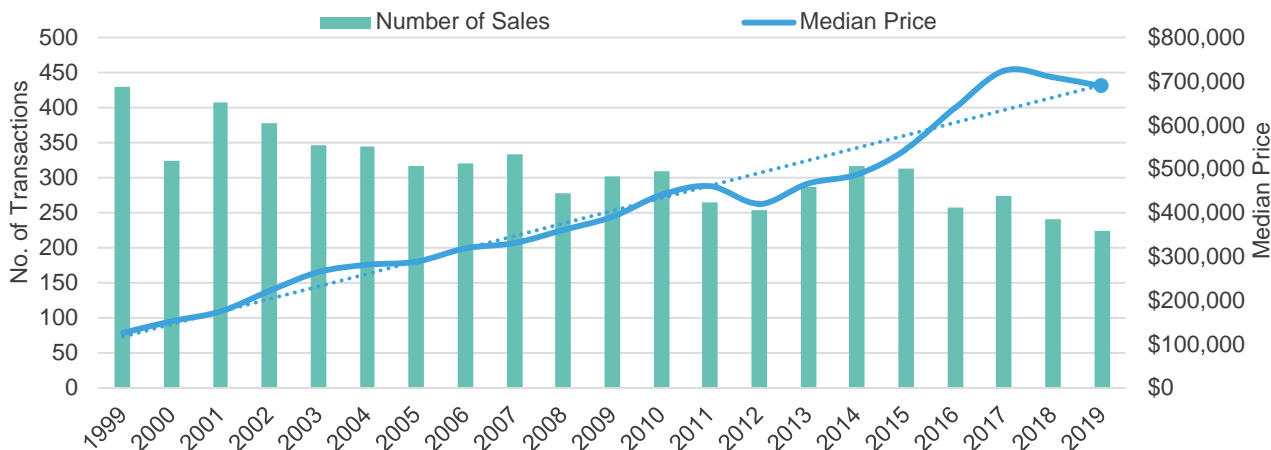
More recently, Melbourne’s slowed property market has resultingly decreased median price points for houses and units in Lilydale. Nevertheless, both price points remain on par to the long-term trend line as charts 3 and 4 below show.

Chart 1.3 Median Price for Units: Lilydale, 1999-2019 (Year to December)



Source: Pricerfinder, Urbis

Chart 1.4 Median Price for Houses: Lilydale, 1999-2019 (Year to December)



Source: Pricefinder, Urbis

Table 1.2: Sales Market Summary

	Median Price 1999	Median Price 2009	Median Price 2019	Per Annum Growth 1999 – 2019	Per Annum Growth 2009 – 2019
House	\$124,980	\$390,000	\$690,000	8.9%	5.9%
Unit	\$115,000	\$310,000	\$497,470	7.6%	4.8%

Source: Pricefinder, Urbis

1.3. CURRENT AFFORDABLE HOUSING INCOME RANGES

The Planning and Environment Act (1987) defines affordable housing as

“housing, including social housing, that is appropriate for the housing needs of any of the following

- (a) *Very Low-Income Households*
- (b) *Low Income Households*
- (c) *Moderate Income Households”*

A Governor in Council Order (the Order) forms part of the definition of Affordable Housing. The Order, published in the Government Gazette, specifies the income ranges for very low, low- and moderate-income households for Affordable Housing that is not social housing. These income ranges are useful in identifying different levels of affordability on the spectrum, and are as follows:

Table 1.3 Qualifying Household Income Ranges for Affordable Housing: Greater Melbourne

	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to \$25,970	\$25,971 to \$41,550	\$41,551 to \$62,310
Couple, no dependant	Up to \$38,950	\$38,951 to \$62,320	\$62,321 to \$93,470
Family (with one or two parents) and dependent children	Up to \$54,520	\$54,521 to \$87,250	\$87,251 to \$130,870

Source: Planning and Environment Act (1987)

Based on this government definition, the proportion of households in each income range, living in each benchmark area is represented in the table below. The figures have been derived from the 2016 ABS Census. In Table 1.4, Lone Person households are used as a reference to single adults per the Planning and Environment Act. Couple Family – No Children are used as a proxy for Couple with no dependent and Family – Children is used for Family (one or two parents) and dependent children. In each benchmark area,

the colour coding is organised such that the closer to red or green, the higher or lower the proportion of residents belonging to that income range and household type.

Overall, the income profiles across all 4 benchmark areas are relatively similar. Of all the household types, lone persons have the highest propensity to fall into lower income brackets with couple families with no children having the lowest propensity. When we look at the income profile overall, we can see that the 'moderate' income range is well represented in the Lilydale-Coldstream SA2, the Local Housing Market Area and the Yarra Ranges LGA.

Table 1.4 Number of Households by Income Range by Household Composition, 2016

		Lone Person	Couple Family No Children	Family With Children	Total
Lilydale-Coldstream SA2	Very Low	39%	15%	16%	21%
	Low	22%	25%	22%	23%
	Moderate	22%	16%	30%	25%
	Above Moderate	17%	44%	32%	32%
	Total	100%	100%	100%	100%
Local Housing Market Area	Very Low	36%	14%	14%	19%
	Low	21%	24%	20%	21%
	Moderate	20%	15%	29%	24%
	Above Moderate	22%	47%	37%	36%
	Total	100%	100%	100%	100%
Yarra Ranges LGA	Very Low	40%	15%	15%	20%
	Low	21%	25%	21%	22%
	Moderate	20%	16%	30%	24%
	Above Moderate	19%	45%	34%	34%
	Total	100%	100%	100%	100%
Greater Melbourne	Very Low	36%	15%	18%	21%
	Low	17%	21%	20%	19%
	Moderate	19%	14%	26%	21%
	Above Moderate	27%	50%	36%	38%
	Total	100%	100%	100%	100%

In terms of households belonging to very low, low- and moderate-income ranges, the moderate income group (in absolute terms) is consistently the largest across all benchmark areas in total and for families with children in particular.

2. POPULATION & DEMOGRAPHICS

This section of the report explores resident population projections and what dwelling demand is as well as the current states of population and workers and how this translates to future dwelling demand as well as affordable housing need. We identify housing needs across several household formations and tenure types to understand what the depth of the market is currently. Finally, we analyse key workers and how these groups translate to a potential future dwelling demand as well as affordable housing need.

2.1. POPULATION & DWELLINGS

The State Government’s *Victoria in Future 2019* provides the latest population and dwelling projections. This has been analysed for the Lilydale – Coldstream SA2, Housing Market Area and Yarra Ranges LGA.

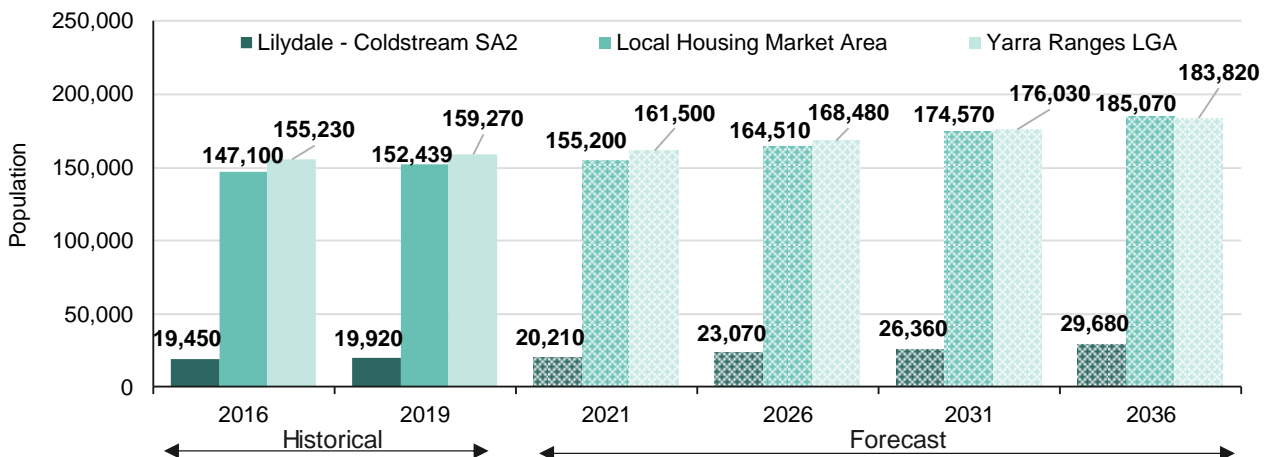
The population of the Lilydale-Coldstream SA2 is forecast to grow at 2.4% per annum or nearly 575 people each year between 2019 and 2036. The surrounding Local Housing Market Area is anticipated to increase by 1,920 people per year whilst the Yarra Ranges LGA is expected to grow by 1,445 people per annum.

In terms of dwelling demand, government estimates indicate that the number of additional housing needed between 2019 and 2036 is projected at **250 dwellings per year in Lilydale – Coldstream SA2, 870 dwellings per year in the Local Housing Market Area, and 715 dwellings per year in Yarra Ranges LGA.**

Charts 2.1 – 2.2 below provide population and dwelling forecasts at 5-year intervals from 2016 to 2036. Estimates in 2019 are also included as reference.

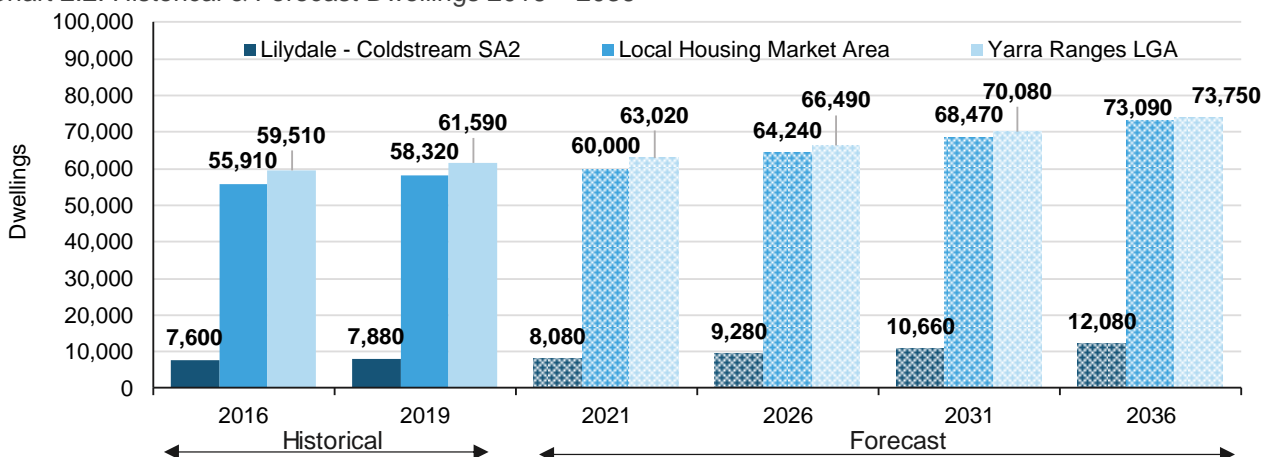
It is therefore important to maintain a consistent and diverse pipeline of dwellings in order to meet forecast housing demand from a changing demographic and growing resident base.

Chart 2.1: Historical & Forecast Population 2016 – 2036



Source: *Victoria in Future 2019*

Chart 2.2: Historical & Forecast Dwellings 2016 – 2036



Source: *Victoria in Future 2019*

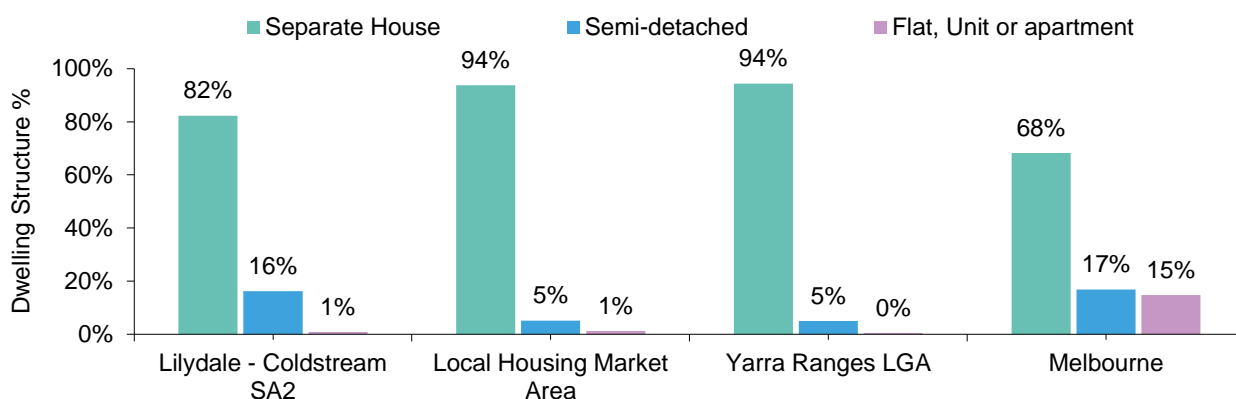
2.2. KEY DEMOGRAPHICS

Most of the housing stock within the Lilydale-Coldstream SA2, the Local Housing Market Area and the Yarra Ranges LGA is low density separate houses, particularly in the broader municipality. Flats, units and apartments are barely represented in these three areas, which limits the diversity of housing and affordability options for those looking to purchase or rent a property. Greater Melbourne offers a broader array of housing options with a much stronger balance between the three dwelling structures.

In line with the skewed dwelling structure options, bedroom types are also weighted toward dwellings with three or more bedrooms. Compared to the 27% in Greater Melbourne, only 20% of dwellings in the Lilydale-Coldstream SA2 have 1 or 2 bedrooms, with even less across the Local Housing Market Area and the Yarra Ranges LGA.

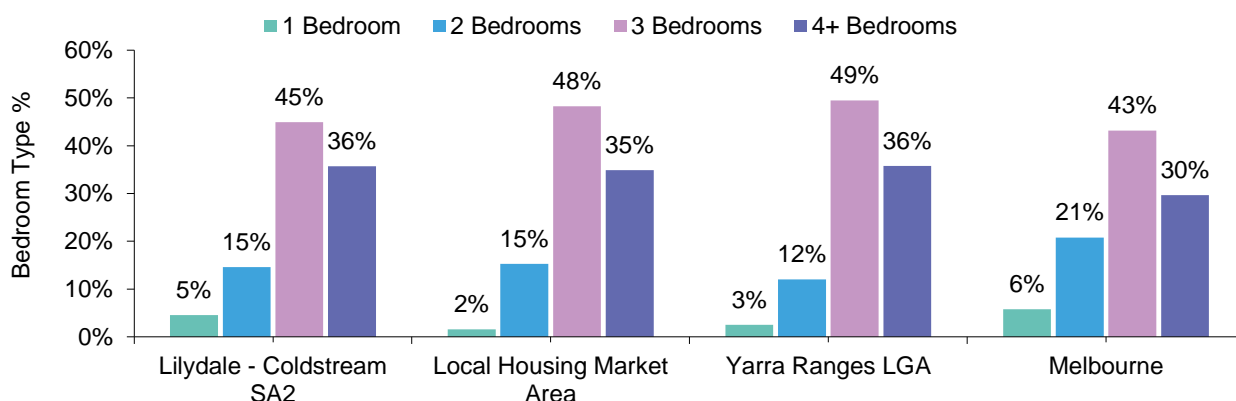
Broadening the diversity of housing stock could enhance affordability with smaller lot or attached dwellings delivered locally.

Chart 2.3 Dwelling Structure 2016



Source: ABS, Urbis

Chart 2.4 Dwellings by Number of Bedrooms 2016

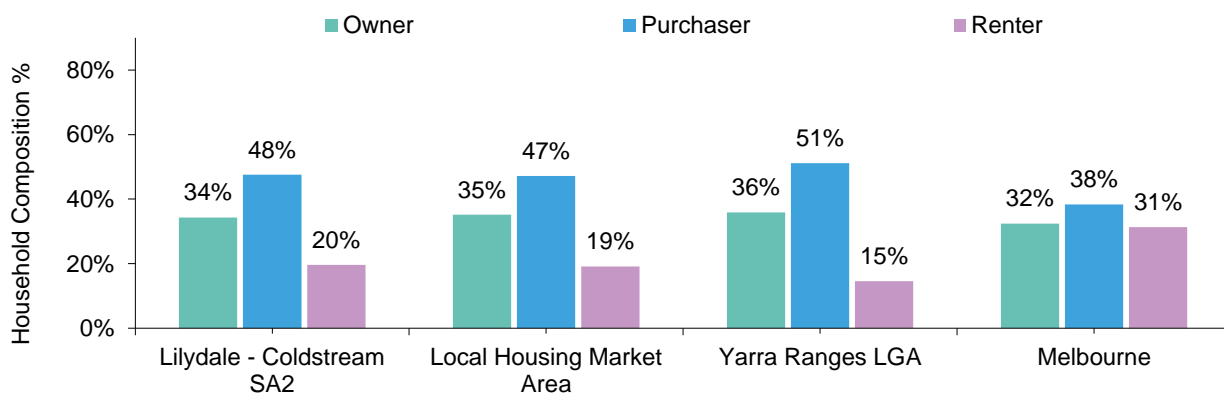


Source: ABS, Urbis

When housing tenure and housing composition are compared, the breakdown across all benchmarks is relatively more aligned. The proportion of owner occupiers across all four areas is relatively consistent, whilst purchasers are more heavily represented in the Lilydale-Coldstream SA2, the Local Housing Market Area and the Yarra Ranges LGA and renters less well represented than in Greater Melbourne.

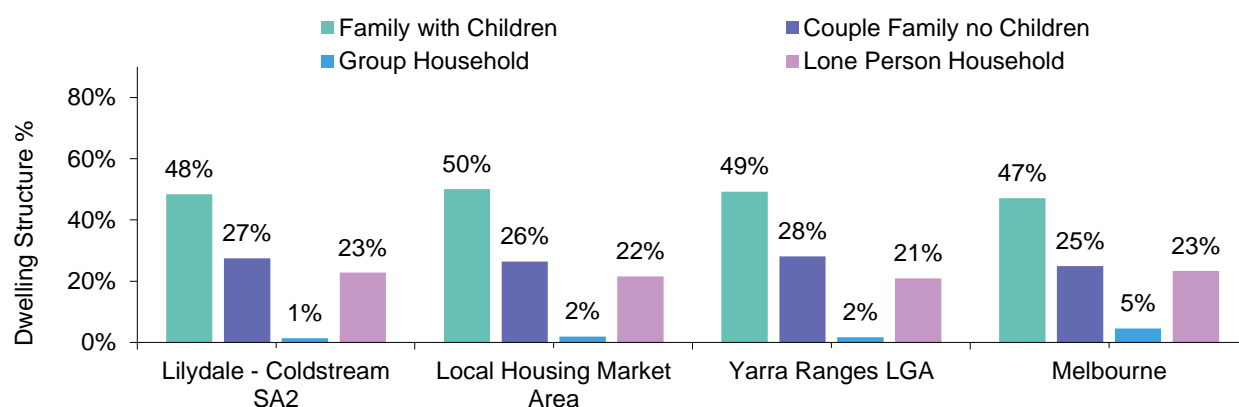
The household composition across all benchmark areas remains relatively similar, dominated by family households with children. Almost one quarter of all Lilydale households are single person households, with this group accounting for over one fifth of all households in the LGA. Along with around one quarter of households being couples with no children, once again this implies scope to increase provision of smaller dwelling types to appeal to meet affordability needs or also lower maintenance options for smaller households.

Chart 2.5 Housing Tenure 2016



Source: ABS, Urbis

Chart 2.6 Household Composition 2016



Source: ABS, Urbis

2.3. HOUSING STRESS

This section shows the quantum of households in housing stress in 2016. These quantities have then been adjusted by the revised 2016 population for each of these areas outlined by VIF19, using the proportion of overall housing stress that each measure accounted for.

2.3.1. Rental Stress

The following three tables visually map the distribution of privately rented households based on their annual household income and weekly rent paid. This helps to understand the extent of affordable housing need in practice.

The red line represents the threshold where the rent paid is greater than or equal to 30% of their annual household income. In each column, any result that is above the red line represents the number of households that are theoretically in rental stress (i.e. spending more than 30% of income on rent). This gives an indication of the scale of the potential affordable housing need as well as setting the scene for what it would take to shift affordability challenged residents to the right side of the 30% threshold.

- In the Lilydale-Coldstream SA2, 566 households are paying less than 30% of annual household income on rent. Some 476 households are paying more than 30% of annual household income on rent. This has been revised to **482 households** with latest population data.
- In the Local Housing Market Area, 3,776 households are paying less than 30% of annual household income on rent. Some 2,700 households are paying more than 30% of annual household income on rent. This has been revised to **3,136 households** with latest population data.
- In the Yarra Ranges LGA area, 2,975 households are paying less than 30% of annual household income on rent. Some 2,560 households are paying more than 30% of annual household income on rent. This has been revised to **2,606 households** with latest population data.

Table 2.1: Lilydale - Coldstream SA2 Household Income by Weekly Rent Paid 2016

	< \$150	\$150-\$199	\$200-\$249	\$250-\$299	\$300-\$349	\$350-\$399	\$400-\$449	\$450-\$549	\$550-\$649	\$650-\$749	> \$750	Total
\$1-\$149 (\$1-\$7,799)	0	0	3	0	0	0	0	0	0	0	0	3
\$150-\$299 (\$7,800-\$15,599)	12	0	4	0	4	0	0	0	0	0	0	20
\$300-\$399 (\$15,600-\$20,799)	9	8	10	7	9	3	0	0	0	0	0	46
\$400-\$499 (\$20,800-\$25,999)	17	11	11	18	11	7	0	0	0	0	0	75
\$500-\$649 (\$26,000-\$33,799)	0	6	23	10	26	14	12	3	0	0	0	94
\$650-\$799 (\$33,800-\$41,599)	5	15	21	23	24	18	12	0	0	0	0	118
\$800-\$999 (\$41,600-\$51,999)	12	4	11	21	23	25	3	7	0	0	0	106
\$1,000-\$1,249 (\$52,000-\$64,999)	0	3	10	27	45	33	15	6	0	0	0	139
\$1,250-\$1,499 (\$65,000-\$77,999)	4	0	11	12	30	31	8	9	0	0	0	105
\$1,500-\$1,749 (\$78,000-\$90,999)	0	0	4	3	19	27	9	3	0	0	0	65
\$1,750-\$1,999 (\$91,000-\$103,999)	0	0	0	0	18	20	16	6	0	0	4	64
\$2,000-\$2,499 (\$104,000-\$129,999)	0	0	0	12	27	42	22	20	0	0	0	123
\$2,500-\$2,999 (\$130,000-\$155,999)	0	0	0	0	8	17	11	14	4	0	0	54
\$3,000-\$3,499 (\$156,000-\$181,999)	0	0	0	0	6	0	0	3	0	0	0	9
\$3,500-\$3,999 (\$182,000-\$207,999)	0	0	0	0	0	3	9	5	0	0	0	17
\$4,000-\$4,499 (\$208,000-\$233,999)	0	0	0	0	0	0	0	4	0	0	0	4
\$4,500-\$4,999 (\$234,000-\$259,999)	0	0	0	0	0	0	0	0	0	0	0	0
\$5,000-\$5,999 (\$260,000-\$311,999)	0	0	0	0	0	0	0	0	0	0	0	0
\$6,000-\$7,999 (\$312,000-\$415,999)	0	0	0	0	0	0	0	0	0	0	0	0
\$8,000 or more (\$416,000 or more)	0	0	0	0	0	0	0	0	0	0	0	0
Total	59	47	108	133	250	240	117	80	4	0	4	1,042

Source: ABS, Urbis

Table 2.2: Local Housing Market Area Household Income by Weekly Rent Paid 2016

	< \$150	\$150-\$199	\$200-\$249	\$250-\$299	\$300-\$349	\$350-\$399	\$400-\$449	\$450-\$549	\$550-\$649	\$650-\$749	> \$750	Total
\$1-\$149 (\$1-\$7,799)	11	0	0	0	0	0	4	0	0	0	0	15
\$150-\$299 (\$7,800-\$15,599)	28	19	5	14	23	11	3	0	0	0	0	103
\$300-\$399 (\$15,600-\$20,799)	82	22	31	28	44	26	6	0	0	0	0	239
\$400-\$499 (\$20,800-\$25,999)	94	41	26	60	90	43	13	4	0	0	0	371
\$500-\$649 (\$26,000-\$33,799)	30	37	39	57	141	72	13	14	3	0	0	406
\$650-\$799 (\$33,800-\$41,599)	13	14	66	90	181	116	49	11	3	0	0	543
\$800-\$999 (\$41,600-\$51,999)	15	33	59	122	231	193	46	22	0	0	4	725
\$1,000-\$1,249 (\$52,000-\$64,999)	13	10	45	97	263	213	84	38	3	0	0	766
\$1,250-\$1,499 (\$65,000-\$77,999)	3	18	32	72	235	205	100	49	0	0	3	717
\$1,500-\$1,749 (\$78,000-\$90,999)	3	0	0	27	151	167	96	49	3	0	10	506
\$1,750-\$1,999 (\$91,000-\$103,999)	0	0	8	31	140	181	102	53	0	0	0	515
\$2,000-\$2,499 (\$104,000-\$129,999)	3	13	17	32	177	273	188	122	9	0	4	838
\$2,500-\$2,999 (\$130,000-\$155,999)	0	0	4	0	68	108	73	84	7	3	5	352
\$3,000-\$3,499 (\$156,000-\$181,999)	0	3	0	7	34	40	62	59	10	0	0	215
\$3,500-\$3,999 (\$182,000-\$207,999)	0	0	0	0	3	23	11	31	13	0	4	85
\$4,000-\$4,499 (\$208,000-\$233,999)	0	0	0	0	0	10	7	22	0	0	0	39
\$4,500-\$4,999 (\$234,000-\$259,999)	0	0	0	0	0	0	3	11	4	0	0	18
\$5,000-\$5,999 (\$260,000-\$311,999)	0	0	0	0	0	0	9	8	6	0	0	23
\$6,000-\$7,999 (\$312,000-\$415,999)	0	0	0	0	0	0	0	0	0	0	0	0
\$8,000 or more (\$416,000 or more)	0	0	0	0	0	0	0	0	0	0	0	0
Total	295	210	332	637	1,781	1,681	869	577	61	3	30	6,476

Source: ABS, Urbis

Table 2.3: Yarra Ranges LGA Household Income by Weekly Rent Paid 2016

	< \$150	\$150-\$199	\$200-\$249	\$250-\$299	\$300-\$349	\$350-\$399	\$400-\$449	\$450-\$549	\$550-\$649	\$650-\$749	> \$750	Total
\$1-\$149 (\$1-\$7,799)	0	0	3	0	4	0	4	0	0	0	0	11
\$150-\$299 (\$7,800-\$15,599)	25	9	19	7	33	7	0	0	0	0	0	100
\$300-\$399 (\$15,600-\$20,799)	47	20	45	41	44	16	3	0	0	0	0	216
\$400-\$499 (\$20,800-\$25,999)	103	55	72	84	66	30	17	0	0	0	0	427
\$500-\$649 (\$26,000-\$33,799)	10	40	79	92	121	71	22	8	3	0	0	446
\$650-\$799 (\$33,800-\$41,599)	35	33	106	89	147	111	34	3	0	0	0	588
\$800-\$999 (\$41,600-\$51,999)	27	23	79	125	179	173	35	22	0	0	4	667
\$1,000-\$1,249 (\$52,000-\$64,999)	6	29	44	136	221	170	74	21	0	0	0	701
\$1,250-\$1,499 (\$65,000-\$77,999)	17	15	25	70	176	156	90	44	0	0	0	593
\$1,500-\$1,749 (\$78,000-\$90,999)	0	9	14	26	103	111	69	26	3	0	4	365
\$1,750-\$1,999 (\$91,000-\$103,999)	0	0	12	7	101	134	69	40	0	0	9	372
\$2,000-\$2,499 (\$104,000-\$129,999)	6	9	20	29	133	214	128	83	0	0	4	626
\$2,500-\$2,999 (\$130,000-\$155,999)	0	0	0	6	28	94	53	60	8	3	0	252
\$3,000-\$3,499 (\$156,000-\$181,999)	0	0	0	0	17	15	23	34	3	0	0	92
\$3,500-\$3,999 (\$182,000-\$207,999)	0	0	0	0	0	25	20	12	4	0	0	61
\$4,000-\$4,499 (\$208,000-\$233,999)	0	0	0	0	5	5	0	12	0	0	0	22
\$4,500-\$4,999 (\$234,000-\$259,999)	0	0	0	0	0	0	0	7	0	0	5	12
\$5,000-\$5,999 (\$260,000-\$311,999)	0	0	0	0	0	0	3	8	3	0	0	14
\$6,000-\$7,999 (\$312,000-\$415,999)	0	0	0	0	0	0	0	0	0	0	0	0
\$8,000 or more (\$416,000 or more)	0	0	0	0	0	0	0	0	0	0	0	0
Total	276	242	518	712	1,378	1,332	644	380	24	3	26	5,535

Source: ABS, Urbis

2.3.2. Mortgage Stress

As with rental affordability, the following three tables visually map the distribution of private households with mortgages assessed on annual household income and monthly mortgage repayments. Once again, the red line represents the threshold where the mortgage repayments paid is greater than or equal to 30% of their annual household income. In each column, any result that is above the red line represents the number of households in mortgage stress (i.e. spending more than 30% of income on mortgage repayments).

- In the Lilydale-Coldstream SA2, 2,010 households are paying less than 30% of annual household income on mortgage repayments. Some 485 households are paying more than 30% of annual household income on mortgage repayments. This has been revised to **492 households** with latest population data.
- In the Local Housing Market Area 13,190 households are paying less than 30% of annual household income on mortgage repayments. Some 2,922 households are paying more than 30% of annual household income on mortgage repayments. This has been revised to **3,328 households** with latest population data.
- In the Yarra Ranges LGA, 16,356 households are paying less than 30% of annual household income on mortgage repayments. Some 4,196 households are paying more than 30% of annual household income on mortgage repayments. This has been revised to **4,177 households** with latest population data.

The analysis of both rental and mortgage affordability shows that rental affordability is a greater problem by proportion of renting residents in rental stress.

Table 2.4: Lilydale - Coldstream SA2 Household Income by Monthly Mortgage Repayments 2016

	<\$450	\$600- \$799	\$800- \$999	\$1,000- \$1,199	\$1,200- \$1,399	\$1,400- \$1,599	\$1,600- \$1,799	\$1,800- \$1,999	\$2,000- \$2,199	\$2,200- \$2,399	\$2,400- \$2,599	\$2,600- \$2,999	\$3,000- \$3,999	\$4,000- \$4,999	>\$5,000	Total
\$1-\$7,799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
\$7,800-\$15,599	7	0	0	0	4	0	0	0	0	0	0	0	0	0	0	11
\$15,600-\$20,799	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3
\$20,800-\$25,999	15	5	0	3	5	0	0	0	0	0	0	0	0	0	0	28
\$26,000-\$33,799	4	4	12	6	3	0	3	0	4	0	0	0	0	0	0	36
\$33,800-\$41,599	20	3	5	4	15	9	3	0	0	3	0	0	0	0	0	62
\$41,600-\$51,999	9	4	14	17	14	17	17	0	9	3	4	5	0	0	0	113
\$52,000-\$64,999	23	8	13	15	21	30	21	15	19	7	4	5	6	0	0	187
\$65,000-\$77,999	14	12	13	18	31	25	23	20	26	9	6	9	3	0	0	209
\$78,000-\$90,999	7	7	3	11	24	24	45	24	44	21	3	9	6	0	4	232
\$91,000-\$103,999	19	6	15	13	20	28	33	19	33	21	11	10	17	5	0	250
\$104,000-\$129,999	23	8	14	27	38	39	43	59	93	59	25	47	36	8	3	522
\$130,000-\$155,999	18	7	20	18	31	27	24	33	62	32	18	38	35	6	6	375
\$156,000-\$181,999	16	5	9	10	16	10	19	8	24	16	12	20	20	6	0	191
\$182,000-\$207,999	5	5	0	5	5	9	10	0	19	7	8	8	16	0	3	100
\$208,000-\$233,999	3	0	8	7	4	4	3	6	7	0	3	7	0	5	0	57
\$234,000-\$259,999	0	0	0	0	5	5	3	0	6	0	5	9	16	3	0	52
\$260,000-\$311,999	0	0	0	3	0	0	6	5	6	0	6	7	0	0	3	36
\$312,000-\$415,999	5	0	0	0	3	0	0	0	5	6	3	3	0	6	0	31
\$416,000-\$519,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	188	74	129	157	239	227	253	189	357	184	108	177	155	39	19	2,495

Source: ABS, Urbis

Table 2.5: Local Housing Market Area Household Income by Monthly Mortgage Repayments 2016

	<\$450	\$600- \$799	\$800- \$999	\$1,000- \$1,199	\$1,200- \$1,399	\$1,400- \$1,599	\$1,600- \$1,799	\$1,800- \$1,999	\$2,000- \$2,199	\$2,200- \$2,399	\$2,400- \$2,599	\$2,600- \$2,999	\$3,000- \$3,999	\$4,000- \$4,999	>\$5,000	Total
\$1-\$7,799	0	0	3	0	5	0	3	0	3	0	0	0	0	0	0	14
\$7,800-\$15,599	4	3	7	13	0	3	4	0	4	0	0	0	0	0	0	38
\$15,600-\$20,799	8	0	0	4	8	0	11	0	10	0	0	0	0	0	0	41
\$20,800-\$25,999	92	6	14	27	3	12	4	0	8	3	0	0	0	0	0	169
\$26,000-\$33,799	62	18	13	22	31	27	10	5	7	0	0	3	4	0	0	202
\$33,800-\$41,599	69	33	44	45	33	35	29	29	23	0	5	10	14	0	0	369
\$41,600-\$51,999	91	41	58	98	86	84	82	32	50	21	6	8	23	4	3	687
\$52,000-\$64,999	173	57	68	69	137	133	143	79	103	38	11	30	20	3	0	1,064
\$65,000-\$77,999	97	60	75	105	132	163	159	140	175	65	34	70	41	18	0	1,334
\$78,000-\$90,999	116	34	59	93	138	145	172	148	189	65	53	71	52	14	6	1,355
\$91,000-\$103,999	103	45	69	89	138	142	178	138	201	87	44	104	79	10	15	1,442
\$104,000-\$129,999	190	71	114	166	226	270	350	284	493	294	179	294	218	52	14	3,215
\$130,000-\$155,999	112	79	83	104	166	176	236	183	353	190	120	272	251	38	15	2,378
\$156,000-\$181,999	70	35	41	66	79	87	118	95	201	124	88	183	203	30	15	1,435
\$182,000-\$207,999	52	13	38	52	52	60	62	48	123	53	64	124	145	51	22	959
\$208,000-\$233,999	23	7	22	17	19	36	25	26	87	26	47	43	96	14	16	504
\$234,000-\$259,999	8	15	5	36	20	25	26	18	53	19	25	51	81	26	12	420
\$260,000-\$311,999	13	3	8	13	24	21	20	17	39	15	26	57	56	15	14	341
\$312,000-\$415,999	3	9	0	8	0	3	3	5	20	10	8	14	34	13	11	141
\$416,000-\$519,999	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	4
Total	1,286	529	721	1,027	1,297	1,422	1,635	1,247	2,142	1,010	710	1,334	1,321	288	143	16,112

Source: ABS, Urbis

Table 2.6: Yarra Ranges LGA Household Income by Monthly Mortgage Repayments 2016

	<\$450	\$600- \$799	\$800- \$999	\$1,000- \$1,199	\$1,200- \$1,399	\$1,400- \$1,599	\$1,600- \$1,799	\$1,800- \$1,999	\$2,000- \$2,199	\$2,200- \$2,399	\$2,400- \$2,599	\$2,600- \$2,999	\$3,000- \$3,999	\$4,000- \$4,999	>\$5,000	Total
\$1-\$7,799	8	0	0	0	0	4	3	0	0	0	0	0	0	0	0	15
\$7,800-\$15,599	19	12	27	6	11	0	10	7	4	0	0	0	0	0	0	96
\$15,600-\$20,799	31	6	3	11	16	0	14	0	3	0	0	0	0	0	0	84
\$20,800-\$25,999	113	33	46	17	27	20	9	0	7	7	0	0	0	0	0	279
\$26,000-\$33,799	73	38	56	50	51	43	17	8	18	0	0	3	0	0	0	357
\$33,800-\$41,599	181	43	96	61	84	58	39	30	20	8	0	13	16	0	0	649
\$41,600-\$51,999	146	58	110	141	160	111	134	56	63	27	13	25	23	4	3	1,074
\$52,000-\$64,999	215	82	141	149	229	210	217	125	122	56	31	35	34	10	3	1,659
\$65,000-\$77,999	168	81	121	187	225	222	224	209	209	67	34	95	62	21	5	1,930
\$78,000-\$90,999	130	58	90	129	211	239	244	212	267	110	45	87	74	19	7	1,922
\$91,000-\$103,999	121	66	88	136	176	225	257	205	269	128	66	117	116	16	8	1,994
\$104,000-\$129,999	195	86	151	210	310	336	452	399	643	328	213	341	223	70	22	3,979
\$130,000-\$155,999	119	76	107	143	195	206	276	237	411	222	142	291	231	57	22	2,735
\$156,000-\$181,999	66	37	59	81	90	113	127	105	207	131	92	165	172	42	19	1,506
\$182,000-\$207,999	41	15	36	35	71	81	63	46	146	64	56	90	138	41	26	949
\$208,000-\$233,999	30	0	30	15	37	22	44	22	88	34	43	55	82	20	11	533
\$234,000-\$259,999	9	8	16	35	11	35	38	23	46	21	19	50	84	27	12	434
\$260,000-\$311,999	0	3	4	6	17	16	15	16	27	5	16	25	42	14	14	220
\$312,000-\$415,999	5	5	5	0	3	0	0	9	17	11	13	12	17	19	18	134
\$416,000-\$519,999	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Total	1,673	707	1,186	1,412	1,924	1,941	2,183	1,709	2,567	1,219	783	1,404	1,314	360	170	20,552

Source: ABS, Urbis

2.3.3. Other groups in housing stress

Households under rental stress can fall into other public tenure type categories. These quantities have been kept the same for 2016 as these are an official count and cannot be assumed to be extended as a proportion of growth. This includes the following tenure arrangements as defined by the ABS:

- Homeless People
- Social Housing
- Shared Equity Scheme
- Housing Co-operative, Community or Church

Table 2.7 (below) quantifies the number of households classified under these tenure types across the Lilydale – Coldstream SA2, Local Housing Market Area and the Yarra Ranges LGA. Our analysis assumes that each homeless person accounts for one household in measuring the depth of the market.

Table 2.7: Other tenure types potentially under housing stress, 2016

	Lilydale SA2	Housing Market Area	Yarra Ranges LGA
Homeless People	43	123	360
Social Housing	106	547	427
Shared Equity Scheme	3	38	59
Housing Co-Op, Community, Church	20	137	150

Source: ABS, Urbis

2.3.4. Housing Stress Summary, 2016

Table 2.8: Affordable Housing Demand as at 2016 (adjusted to VIF19 estimates)

	Lilydale SA2	Housing Market Area	Yarra Ranges LGA
Mortgage Stress	493	3,328	4,177
Rental Stress	482	3,136	2,606
Homeless People	43	123	360
Social Housing	106	547	427
Shared Equity Scheme	3	38	59
Housing Co-Op, Community, Church	20	137	150
Housing Need (No.)	1,147	7,308	7,779
Housing Need (% of Dwelling)	15.1%	13.1%	13.1%

Source: ABS, Urbis

2.4. KEY WORKERS

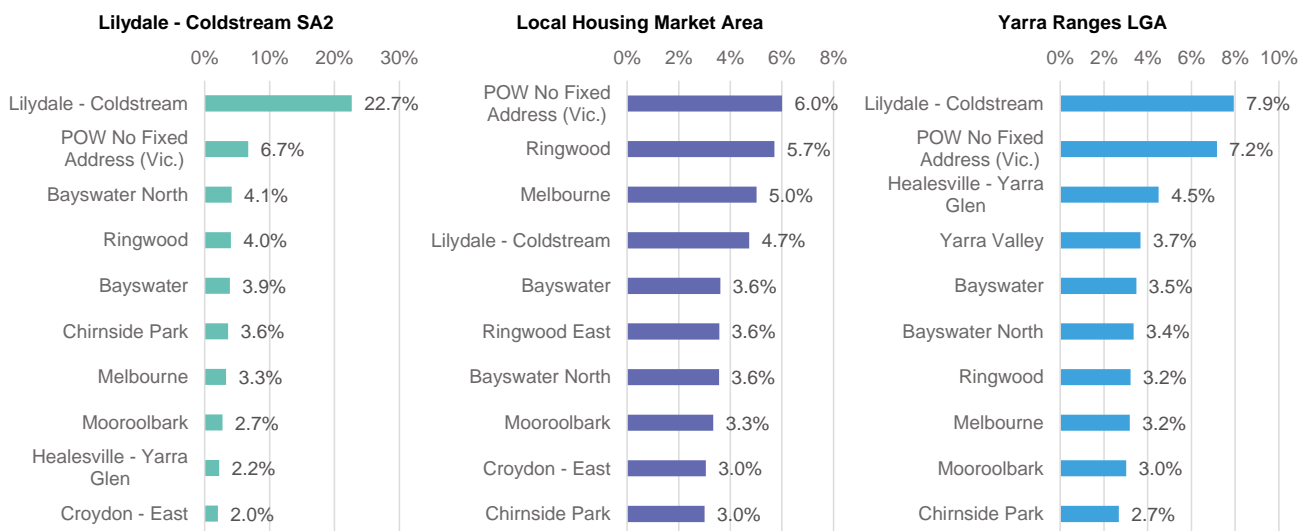
2.4.1. Demographics

A key contributor to future housing need and demand is the scale and nature of employment. Certain municipalities also have greater interest in ensuring key workers are attracted to support essentials services. Identifying key worker profiles assists in understanding their relative income and depth in market.

Journey to Work data indicates that the Lilydale-Coldstream SA2 has a relatively contained employment market with approximately 23% of all residents living and working within the local area. The worker profiles of the Local Housing Market Area and the Shire of Yarra Ranges are likewise relatively contained with a large proportion of workers concentrated within the surrounding eastern area of Melbourne.

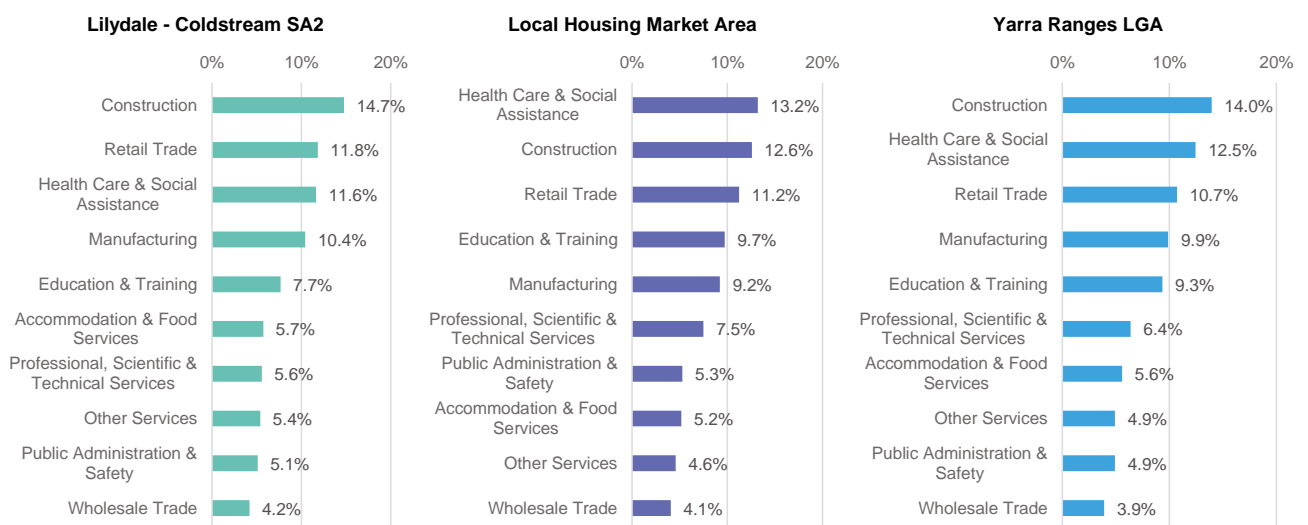
Healthcare and social assistance, education and training and public administration industries are among the top 10 local industries of employment for all three benchmark areas. In fact they account for 27% of employment in the LGA and over 24% in Lilydale SA2. This means that there would be strategic merit in providing forms of housing that appeal to these key worker types as they represent a significant portion of the local employment market and play a pivotal role as part of the community service base. Moving forward, the industries of healthcare and social assistance, education and training and public administration will be referred to as the key worker groups.

Chart 2.7: Top 10 Places of Work: Lilydale – Coldstream SA2, Local Housing Market Area, Yarra Ranges



Source: ABS, Urbis

Chart 2.8: Top 10 Work Industries: Lilydale – Coldstream SA2, Local Housing Market Area, Yarra Ranges



Source: ABS, Urbis

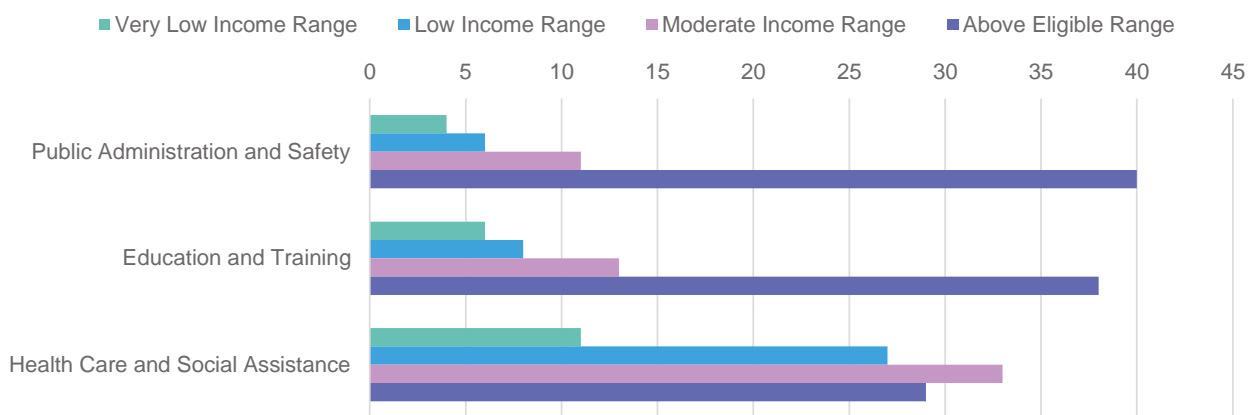
2.4.2. Income Ranges

By comparing income ranges based on the key worker groups and household types, we can better understand key employee and household types that could be targeted for affordable housing. The income ranges utilised are identified under the Affordable Housing definition by the Victorian Government.

For all household types, most of the individuals that worked in the industries included in the key worker group fell outside the income brackets that are eligible for affordable housing. For example, even in lone person and group households, which had a higher propensity to earn lower incomes overall, the vast majority of individuals who worked in healthcare and social assistance, education and training and public administration industries earned either moderate or above incomes.

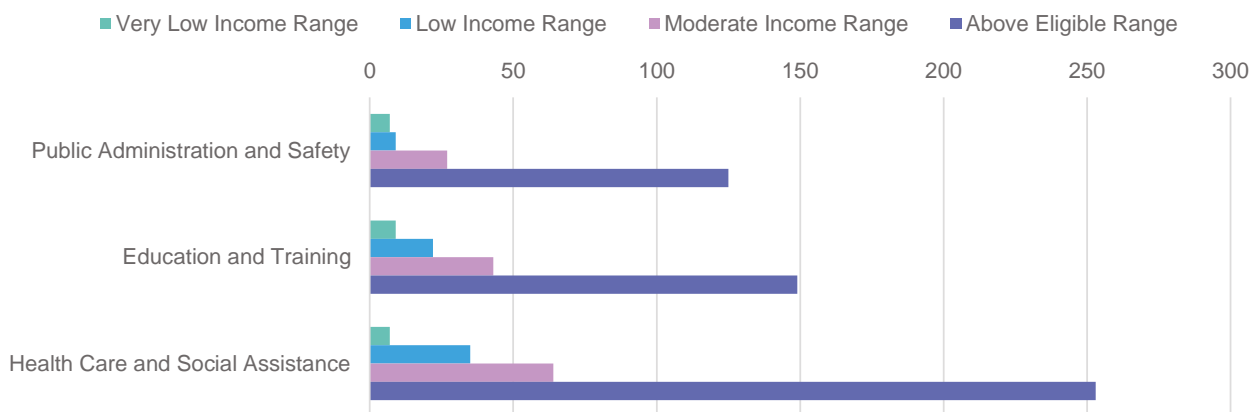
This factor should be considered when planning for the provision of affordable housing. A significant volume of key workers may be able to afford market rates in this particular location, or at least, close to market rates given those that belong to the study area's key groups earn relatively higher incomes. That said, retaining and attracting them remains an important objective to sustain the prosperity and service provision in the municipality.

Chart 2.9: Income Range by Key Worker Groups: Lone & Group Households, Lilydale–Coldstream SA2



Source: ABS, Urbis

Chart 2.10: Income Range by Key Worker Groups: Couple Families no Children, Lilydale–Coldstream SA2



Source: ABS, Urbis

Chart 2.11: Income Range by Key Worker Groups: Family Households, Lilydale–Coldstream SA2



Source: ABS, Urbis

In addition to their current importance in the market, it is useful to consider the future demand generated by growth in key worker sectors.

The Department of Jobs and Small Business provides employment forecasts based on industry for areas across Australia. Looking forward, the key growing industries for the Melbourne Outer East area appear to be Education and Training, Health Care and Social Assistance, Professional Services, Real Estate Services and Construction. Mining and IT are sectors that anticipates a decline. These key industries align closely to the key occupations identified in the three benchmark areas.

Overall, the number of jobs in the Melbourne Outer East area is forecast to grow by more than 24,600 which represents a total growth rate of around 9%.

Table 2.9: Employment Projections by Industry - Melbourne Outer East, May 2019 – May 2024

Industry	Employment	Employment	Employment Growth	Employment Growth
	Persons May 2019	Persons May 2024	(No.) 2019 - 2024	(%) 2019 - 2024
Agriculture, Forestry and Fishing	3,395	3,472	78	2.3%
Mining	501	475	-26	-5.2%
Manufacturing	29,887	30,197	309	1.0%
Electricity, Gas, Water and Waste Services	3,125	3,344	218	7.0%
Construction	31,696	34,709	3,012	9.5%
Wholesale Trade	13,099	13,800	702	5.4%
Retail Trade	31,239	31,708	469	1.5%
Accommodation and Food Services	14,802	15,236	434	2.9%
Transport, Postal and Warehousing	9,020	9,020	0	0.0%
Information Media and Telecommunications	5,869	5,650	-219	-3.7%
Financial and Insurance Services	9,005	9,366	361	4.0%
Rental, Hiring and Real Estate Services	4,253	4,675	422	9.9%
Professional, Scientific and Technical Services	26,087	32,994	6,906	26.5%
Administrative and Support Services	8,861	8,861	0	0.0%
Public Administration and Safety	12,055	12,579	524	4.3%
Education and Training	26,128	31,944	5,816	22.3%
Health Care and Social Assistance	32,984	37,244	4,260	12.9%
Arts and Recreation Services	4,551	5,023	472	10.4%
Other Services	12,199	13,115	916	7.5%
Total (industry)	278,759	303,411	24,652	8.8%

Source: Department of Jobs and Small Business, Urbis

3. AFFORDABLE HOUSING NEED

This section of the report seeks to understand the future states of population and workers and how this translates to future dwelling demand as well as affordable housing need.

3.1. 2019 AFFORDABLE HOUSING NEED

3.1.1. Population & Demographics

Using Victoria in Future 2019 population forecasts and maintaining the demographic breakdown from the 2016 census, as outlined in section 2, we can update the quantum of key population sectors to 2019. This provides an end demand that closely mirrors the affordable housing need around Lilydale today.

Although we have maintained the 2016 proportions, the trends of densification and rental market growth seen rippling out of Melbourne will likely drive additional demand for smaller dwellings and rental stock, which would otherwise continue to be underrepresented. In fact, provision of high-quality new dwellings at a range of densities would be expected to cater to the needs of single, couple and family households of all tenure types.

The table below highlights the growth of relevant demographic sections of the population in line with broader population forecasts though VIF2019.

Table 3.1: Population & Demographic Change Between 2016 Census – 2019 Projection

	2016			2019			Change 2016-19 (No.)		
	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA
Population	19,450	147,100	155,230	19,920	152,440	159,270	470	5,340	4,040
Dwelling Demand	7,600	55,910	59,510	7,880	58,320	61,590	280	2,410	2,080
Dwelling Demand by Housing Tenure									
Owner Occupier	2,580	19,310	21,090	2,680	20,150	21,830	100	840	740
Purchaser	3,540	25,890	29,750	3,670	27,010	30,790	130	1,120	1,040
Renter	1,480	10,710	8,660	1,530	11,170	8,970	50	460	310
Dwelling Demand by Household Type									
Family With Children	3,680	28,000	29,330	3,820	29,210	30,350	140	1,210	1,020
Couple Family No Children	2,090	14,780	16,740	2,160	15,420	17,320	70	640	580
Group Household	100	1,080	1,010	110	1,130	1,050	10	50	40
Lone Person	1,730	12,050	12,430	1,790	12,570	12,860	60	520	430
Dwelling Demand by Dwelling Type									
Separate House	6,200	50,880	55,870	6,430	53,070	57,830	230	2,190	1,960
Semi-Attached	1,330	4,230	3,290	1,370	4,420	3,400	40	190	110
Flat, Unit or Apartment	80	800	350	80	830	360	0	30	10

Source: ABS, Victoria in Future 2019, Urbis

3.1.2. Key Workers

Key worker demand has been calculated by dividing the 2016 census population of employed persons by the average household size for the respective area to arrive at a dwelling count. This has been elevated to 2019 by using the growth rate by industry from the recent Department of Jobs & Small Business 2019 – 2024 publication for Outer East Melbourne. Key worker demand is separated from the direct analysis as some of this will be subsumed by existing residents whom may or may not exhibit housing stress, or some may be external and a need for them to reside in the area will be created in the future. Bringing this together with overall housing stress would create a potential issue of double counting. Nonetheless, it is important to note from a market segment perspective, driving demand in affordable modes of housing around Greater Melbourne.

Table 3.2: Key Worker Change Between 2016 Census - 2019 Projection (Persons)

	2016		2019		Change 2016-19 (No.)	
	Lilydale SA2	Yarra Ranges LGA	Lilydale SA2	Yarra Ranges LGA	Lilydale SA2	Yarra Ranges LGA
Key Worker Demand						
Public Administration and Safety	453	1,197	465	1,228	12	31
Education and Training	681	4,568	768	5,153	87	585
Health Care and Social Assistance	1,031	3,922	1,109	4,219	78	297

Source: ABS, Department of Jobs & Small Business, Urbis

3.1.3. Current Affordable Housing Need

To better understand the market for affordable housing we have calculated the number of dwellings required to support the in-need population. The calculation for the number of affordable houses required was made by adding the number of households under mortgage and rental stress, those living in social housing, a housing co-op or under a shared equity scheme, and the number of homeless persons as estimated by the Australian Bureau of Statistics (ABS).

It should be noted that there is a slight variation between the homelessness figure in the ABS's "Estimating Homelessness, 2016" dataset and the Estimating Homelessness dataset under the Census Table Builder tool. This has been adjusted and elevated by the Victoria in Future population forecast whilst using constant proportions for rental stress and mortgage stress from the 2016 census, as per previous analysis.

Note the 2016 population base has been revised since the census and this has been reflected in an increase in the base and subsequent quantum by demography for the population of each defined area from the previous report, as shown in section 2.3.

Table 3.3: Affordable Housing Demand Change Between 2016 Census - 2019 Projection

	2016			2019			Change 2016-19 (No.)		
	Lilydale SA2	Housing Market	Yarra Ranges	Lilydale SA2	Housing Market	Yarra Ranges	Lilydale SA2	Housing Market	Yarra Ranges
Affordable Housing Demand									
Mortgage Stress	493	3,328	4,177	511	3,471	4,323	18	143	146
Rental Stress	482	3,136	2,606	500	3,271	2,697	18	135	91
Homeless People	43	123	360	45	128	373	2	5	13
Social Housing	106	547	427	110	571	442	4	24	15
Shared Equity Scheme	3	38	59	3	40	61	0	2	2
Housing Co-Op, Community, Church	20	137	150	21	143	155	1	6	5
Housing Need (No.)	1,147	7,308	7,779	1,189	7,623	8,051	42	310	270
Housing Need (% of Dwelling)	15.1%	13.1%	13.1%	15.1%	13.1%	13.1%	-	-	-

Source: ABS, Victoria in Future 2019, Urbis

3.1.4. Summary

Based on these calculations, **1,189 lots of affordable housing** are currently required in the Lilydale-Coldstream SA2, **7,623 in the Housing Market Area** and **8,051 in the Yarra Ranges LGA**.

Table 3.4: Current Affordable Housing Need, 2019

	Total Households 2019	Affordable Housing Need 2019 (%)	Affordable Housing Need 2019 (No.)
Lilydale-Coldstream SA2	7,880	15.1%	1,189
Local Housing Market Area	58,320	13.1%	7,623
Yarra Ranges LGA	61,592	13.1%	8,051

The Victorian Housing Register and Transfer List by local area for December 2019 in the Outer East Melbourne area includes 763 households listed under priority access and a further 1,097 that have registered interest. This is up from 629 and 969 respectively one year ago. A further 132 transfer applicants are listed as priority access while a further 121 have registered interest to transfer to a social housing property.

3.2. FORECAST HOUSING NEED

3.2.1. Population & Demographics

To assist affordability, the Lilydale – Coldstream SA2 should ensure enough homes are delivered to meet the growing demand forecast in the area. There is demand for 12,160 additional homes in the LGA by 2036. The broader Housing Market Area and Lilydale – Coldstream SA2 has demand for 14,770 and 4,200 homes respectively (based on conservative estimates).

Of these:

- **6,080 & 1,770** dwellings will be under mortgage and rented respectively in the LGA
- **6,830 & 2,830** respectively in the Local Housing Market Area, and
- **1,950 & 820** in the Lilydale – Coldstream SA2.

The tables below highlight the key market segments for forecasting mortgage and rental stress.

Table 3.5: Forecast Population & Demographics: Lilydale - Coldstream SA2

	2019	2021	2026	2031	2036	Change 2019-36
Population	19,920	20,210	23,070	26,360	29,680	9,760
Dwelling Demand	7,880	8,080	9,280	10,660	12,080	4,200
Dwelling Demand by Housing Tenure						
Owner Occupier	2,680	2,750	3,150	3,620	4,100	1,420
Purchaser	3,670	3,760	4,320	4,960	5,620	1,950
Renter	1,530	1,570	1,810	2,080	2,350	820
Dwelling Demand by Household Type						
Family With Children	3,820	3,910	4,490	5,160	5,850	2,030
Couple Family No Children	2,160	2,220	2,550	2,930	3,320	1,160
Group Household	110	110	130	150	170	60
Lone Person	1,790	1,840	2,110	2,430	2,750	960
Dwelling Demand by Dwelling Type						
Separate House	6,430	6,590	7,570	8,690	9,850	3,420
Semi-Attached	1,370	1,410	1,620	1,860	2,110	740
Flat, Unit or Apartment	80	80	90	110	120	40

Source: ABS, Victoria in Future 2019, Urbis

Table 3.6: Forecast Population & Demographics: Local Housing Market Area

	2019	2021	2026	2031	2036	Change 2019-36
Population	152,439	155,200	164,510	174,570	185,070	32,631
Dwelling Demand	58,320	60,000	64,240	68,470	73,090	14,770
Dwelling Demand by Housing Tenure						
Owner Occupier	20,150	20,730	22,190	23,650	25,250	5,100
Purchaser	27,010	27,780	29,750	31,710	33,840	6,830
Renter	11,170	11,490	12,310	13,120	14,000	2,830
Dwelling Demand by Household Type						
Family With Children	29,210	30,050	32,170	34,290	36,600	7,390
Couple Family No Children	15,420	15,860	16,980	18,100	19,320	3,900
Group Household	1,130	1,160	1,240	1,330	1,420	290
Lone Person	12,570	12,930	13,840	14,750	15,750	3,180
Dwelling Demand by Dwelling Type						
Separate House	53,070	54,600	58,460	62,310	66,510	13,440
Semi-Attached	4,420	4,540	4,860	5,190	5,540	1,120
Flat, Unit or Apartment	830	860	920	980	1,040	210

Source: ABS, Victoria in Future 2019, Urbis

Table 3.7: Forecast Population & Demographics: Yarra Ranges LGA

	2019	2021	2026	2031	2036	Change 2019-36
Population	155,230	161,500	168,480	176,030	183,820	28,590
Dwelling Demand	61,590	63,020	66,490	70,080	73,750	12,160
Dwelling Demand by Housing Tenure						
Owner Occupier	21,830	22,340	23,570	24,840	26,140	4,310
Purchaser	30,790	31,510	33,240	35,040	36,870	6,080
Renter	8,970	9,170	9,680	10,200	10,740	1,770
Dwelling Demand by Household Type						
Family With Children	30,350	31,060	32,770	34,540	36,350	6,000
Couple Family No Children	17,320	17,730	18,700	19,710	20,740	3,420
Group Household	1,050	1,070	1,130	1,190	1,260	210
Lone Person	12,860	13,160	13,890	14,640	15,400	2,540
Dwelling Demand by Dwelling Type						
Separate House	57,830	59,170	62,430	65,800	69,240	11,410
Semi-Attached	3,400	3,480	3,680	3,870	4,080	680
Flat, Unit or Apartment	360	370	390	410	430	70

Source: ABS, Victoria in Future 2019, Urbis

3.2.2. Key Workers

By applying the Outer East Melbourne industry employment growth rate projections to the key worker groups in the Lilydale-Coldstream SA2 and Yarra Ranges LGA (section 2.4), we can estimate future employee numbers. This is then divided by the average household size to get a dwelling estimate.

By 2024, the number of employees who work in key industries will increase by approximately 350 people or 130 households in Lilydale – Coldstream SA2. As a share of total employees in the local area, this is expected to increase from 24.3% in 2016 to 26.6% in 2024, driven primarily by education & training. This highlights that key worker group employees are expected to grow faster than other employee groups, which emphasises the importance of providing worker-friendly housing to the growing base of employees that service the local community and economy.

To reach a 2029 forecast, the growth rate has been assumed to remain the same up until this point and figures have been updated accordingly.

Table 3.8: Key Worker Projection: Lilydale – Coldstream SA2 & Yarra Ranges LGA, 2019 - 2029

Lilydale-Coldstream SA2	% of Total Employees 2016	Employed Persons 2019	Employed Households 2019	% of Total Employees 2024	Employed Households 2024	Employed Households 2029
Public Administration and Safety	5.1%	460	170	4.8%	180	190
Education and Training	7.7%	770	280	9.4%	350	430
Health Care and Social Assistance	11.6%	1,110	410	12.5%	460	520
Total	24.3%	2,340	860	26.6%	990	1,140

Divided by 2.7 Persons per House

Yarra Ranges LGA

Public Administration and Safety	3.2%	1,230	450	3.0%	470	500
Education and Training	12.2%	5,150	1,910	14.7%	2,330	2,850
Health Care and Social Assistance	10.4%	4,220	1,560	11.1%	1,760	1,990
Total	25.8%	10,600	3,920	28.9%	4,560	5,340

Divided by 2.7 Persons per House

Source: Department of Jobs and Small Business, ABS, Urbis

3.2.3. Future Affordable Housing Need

The tables below detail current and future demand for affordable housing for the three primary benchmark areas:

- In the Lilydale-Coldstream SA2 demand for affordable housing is expected to increase by approximately 37 dwellings per annum.
- In the Local Housing Market Area demand for affordable housing is expected to increase by approximately 114 dwellings per annum.
- In the Yarra Ranges LGA demand for affordable housing is expected to increase by approximately 93 dwellings per annum.

When we consider how affordable housing need in this report is calculated, the component that is the most heavily disadvantaged is those living under rental stress. In all three areas, the relative proportion of residents paying more than 30% of their income in rent is greater than those paying 30% of their income in mortgage repayments as well as the quantity of homeless people.

This suggests there is a strategic rationale to inject rental supply and ease affordability pressures from a lack of affordable rental stock.

Table 3.9: Forecast Affordable Dwelling Demand

Lilydale-Coldstream SA2	2016	2019	2021	2026	2031	2036
Population	19,450	19,920	20,210	23,070	26,360	29,680
Average HH Size	2.7	2.7	2.6	2.6	2.6	2.6
No. of Households	7,600	7,880	8,080	9,280	10,660	12,080
Affordable Housing Need (%)	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%
Affordable Housing Need (No.)	1,147	1,189	1,220	1,401	1,609	1,823

Local Housing Market Area

Population	147,100	152,439	155,200	164,510	174,570	185,070
No. of Households	55,910	58,320	60,000	64,240	68,470	73,090
Affordable Housing Need (%)	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
Affordable Housing Need (No.)	7,308	7,623	7,843	8,397	8,950	9,554

Yarra Ranges LGA

Population	155,230	159,270	161,500	168,480	176,030	183,820
No. of Households	59,510	61,590	63,020	66,490	70,080	73,750
Affordable Housing Need (%)	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
Affordable Housing Need (No.)	7,779	8,051	8,238	8,691	9,161	9,640

Source: ABS, Victoria in Future 2019, Urbis

Table 3.10: Forecast Affordable Dwelling Demand Breakdown

Lilydale-Coldstream SA2	2016	2019	2021	2026	2031	2036
Mortgage Stress	493	511	524	602	691	783
Rental Stress	482	500	513	589	677	767
Homeless People	43	45	46	53	60	68
Social Housing	106	110	113	129	149	168
Shared Equity Scheme	3	3	3	4	4	5
Housing Co-Op, Community or Church Group	20	21	21	24	28	32
Total Affordable Housing Need	1,147	1,189	1,220	1,401	1,609	1,823

Local Housing Market Area	2016	2019	2021	2026	2031	2036
Mortgage Stress	3,328	3,471	3,571	3,823	4,075	4,350
Rental Stress	3,136	3,271	3,365	3,603	3,840	4,099
Homeless People	123	128	132	141	151	161
Social Housing	547	571	587	628	670	715
Shared Equity Scheme	38	40	41	44	47	50
Housing Co-Op, Community or Church Group	137	143	147	157	168	179
Total Affordable Housing Need	7,308	7,623	7,843	8,397	8,950	9,554

Yarra Ranges LGA	2016	2019	2021	2026	2031	2036
Mortgage Stress	4,177	4,323	4,424	4,667	4,919	5,177
Rental Stress	2,606	2,697	2,759	2,911	3,068	3,229
Homeless People	360	373	381	402	424	446
Social Housing	427	442	452	477	503	529
Shared Equity Scheme	59	61	62	66	69	73
Housing Co-Op, Community or Church Group	150	155	159	168	177	186
Total Affordable Housing Need	7,779	8,051	8,238	8,691	9,161	9,640

Source: ABS, Victoria in Future 2019, Urbis

3.2.4. Summary

The below summarises future dwelling demand by different demographic and household characteristics for the Lilydale-Coldstream SA2 and the Shire of Yarra Ranges between 2019 and 2029.

Over this 10-year period, an additional 333, 1,101 and 919 affordable housing dwellings are required in the Lilydale SA2, the Local Housing Market Area and Yarra Ranges LGA respectively.

In absolute terms, need for affordable housing in both the Lilydale SA2 and the Yarra Ranges LGA is expected to be driven by those living under mortgage and rental stress.

For key worker demand, employees working in education and training and health care and social assistance industries are forecast to grow in large numbers in the decade to 2029. To support this growing employee base an additional 280 dwellings are required in the Lilydale-Coldstream SA2 and 1,420 across the wider municipality.

This is assumed to form part of the total requirement identified. However, these additional workers belong to the fastest growing industries of employment in Melbourne's outer east, hence easing housing pressures for individuals from key worker groups assists in strategically advancing the local economy and community service base.

Table 3.11: Affordable Housing Demand Summary Table, 2019 - 2029

	2019			2029			Change 2019-29 (No.)		
	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA
Population	19,920	152,440	159,270	25,040	170,550	173,010	5,120	18,110	13,740
Dwelling Demand	7,880	58,320	61,590	10,110	66,780	68,640	2,230	8,460	7,050
Dwelling Demand by Housing Tenure									
Owner Occupier	2,680	20,150	21,830	3,430	23,070	24,330	750	2,920	2,500
Purchaser	3,670	27,010	30,790	4,700	30,930	34,320	1,030	3,920	3,530
Renter	1,530	11,170	8,970	1,970	12,800	9,990	440	1,630	1,020
Dwelling Demand by Household Type									
Family With Children	3,820	29,210	30,350	4,890	33,440	33,830	1,070	4,230	3,480
Couple Family No Children	2,160	15,420	17,320	2,780	17,650	19,310	620	2,230	1,990
Group Household	110	1,130	1,050	140	1,290	1,170	30	160	120
Lone Person	1,790	12,570	12,860	2,300	14,390	14,340	510	1,820	1,480
Dwelling Demand by Dwelling Type									
Separate House	6,430	53,070	57,830	8,240	60,770	64,450	1,810	7,700	6,620
Semi-Attached	1,370	4,420	3,400	1,760	5,060	3,790	390	640	390
Flat, Unit or Apartment	80	830	360	100	960	400	20	130	40
Key Worker Demand									
Public Administration and Safety	170	n/a	450	190	n/a	500	20	n/a	50
Education and Training	280	n/a	1,910	430	n/a	2,850	150	n/a	940
Health Care and Social Assistance	410	n/a	1,560	520	n/a	1,990	110	n/a	430
Affordable Housing Demand									
Mortgage Stress	511	3,471	4,323	654	3,973	4,817	143	501	494
Rental Stress	500	3,271	2,697	640	3,743	3,004	140	473	308
Homeless People	45	128	373	57	147	415	12	19	43
Social Housing	110	571	442	141	653	492	31	82	50
Shared Equity Scheme	3	40	61	4	45	68	1	6	7
Housing Co-Op, Communit, Church	21	143	155	27	164	173	6	21	18
Housing Need (No.)	1,189	7,623	8,051	1,522	8,725	8,970	333	1,101	919
Housing Need (% of Dwelling)	15.1%	13.1%	13.1%	15.1%	13.1%	13.1%	-	-	-

Source: ABS, Victoria in Future 2019, Department of Jobs & Small Business, Urbis

4. DELIVERY OF AFFORDABLE HOUSING

The aim of this section of the report is to investigate what constitutes affordable rent for the income ranges stipulated for households with very low, low or moderate annual income. The income ranges assessed are as at June 2019 and have also been compared to December 2019 market rents. Given the delivery challenges that persist for housing associations and developers in viability terms, it is useful to consider the extent of impact that could be achieved on affordable housing need by delivering housing at costs below current market levels.

4.1. AFFORDABLE HOUSING COSTS

As outlined earlier, there are annually defined income ranges by household composition. These bands are presented in the table below:

Table 4.1: Qualifying Household Income Ranges for Affordable Housing: Greater Melbourne, 2019

	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to \$25,970	\$25,971 to \$41,550	\$41,551 to \$62,310
Couple, no dependant	Up to \$38,950	\$38,951 to \$62,320	\$62,321 to \$93,470
Family (with one or two parents) and dependent children	Up to \$54,520	\$54,521 to \$87,250	\$87,251 to \$130,870

Source: Planning and Environment Act (1987)

4.1.1. Rental Housing

Using our previously defined notion of rental stress, indicated by the abs as “households spending more than 30% of their incomes on housing costs” we have taken 30% of each of the income brackets outlined and compared these to the overall market rent. Market rents for all unit stock are calculated by the Department of Health & Human Services (DHHS) as at Dec 2019, shown in detail in section 1.

Further, each income range shown above has been assumed to fit into one, two- and three-bedroom units respectively and as such has been matched with the rental data for these product types to understand the difference between ‘affordable rent’ and ‘market rent’. The median and upper ranges of the income ranges have been used to indicate specific rental affordability thresholds.

The maximum weekly rent arrived at to achieve 30% of each annual income bracket (no rental stress) is shown directly below. Using the median and the maximum of each income range as the base we gain a greater grasp of the affordability within each bracket and not just show the maximum:

Table 4.2: Equivalent Affordable Weekly Income by Affordable Housing Income Ranges

Income Brackets			Single Person		Couple		Family	
			Annual Income	Affordable Weekly Rent	Annual Income	Affordable Weekly Rent	Annual Income	Affordable Weekly Rent
Income Brackets	Very Low	Median	\$12,985	\$75	\$19,475	\$112	\$27,260	\$157
		Top	\$25,970	\$150	\$38,950	\$225	\$54,520	\$315
	Low	Median	\$33,761	\$195	\$50,591	\$292	\$70,886	\$409
		Top	\$41,550	\$240	\$62,230	\$359	\$87,250	\$503
	Moderate	Median	\$51,931	\$300	\$72,851	\$420	\$109,061	\$629
		Top	\$62,310	\$359	\$93,470	\$539	\$130,870	\$755

Using these assumptions as a base, we have estimated the discount that would have to be applied at each income bracket against market rent. The DHHS defined areas that we have investigated are as follows:

- Croydon - Lilydale
- Yarra Ranges LGA
- Greater Melbourne

Table 4.3: DHHS Rolling Annual Median Weekly Rents for Units, Dec 2019

	One Bedroom	Two Bedrooms	Three Bedrooms
Croydon-Lilydale	\$280	\$360	\$430
Yarra Ranges	\$290	\$360	\$415
Greater Melbourne	\$372	\$463	\$532

Source: DHHS Dec 2019

Table 4.4 below presents a direct comparison of the ‘affordable rent’ against the ‘market rent’ for each product type. The specifics of these two have been outlined in the two tables above.

The column for each household type in table 4.4 shows the percentage of market rent that each income bracket can afford within each defined geography. Results in red highlight where households may struggle to pay 70% or more of market rent. Darker shades of green highlight where less discounting is required to remain affordable.

As an example, using Croydon – Lilydale DHHS rents, the upper end of the Single Person with a low income could afford to pay 86% of market rent for a one-bedroom unit. The median of the families in moderate income range could afford to pay 146% of market rent for a three-bedroom unit, while the equivalent family in the Yarra Ranges LGA could afford 152% of market rent. It is worth noting the following:

Table 4.4: Affordable Threshold of Income by Range Against Weekly Market Rents by Locality

		Single Person	Couple (One Bedroom)	Couple (Two Bedrooms)	Family (Two Bedrooms)	Family (Three Bedrooms)
Croydon-Lilydale	Very Low	27%	40%	31%	44%	37%
		54%	80%	62%	87%	73%
	Low	70%	104%	81%	114%	95%
		86%	128%	100%	140%	117%
	Moderate	107%	150%	117%	175%	146%
		128%	193%	150%	210%	176%
Yarra Ranges	Very Low	26%	39%	31%	44%	38%
		52%	77%	62%	87%	76%
	Low	67%	101%	81%	114%	99%
		83%	124%	100%	140%	121%
	Moderate	103%	145%	117%	175%	152%
		124%	186%	150%	210%	182%
Greater Melbourne	Very Low	20%	30%	24%	34%	30%
		40%	60%	49%	68%	59%
	Low	52%	78%	63%	88%	77%
		64%	96%	78%	109%	95%
	Moderate	80%	113%	91%	136%	118%
		97%	145%	116%	163%	142%

Source: DHHS, Planning & Environment Act 1987, Urbis

4.1.2. Purchaser Housing

Using the same analysis as above, comparing the equivalent affordable housing cost against what is the median price in the market, we have assessed the relative affordability of housing stock for purchasers. The analysis is altered slightly on a time basis as mortgages are typically repaid on a monthly basis instead of a weekly basis, although the underlying assumption of one being in ‘mortgage stress’ remains at the 30% of income threshold.

To this, the maximum monthly mortgage repayment arrived at to achieve 30% of each annual income bracket (no mortgage stress) is shown directly below. Using the median and the maximum of each income range as the base we gain a greater grasp of the affordability within each bracket and not just show the maximum:

Table 4.5: Equivalent Affordable Monthly Income by Affordable Housing Income Bands

Income Brackets			Single Person		Couple		Family	
			Annual Income	Affordable Monthly Payment	Annual Income	Affordable Monthly Payment	Annual Income	Affordable Monthly Payment
Income Brackets	Very Low	Median	\$12,985	\$325	\$19,475	\$487	\$27,260	\$682
		Top	\$25,970	\$649	\$38,950	\$974	\$54,520	\$1,363
	Low	Median	\$33,761	\$844	\$50,591	\$1,265	\$70,886	\$1,772
		Top	\$41,550	\$1,039	\$62,230	\$1,556	\$87,250	\$2,181
	Moderate	Median	\$51,931	\$1,298	\$72,851	\$1,821	\$109,061	\$2,727
		Top	\$62,310	\$1,558	\$93,470	\$2,337	\$130,870	\$3,272

To achieve a market monthly mortgage payment for Lilydale, we must assume a typical loan period, interest rate and dwelling price.

These illustrative assumptions and resulting monthly payment are detailed directly below:

Loan Term (months)	360	30 Years
LVR	90%	Assumed
Rate	3.2%	RBA 04/20
Periods	12	Monthly
Lilydale Median Unit Price	\$497,475	see section 1.2
Lilydale Median House Price	\$690,000	see section 1.2
Lilydale Monthly Unit Mortgage Payment	\$1,926	
Lilydale Monthly House Mortgage Payment	\$2,672	

Using these assumptions as a base, we have estimated the discount that would have to be applied at each income bracket against the market mortgage payment (table 4.6). This is then multiplied by the average dwelling price for each respective dwelling type to arrive at a maximum affordable price for each income range (table 4.7).

The column for each household type in table 4.6 shows the percentage of market price that each income bracket can afford within each defined geography. Results in red highlight where households may struggle to pay 70% or more of market price. Darker shades of green highlight where less discounting is required to remain affordable.

As an example, using the upper end of the single person with a low income could afford to pay 54% of market price for a unit. The median of the families in moderate income range could afford to pay 102% of market rent for a house, while the equivalent family in the units table could afford 142% of market price.

Table 4.6: Affordable Threshold of Income by Range Against Monthly Mortgage Payments by Dwelling Type

		Single Person		Couple		Family	
Lilydale (Units)	Very Low	17%	25%	35%			
		34%	51%	71%			
	Low	44%	66%	92%			
		54%	81%	113%			
	Moderate	67%	95%	142%			
		81%	121%	170%			
Lilydale (Houses)	Very Low	12%	18%	26%			
		24%	36%	51%			
	Low	32%	47%	66%			
		39%	58%	82%			
	Moderate	49%	68%	102%			
		58%	87%	122%			

Source: DHHS, Planning & Environment Act 1987, Urbis

Table 4.7: Affordable Price Threshold by Income Range by Dwelling Type

		Single Person	Couple (One Bedroom)	Family
Lilydale	Very Low	\$83,830	\$125,730	\$175,980
		\$167,650	\$251,450	\$351,970
	Low	\$217,950	\$326,600	\$457,620
		\$268,230	\$401,740	\$563,260
	Moderate	\$335,250	\$470,300	\$704,060
		\$402,260	\$603,420	\$844,860

Source: DHHS, Planning & Environment Act 1987, Urbis

4.1.3. Summary

It is worth noting the following:

- Comparison of what would be deemed an affordable rental level, a rent chargeable within an affordable housing development, against the Greater Melbourne low to moderate income ranges highlights the opportunity around Lilydale relative to Greater Melbourne.
- Depending on the ultimate definition of market rent (regarding geography and product type), there are opportunities for households all the way from the very low-income ranges up to afford at least 80% of market rent. Greater Melbourne in comparison show a much greater weighting towards the moderate-income ranges.
- Whilst there was a smaller proportion of residents currently in mortgage stress than rental stress relative to the respective population of renters and purchasers, the above analysis shows that there is merit in providing affordable purchaser products in addition to rental products. There is always the hurdle of a down payment in housing ownership as those with low and very low incomes typically cannot save as easily to purchase a house, but there remain opportunities to deliver price points targeting moderate to high incomes.
- There is an opportunity here to provide housing for the moderate section of the housing continuum as it should not deviate too far from what would be deemed achievable at market, improving the feasibility of the project. According to our analysis of household composition by income range, around 56% of Lilydale – Coldstream SA2 residents are above moderate incomes (section 1.3).

4.2. QUANTUM REDUCTION OF NEED BY REDUCED HOUSING COST

Table 4.8 shows how many more households would be able to access housing within 30% of their income if housing were provided at 10%, 20% or 30% less than current levels across rental and mortgage costs for the Lilydale SA2.

- A 30% reduction on all rental costs equates to an approximate additional 362 households moving over the affordability threshold, which as at 2016 represents approximately 78% of households living under rental stress.
- Similarly, a 30% reduction on all mortgage costs equates to an additional 447 households moving out of stress, representing over 90% of all households experiencing mortgage repayment difficulties as estimated at 2016.

Table 4.9 undertakes the same exercise for the Yarra Ranges LGA and indicates that delivering rental housing 30% less than current levels would reduce the volume of households living under rental stress by almost 80%. Likewise, delivering housing at 30% less than current mortgage repayments equates to an additional 3,712 households moving out of stress, which is approximately 88% of all households experiencing mortgage stress as estimated at 2016.

From this, we can see how delivering lower cost housing for rent or for sale can assist in alleviating disadvantage from a large proportion of residents living in both the Lilydale-Coldstream SA2 and the Shire of

Yarra Ranges. We can also see that sizeable gains can be made at close to market prices to assist people over the affordability threshold.

Table 4.8: Affordability Threshold Analysis: Lilydale - Coldstream SA2, 2019

	No. of Households Living Under Rental Stress	Additional Households <u>Not</u> Living Under Rental Stress	No. of Households Living Under Mortgage Stress	Additional Households <u>Not</u> Living Under Mortgage Stress
Standard Rent/Mortgage Repayment	482		495	
10% Lower	274	+ 208	217	+ 278
20% Lower	187	+ 87	92	+ 125
30% Lower	120	+ 67	48	+ 44

Source: ABS, Urbis

Table 4.9: Affordability Threshold Analysis: Yarra Ranges LGA, 2019

	No. of Households Living Under Rental Stress	Additional Households <u>Not</u> Living Under Rental Stress	No. of Households Living Under Mortgage Stress	Additional Households <u>Not</u> Living Under Mortgage Stress
Standard Rent/Mortgage Repayment	2,699		4,324	
10% Lower	1,594	+ 1105	2,074	+ 2250
20% Lower	1,034	+ 560	1,051	+ 1023
30% Lower	733	+ 301	612	+ 439

Source: ABS, Urbis

Under current conditions, there are signs that big gains could be made to meeting local affordable housing requirements by:

- Delivering more rental housing to add choice in the market, but also alleviate pressure for low- and moderate-income earners sitting just beyond the 30% income threshold.
- This could be delivered by adding volume and diversity (smaller dwelling types) to local housing stock as well as delivering more rental stock – whether at market rent or below market rent to assist meeting affordability thresholds or indeed shared equity schemes aimed at transitioning households into ownership.
- As an indication, if rents in Lilydale - Coldstream were reduced by 10%, 208 additional households would move across the ‘affordable’ threshold to pay less than 30% of their income. Additionally, if mortgage repayments were reduced by 10%, 217 additional households would move across the ‘affordable’ threshold.

5. SUMMARY OF FINDINGS

This section summarises the key findings of the research into housing need in Lilydale and the wider Shire of Yarra Ranges and provides some strategic direction on how to deliver against local affordable housing objectives.

5.1. HOUSING NEED AND DEMAND

Melbourne has been growing rapidly. One of the challenges in Lilydale specifically as well as the wider LGA is how to deliver the homes that are required for a growing population. Housing affordability would be expected to deteriorate further in the absence of adding new homes that are appropriate to the growing community. Therefore, in targeting affordable housing policy it is essential to maintain focus on deliverability, without negatively impacting viability or slowing down the delivery of market housing.

The **analysis from this report** indicates that based on population forecasts there is an implied requirement to provide an additional 12,160 homes between 2019 and 2036 in the LGA with 4,200 in the Lilydale SA2. This is much greater than what was previously forecasted by Safi forecasts in the previous report. The surrounding housing market area is forecast to require an additional 14,770 homes in the same period due to increasing density rippling out from the city. In time this will continue to spread first into Lilydale and other areas of the LGA.

At present the dwelling stock is still very much skewed to low density detached housing with limited choice for households seeking an apartment, a townhouse or even a micro lot at a more affordable price point to purchase or rent. Given the trends across Melbourne for a growing rental market and declining rate of home ownership it is expected that shifts in tenure will occur in this market too, even if they have been more gradual to date. The result of the current dwelling stock is that there is limited choice or affordability when it comes to smaller dwelling types to rent or buy. These will be a critical success factor in delivering homes in the volume required to satisfy dwelling demand as well as enhancing affordability.

Table 5.1 Affordable Housing Demand Summary Table, 2019 - 2029

	2019			2029			Change 2019-29 (No.)		
	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA	Lilydale SA2	Housing Market Area	Yarra Ranges LGA
Population	19,920	152,440	159,270	25,040	170,550	173,010	5,120	18,110	13,740
Dwelling Demand	7,880	58,320	61,590	10,110	66,780	68,640	2,230	8,460	7,050
Dwelling Demand by Housing Tenure									
Owner Occupier	2,680	20,150	21,830	3,430	23,070	24,330	750	2,920	2,500
Purchaser	3,670	27,010	30,790	4,700	30,930	34,320	1,030	3,920	3,530
Renter	1,530	11,170	8,970	1,970	12,800	9,990	440	1,630	1,020
Dwelling Demand by Household Type									
Family With Children	3,820	29,210	30,350	4,890	33,440	33,830	1,070	4,230	3,480
Couple Family No Children	2,160	15,420	17,320	2,780	17,650	19,310	620	2,230	1,990
Group Household	110	1,130	1,050	140	1,290	1,170	30	160	120
Lone Person	1,790	12,570	12,860	2,300	14,390	14,340	510	1,820	1,480
Dwelling Demand by Dwelling Type									
Separate House	6,430	53,070	57,830	8,240	60,770	64,450	1,810	7,700	6,620
Semi-Attached	1,370	4,420	3,400	1,760	5,060	3,790	390	640	390
Flat, Unit or Apartment	80	830	360	100	960	400	20	130	40
Key Worker Demand									
Public Administration and Safety	170	n/a	450	190	n/a	500	20	n/a	50
Education and Training	280	n/a	1,910	430	n/a	2,850	150	n/a	940
Health Care and Social Assistance	410	n/a	1,560	520	n/a	1,990	110	n/a	430
Affordable Housing Demand									
Mortgage Stress	511	3,471	4,323	654	3,973	4,817	143	501	494
Rental Stress	500	3,271	2,697	640	3,743	3,004	140	473	308
Homeless People	45	128	373	57	147	415	12	19	43
Social Housing	110	571	442	141	653	492	31	82	50
Shared Equity Scheme	3	40	61	4	45	68	1	6	7
Housing Co-Op, Communit, Church	21	143	155	27	164	173	6	21	18
Housing Need (No.)	1,189	7,623	8,051	1,522	8,725	8,970	333	1,101	919
Housing Need (% of Dwelling)	15.1%	13.1%	13.1%	15.1%	13.1%	13.1%	-	-	-

Source: ABS, Victoria in Future 2019, Department of Jobs & Small Business, Urbis

If we focus on the period 2019 to 2029 in the short term, we can infer that almost an additional 2,230 homes are required in Lilydale SA2, 8,460 in the local housing market area and 7,050 in the LGA as conservative estimates. Of these:

- Around 15% to 20% of these are likely to be renters
- Around half will be purchasing with a mortgage
- More than 20% will be lone person households
- Nearly 30% will be couple households without children
- We know that 24% of 20-34-year olds rent while 62% are purchasing with a mortgage so first home buyer activity will remain important
- On current indicators 4%-6% of residents could be facing rental stress and a further 7% in mortgage stress.
- Key worker demand could equate to around 10% - 20% of the additional dwelling requirement based on projected employment in Health Care and Social Assistance, Education and Training and Public Administration and Safety; already making up 24% to 27% of employment in Lilydale and Yarra Ranges LGA respectively at the time of the 2016 census.
- If we were to follow recent local trends the housing stock would continue to be dominated by low density housing, but the demographic data as well as affordability data indicates a requirement to provide greater choice when it comes to density and smaller dwelling types.
- Considering the income profile, we can see that the profile across benchmark areas is relatively similar. We can see that the 'moderate' income range is well represented in the Lilydale-Coldstream SA2, the Local Housing Market Area and the Yarra Ranges LGA.
- This trend is also visible when it comes to key workers, with individuals belonging to moderate income households accounting for the second largest segment of households where residents work in either Health Care and Social Assistance, Education and Training or Public Administration and Safety. Most people employed in these services earned an income above the eligible range.
- This suggests there would be a high volume of households that could afford market rates or close to market rates in the key worker cohort. Therefore, targeting an outcome linked to providing affordable housing catered to key workers would be expected to align local economic and social objectives with housing needs and potentially improve viability of the scheme overall.

5.2. SUBJECT SITE STRATEGIC CONTRIBUTION

The proposed development at the subject site is anticipated to comprise 49% medium density dwellings, 32% low density dwellings and 20% high density dwellings. When we revisit the current dwelling mix in the Lilydale-Coldstream SA2, it is heavily skewed toward low density dwellings with a limited offer of medium and higher density housing stock.

The indicative yield at the subject site development will assist in alleviating the pressures of restricted dwelling choice by providing a more diversified mix of housing stock for the local and surrounding area. Purchasers and renters will therefore access a home that better suits their dwelling requirements and will not be restricted to a larger dwelling that may push them beyond their affordability threshold.

Table 5.2 Proposed Development Yield

	No. of Dwellings	% of Total Yield
Low Density	1,018	32%
Medium Density	1,567	49%
High Density	631	20%
Total	3,216	100%

Source: Intrapac Property Pty Ltd

As noted above the subject site offers the prospect of delivering over a third of the dwellings required in the Shire of Yarra Ranges over the next 25 or so years. This is an important strategic contribution to the municipality. The key to delivering affordable housing sits within several areas:

1. Ability to deliver more housing overall and avoid the issue deteriorating
2. Ability to deliver a more diverse housing stock that can expand both choice and affordability in the market with medium and high-density options
3. Ability to deliver affordable housing contributions that can be viably delivered, without impacting upon the delivery of housing volume overall, which would be counterproductive in meeting the future needs of a prosperous Shire of Yarra Ranges

Therefore, in meeting the three objectives above the opportunity at Lilydale Quarry includes:

- Delivering a range of densities to compensate for the scarcity of smaller dwelling types and enhance the ability to deliver against forecast dwelling demand from continued population growth
- Deliver a range of price points (linked to the size and type) to include relatively more affordable options
- Deliver homes targeting key workers to ensure talent continues to be attracted to this area and support the growth of these essential sectors to the Shire of Yarra Ranges local economy.
- Deliver targeted private rental stock adding supply to the section of the market that is experiencing affordability pressure.
- Exploring measures such as shared equity and rent to buy schemes that assist first home buyers to access the market
- Affordable housing for purchase to qualifying households (criteria to be determined)
- Explore Housing Association requirements and viability implications (for both the JV partners and Registered Housing Association) for providing land with permits in place to deliver affordable housing.

As you can see there are a range of ways in which a development of this scale can deliver against affordable housing objectives. It should however be noted that given the vast requirement for affordable housing across the municipality, no one development has the capability to fulfil the entire requirement for affordable housing. This report does however provide some assistance and guidance toward how need can be best targeted in Lilydale and the wider municipality.

There is a strategic rationale to deliver density, to add rental supply, to target key workers and even the prospect that delivering housing at slightly lower costs could push a reasonably high number of households positively over the affordability threshold.

In pursuing these objectives, the extent of provision will of course be critical to assess viability. This is especially true when one considers the importance of delivering homes (of all kinds) sooner, rather than later to meet the needs of a growing population and keep wider affordability in check.

The development of Lilydale Quarry will take place over time, in stages. The affordable housing landscape will continue evolve as need is monitored and delivery models and funding are progressed. Therefore, it makes sense to firm up the affordable housing proposition at each stage as appropriate.

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This report is dated 29 April 2020 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Intrapac Property (**Instructing Party**) for the purpose of Affordable Housing Needs Assessment (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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APPENDIX B
2022 AFFORDABLE
HOUSING NEEDS
UPDATE



NOT FOR PUBLICATION

KINLEY DEVELOPMENT

Page 96

Housing Diversity & Affordability Report
2022 Data Update

Prepared for Tav Lilydale Pty Ltd & LBJ
Corporation Pty Ltd
May 2022

This report data update is dated **May 2022** and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of **Intrapac** (Instructing Party) for the purpose of a **Housing Diversity & Affordability Report** (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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Urbis acknowledges the important contribution that Aboriginal and Torres Strait Islander people make in creating a strong and vibrant Australian society.

We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.

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STATE POLICY CONTEXT: AFFORDABLE HOUSING DEFINITION

Key Insights

On June 1, 2018, the Planning and Environment Act 1987 (the Act) was amended to include an objective 'to facilitate the provision of affordable housing in Victoria'. The amendment was accompanied by a formal definition of affordable housing (summarised adjacent) in the legislation.

Since then, new housing development is required to provide an affordable component. This definition is referred to in draft planning provisions around affordable housing, which applies to the proposed subdivision.

Broadly, a dwelling is considered 'affordable' if the household pays less than 30 per cent of their income on housing (either rental cost or mortgage payment) and the dwelling meets specific local needs (e.g. location, tenure, size, amenity, etc.).

A range of affordability thresholds by income range and by household type are further defined to determine the relative housing affordability by different household formations. This information is indicated in the Victoria Government Gazette annually, with the latest thresholds dated 20 June 2021 summarised in the adjacent table (2022 figures to come later this year).

These ranges will inform the eligibility and need for affordable housing through analysis of the distribution of the population by income and tenure, maximum capacity to afford, and the relativity between this and the local market prices and rents.

Definition of Affordable Housing – Planning & Environment Act 1987



The *Planning and Environment Act 1987* defines affordable housing as follows:

- 1) For the purposes of this Act, affordable housing is housing, including social housing, that is appropriate for the housing needs of any of the following —
 - a) very low-income households;
 - b) low-income households;
 - c) moderate income households.
- 1) For the purposes of determining what is appropriate for the housing needs of very low-income households, low-income households and moderate-income households, regard must be had to the matters specified by the Minister by notice published in the Government Gazette.
- 2) Matters specified by the Minister by notice under subsection (2) cannot include price ranges or prices for the purchase or rent of housing.

Income Ranges for Affordable Housing for Greater Melbourne as at June 2021

		Income Ranges			
		Single	Couple	Family	Group
Very Low	Minimum	\$0	\$0	\$0	\$0
	Maximum	\$26,200	\$39,290	\$55,000	\$55,000
Low	Minimum	\$26,201	\$39,291	\$55,001	\$55,001
	Maximum	\$41,920	\$62,870	\$88,020	\$88,020
Moderate	Minimum	\$41,921	\$62,871	\$88,021	\$88,021
	Maximum	\$62,860	\$94,300	\$132,030	\$132,030

Source: *Planning and Environment Act 1987, Urbis*

RESIDENTIAL HOUSE AND UNITS PRICE

Key Insights

House price growth outpaced unit price increases, rendering units as an affordable buying option for first home buyers.

The two charts show the Lilydale – Coldstream SA2 housing market annual median price for units and houses. Also indicated on the charts are the 25th and 75th Quartile price, measuring the variance in median price observed in the area.

Page 99

Separate house prices are around 45% higher than unit prices in the year to March 2022 at \$862,800 compared with \$595,500. The variance between the 25th and 75th Quartile from the median price for houses is much greater than for units.

Median house price deviate by an average of \$123,000 whereas median unit price by just \$73,000 from the low and high quartiles, suggesting a lack of varied product offering in the market for units.

Median house price grew 19% compared to 15% for units in the last twelve months to March 2022 in Lilydale – Coldstream SA2 reflecting a resilient housing market for housing across the board.

Median Price for Houses, Lilydale-Coldstream SA2



Source: Pricerfinder, Urbis

Median Price for Units, Lilydale-Coldstream SA2



Source: Pricerfinder, Urbis


NOT FOR PUBLICATION

AFFORDABLE PRICES (& ALSO RELATIVE TO MARKET MEDIAN PRICE)

Key Insights

Market house and unit prices in Lilydale – Coldstream SA2 are shown to be unaffordable for households with very low-low income whilst high moderate income households would be able to afford both. Greatest subsidy required for Single person households.

The charts below bring together the Ministerial data on Greater Melbourne household incomes (for very low, low and moderate income households) and the local housing sales market to test what discount would need to be applied to the average sales price of housing to equate to the maximum price that a Yarra Ranges resident could afford using 30% of their income. Most below-moderate income households within the Lilydale – Coldstream area would struggle to find a property that would be within 30% of their income. Higher unaffordability can be seen in Single households, however Couple and Family households would be able to afford a property if on a higher moderate income band.

 = Promising Price Point

As an example, at Kinley, a future house and land package or unit would need to be sold for:

- Up to \$254,200 (representing discount of 69% to market median price), so that it is affordable for a couple in the Very-Low-income band
- \$254,200 - \$406,700 (representing 50% - 69% discount of market price), so that it is affordable for a couple in the Low-income band
- \$406,700 - \$610,000 (representing 25% - 50% of market price), so that it is affordable for a couple in the Moderate-income band
- Families can be accommodated from low to moderate incomes at or even above the median unit price.

Required Price Discount for Houses													
Household Type >		Single				Couple				Family			
Income Band	Location in Band	Affordable Monthly Mortgage Payment	Resultant Affordable Price	House Market Price	Required Discount on Market Price	Affordable Monthly Mortgage Payment	Resultant Affordable Price	House Market Price	Required Discount on Market Price	Affordable Monthly Mortgage Payment	Resultant Affordable Price	House Market Price	Required Discount on Market Price
Very Low	Median	\$328	\$84,700	\$808,700	90%	\$491	\$127,100	\$808,700	84%	\$688	\$177,900	\$808,700	78%
	Maximum	\$655	\$169,500	\$808,700	79%	\$982	\$254,200	\$808,700	69%	\$1,375	\$355,800	\$808,700	56%
Low	Median	\$852	\$220,300	\$808,700	73%	\$1,277	\$330,400	\$808,700	59%	\$1,788	\$462,600	\$808,700	43%
	Maximum	\$1,048	\$271,200	\$808,700	66%	\$1,572	\$406,700	\$808,700	50%	\$2,201	\$569,400	\$808,700	30%
Moderate	Median	\$1,310	\$338,900	\$808,700	58%	\$1,965	\$508,400	\$808,700	37%	\$2,751	\$711,800	\$808,700	12%
	Maximum	\$1,572	\$406,700	\$808,700	50%	\$2,358	\$610,000	\$808,700	25%	\$3,301	\$854,100	\$808,700	0%

Required Price Discount for Units													
Household Type >		Single				Couple				Family			
Income Band	Location in Band	Affordable Monthly Mortgage Payment	Resultant Affordable Price	House Market Price	Required Discount on Market Price	Affordable Monthly Mortgage Payment	Resultant Affordable Price	House Market Price	Required Discount on Market Price	Affordable Monthly Mortgage Payment	Resultant Affordable Price	House Market Price	Required Discount on Market Price
Very Low	Median	\$328	\$84,700	\$582,500	85%	\$491	\$127,100	\$582,500	78%	\$688	\$177,900	\$582,500	69%
	Maximum	\$655	\$169,500	\$582,500	71%	\$982	\$254,200	\$582,500	56%	\$1,375	\$355,800	\$582,500	39%
Low	Median	\$852	\$220,300	\$582,500	62%	\$1,277	\$330,400	\$582,500	43%	\$1,788	\$462,600	\$582,500	21%
	Maximum	\$1,048	\$271,200	\$582,500	53%	\$1,572	\$406,700	\$582,500	30%	\$2,201	\$569,400	\$582,500	2%
Moderate	Median	\$1,310	\$338,900	\$582,500	42%	\$1,965	\$508,400	\$582,500	13%	\$2,751	\$711,800	\$582,500	0%
	Maximum	\$1,572	\$406,700	\$582,500	30%	\$2,358	\$610,000	\$582,500	0%	\$3,301	\$854,100	\$582,500	0%

Affordable Price is calculated using 30% of the respective eligible income bands against a loan to value ratio of 85% for a 360-month loan that is at 3.6% variable rate for an owner occupier loan). Source: RBA, Pricfinder [Suburbs of Lilydale, Coldstream, Yering]; Urbis

INTEREST RATE PROJECTIONS & IMPACT ON PRICE

Key Insights

Lending rates are anticipated to trend upwards in the short to medium term from historic lows with an expected tightening in the overall housing market.

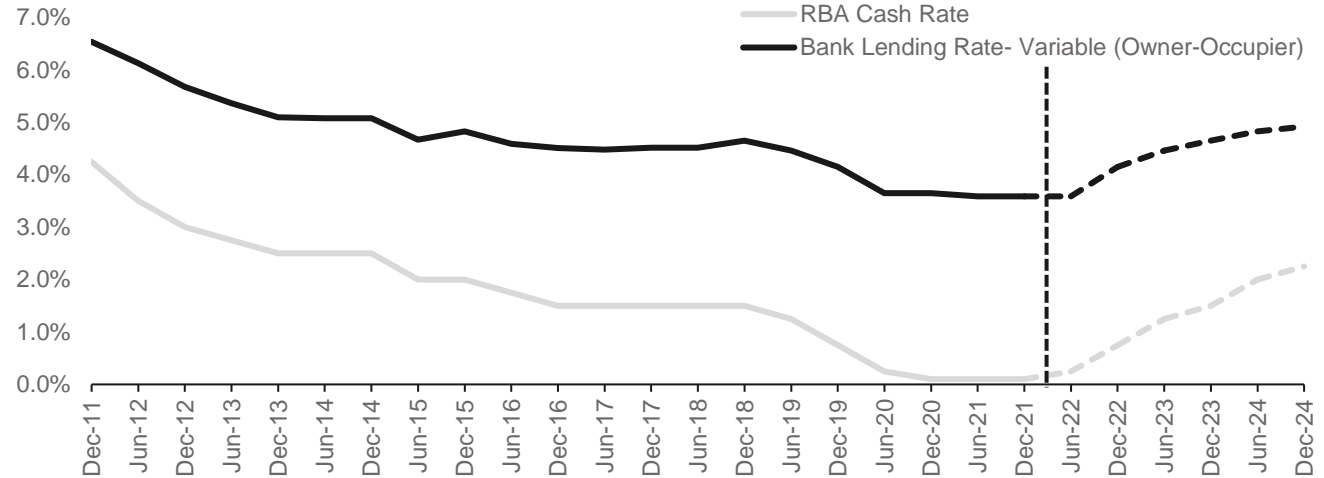
The adjacent chart highlights the historical trends of the RBA's cash rate and the associated lending rate (variable) for an owner-occupier rate offered by banks. The RBA's cash rate and the lending rate have averaged 1.5% and 5.3% for the last five year period to 2019, while recently reducing to a low of 0.1% and 4.5% on the backdrop of the stimulus measure resulting from the pandemic.

However, with mounting inflationary pressure and a better than expected recovery in the economy, interest rates are expected to return to their long term averages.

We anticipate that the cash rate would see a return to the 2.0-2.5% range but would not return to its historic high of 3.5%-4.0% witnessed in 2011-12 due to a sharp increase in household borrowings in recent years.

For our analysis to access housing affordability in the next section, we have adopted a weighted average variable interest rate of 3.6% for the tenure of the loan reflecting the market rate available currently.

Interest Rate Projections, Cash Rate vs Lending Rate



Source: RBA, NAB, Urbis

Maximum Dwelling Price for Eligible Households at 3% vs. 6% Interest

Household Type >		Single		Couple		Family	
Income Band	Location in Band	Resultant Affordable Price* @ 3.6% Interest	Resultant Affordable Price* @ 6% Interest	Resultant Affordable Price* @ 3.6% Interest	Resultant Affordable Price* @ 6% Interest	Resultant Affordable Price* @ 3.6% Interest	Resultant Affordable Price* @ 6% Interest
Very Low	Median	\$84,700	\$64,300	\$127,100	\$96,400	\$177,900	\$134,900
	Maximum	\$169,500	\$128,500	\$254,200	\$192,700	\$355,800	\$269,800
Low	Median	\$220,300	\$167,100	\$330,400	\$250,600	\$462,600	\$350,800
	Maximum	\$271,200	\$205,600	\$406,700	\$308,400	\$569,400	\$431,800
Moderate	Median	\$338,900	\$257,000	\$508,400	\$385,500	\$711,800	\$539,800
	Maximum	\$406,700	\$308,400	\$610,000	\$462,600	\$854,100	\$647,700

Source: RBA, NAB, Planning and Environment Act 1987, Urbis

UPDATED LOCAL NEED FOR SOCIAL & AFFORDABLE HOUSING

Key Insights

Delayed population growth in the region reduces the quantum of affordable dwelling needs in the wider region.

In our previous analysis for the period between 2019 and 2029, an additional 333, 1,101 and 919 affordable housing dwellings were required in the Lilydale – Coldstream SA2, local housing market area and Yarra Ranges LGA respectively. Those living under mortgage and rental stress would drive the need for affordable housing in the area.

Page 802

However, for the period between 2021 and 2031, the additional affordable dwellings required in the Lilydale – Coldstream SA2 has increased to 347, while a decline in the number of affordable dwellings has been noted in the local housing market area and Yarra Ranges LGA, of 950 and 820 respectively.

This is mostly driven by change in population growth for the Lilydale – Coldstream SA2, local housing market area and the larger Yarra Ranges LGA, with an increase of 600 residents witnessed in Lilydale SA2 but a reduction of 1,100 and 840 residents in the other two areas.

This change in population would translate into a marginal increase in housing needs in the Lilydale area but would result in lower demand for housing in the wider region.

Projected Affordable Housing Demand, Lilydale-Coldstream SA2

	2021			2031			Change 2021 - 2031 (no.)		
	Lilydale - Coldstream SA2	Total Housing Market Area	Yarra Ranges LGA	Lilydale - Coldstream SA2	Total Housing Market Area	Yarra Ranges LGA	Lilydale - Coldstream SA2	Total Housing Market Area	Yarra Ranges LGA
Population	19,700	152,000	158,500	25,400	169,000	171,400	5,700	17,000	12,900
Demand for Housing (Based on HH Size)	7,700	57,300	59,500	10,000	64,600	65,800	2,300	7,300	6,300
Dwelling Demand by Housing Tenure									
Owner Occupier	2,640	20,110	21,360	3,430	22,680	23,620	790	2,570	2,260
Purchaser	3,660	27,060	30,400	4,760	30,510	33,620	1,100	3,450	3,220
Renter	1,510	11,000	8,660	1,960	12,400	9,580	450	1,400	920
Dwelling Demand by Household Type									
Family With Children	3,600	27,890	28,720	4,510	30,750	30,440	910	2,860	1,720
Couple Family Without Children	2,140	15,310	17,080	2,890	17,550	19,390	750	2,240	2,310
Group Household	150	1,320	1,220	180	1,440	1,280	30	120	60
Lone Person	1,810	12,780	12,480	2,420	14,860	14,690	610	2,080	2,210
Dwelling Demand by Dwelling Type (*Some Dwellings are Outside These Classifications)									
Separate House	6,340	52,850	56,130	8,230	59,580	62,070	1,890	6,730	5,940
Semi-Attached	1,240	3,790	2,980	1,620	4,270	3,300	380	480	320
Flat, Unit or Apartment	70	670	250	90	760	280	20	90	30
Affordable Housing Demand									
Mortgage Stress	499	3,410	4,177	648	3,845	4,619	149	434	442
Rental Stress	489	3,214	2,605	635	3,623	2,881	146	409	276
Homeless People	44	126	360	57	142	398	13	16	38
Social Housing	107	561	427	139	632	472	32	71	45
Shared Equity Scheme	3	39	59	4	44	65	1	5	6
Housing Co-Op, Community, Church	20	140	150	26	158	166	6	18	16
Housing Need (No.)	1,162	7,490	7,778	1,509	8,444	8,601	347	950	820
Housing Need (% of Dwelling)	15.1%	13.1%	13.1%	15.1%	13.1%	13.1%	-	-	-

Note: Numbers have been derived using census/ VIF2019 figures as per previous analysis and carried forward for updated population projections.
Source: Victoria in Future 2019, ABS, Urbis

PROPOSITION FOR KINLEY

The previous analysis for the Kinley development assessed the affordable housing proposition as:

- Specified the subject land provide 5 per cent of its total dwellings as affordable housing
- Using the above, 162 affordable dwellings would be provided on the assumed yield of 3,241 dwellings, comprising in the order of:
 - Crisis, social rented: 28
 - Affordable rental: 40
 - Shared equity, affordable purchase: 65
 - Key worker: 30
- We note that a 50% contribution of social rental accommodation is now being considered. This would equate to **81** affordable dwellings.
- Under this scenario there would be a requirement to revisit the remaining contribution across affordable purchase/shared equity/key worker and affordable rent.
- With the updated development yield of 3,237 and integrating the updated numbers from this report, the proposition remains relevant in contributing to the broad areas of affordable housing need – noting Council's preference to provide social housing outcomes in the municipality.
- Population growth is not at the level that was originally forecast due to Covid-19, but equally the development has delayed in line with population rebounding and the need for affordable housing will always be greater than can viably be achieved in this development.

Page 8/23

DELIVERY REQUIREMENTS

The manner of provision of the affordable housing may be determined by the owner and may include:

- The transfer of serviced land, to a registered housing agency;
- Making available affordable housing for purchase at a reduced price; or
- Such other agreed alternative to the satisfaction of the responsible authority.

The affordable housing must be:

- Provided in accordance with an Affordable Housing Delivery Strategy to be prepared to the satisfaction of the responsible authority
- Be tenure blind, including complying with any urban design requirements applying to the land
- Must be suitably spread and located throughout the overall development.

NEXT STEPS

Given there is flexibility in how to deliver the AH, the key thing to test is the financial feasibility of pursuing each delivery option.

To confirm the Affordable Housing proposition, a number of questions need answering, including:

- If we break the proposition into 3 baskets – affordable for purchase, affordable rent and social housing – can we test some scenarios that illustrate the different outcomes within the context of the site?
- If you gift land for social housing, what volume, timing and transfer arrangements is optimal?
- If you gift or sell land at a discount to a provider, what are the implications on development feasibility and what will be the conditions?
- If you deliver affordable dwellings, will they be transferred or managed by association?
- What are the implications of delivering affordable dwellings at different points on the masterplan delivery in terms of the type of product that can be delivered and the suitability to the type of need project as well as financial implications of different staging?

APPENDICES: SUPPORTING DATA

COVID-19 IMPACTS ON POPULATION PROJECTIONS

Key Insights

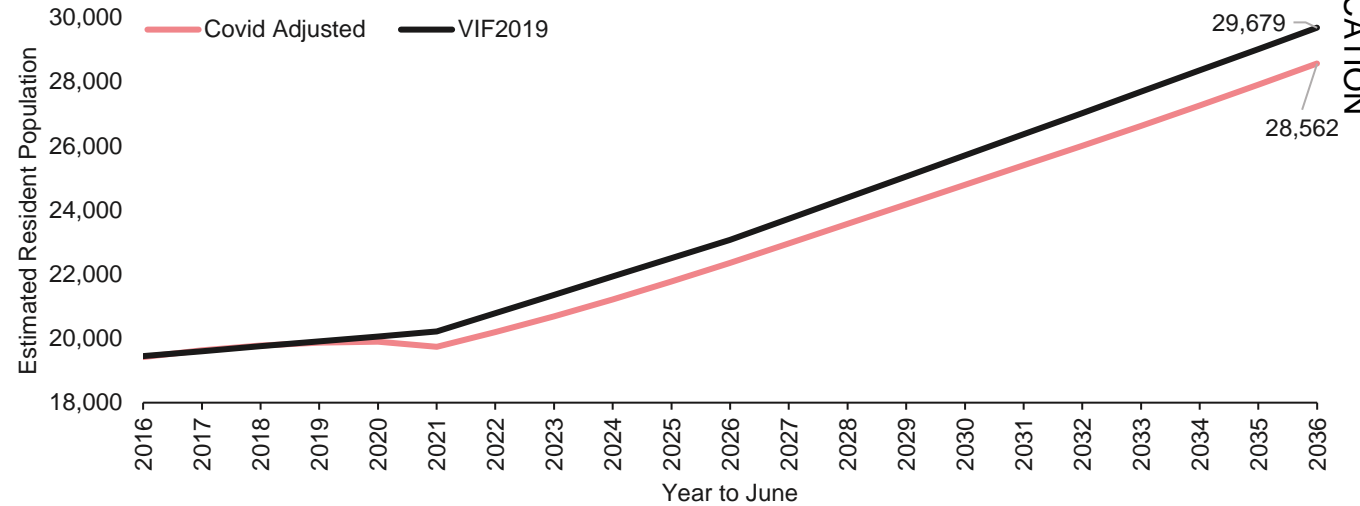
By 2036 there will be almost 28,600 residents, a 45% increase in residents population in the Lilydale – Coldstream SA2, where the Subject Site is located.

The adjacent chart highlights the estimated resident population in the Lilydale - Coldstream SA2 based on projections from Victoria in Future 2019 and Urbis forecasts, which have been adjusted for COVID impacts. This helps contextualise the variance in the anticipated growth in population impacted by the pandemic.

Resident population in Lilydale – Coldstream, based on Urbis projections, is expected to grow at 2.5% per annum between 2021 and 2036, moving from 19,600 to 28,600 people, reflecting an addition of approximately 600 residents annually.

In comparison, Victoria in Future 2019 projections anticipated a 2.6% per annum population growth rate between 2021 and 2036. This equates to an annual addition of 40 more residents above our projected figures (stated above) over the 15 year period.

Population Projections 2016-2036, Lilydale-Coldstream SA2



Source: Victoria in Future 2019, ABS, Urbis

HOUSEHOLD PROJECTIONS

Key Insights

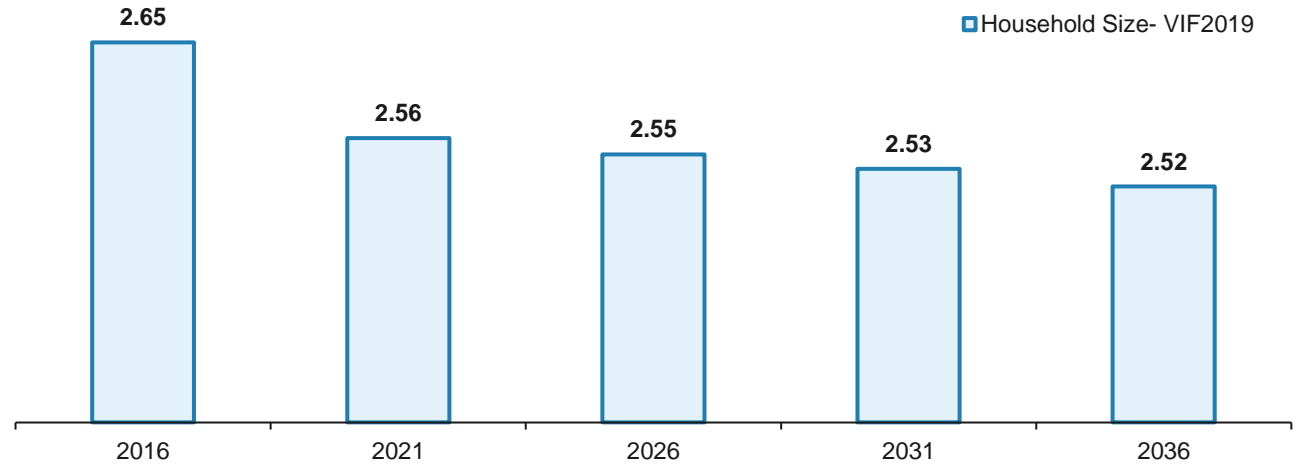
Underpinned by strong population growth, 3,600 additional households are expected to be added to the Lilydale – Coldstream SA2 area, with total households reaching 11,300 by 2036.

According to the Victoria in Future 2019 household size projections, the subject site and the surrounding area are expected to see a minimal reduction in household size, from 2.65 in 2016 to 2.52 in 2036.

Based on those projections, the Lilydale – Coldstream SA is anticipated to see a 47% increase in total number of households between 2021 and 2036.

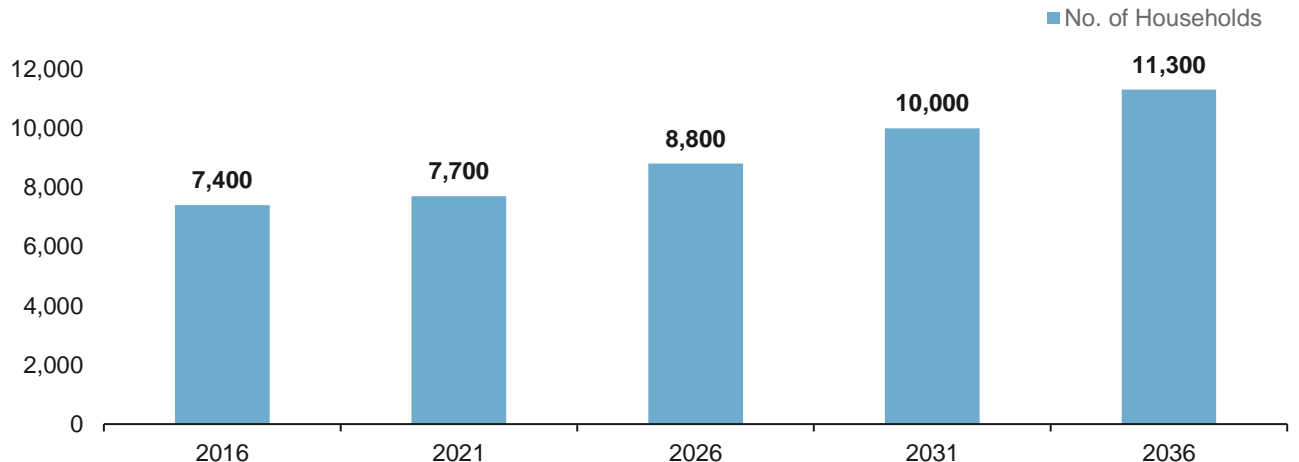
Number of households are projected to grow at an average rate 2.5% per annum between 2021 and 2036, compared to the historical growth of 0.8% per annum between 2016 and 2021, reflecting a sharp increase in future growth than was witnessed historically.

Average Household Size 2016-2036, Lilydale-Coldstream SA2



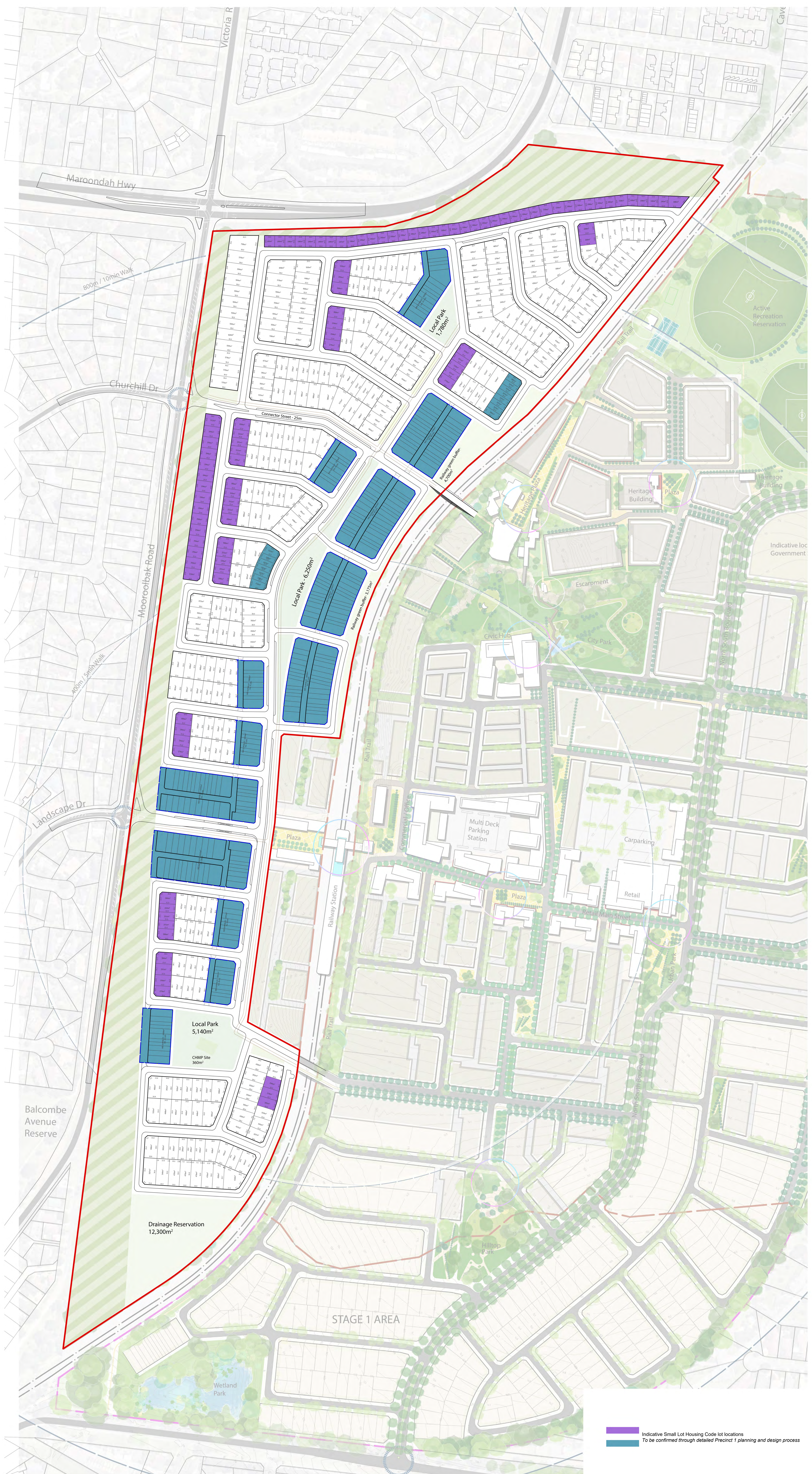
Source: Victoria in Future 2019, ABS, Urbis

Household Projections 2016-2036, Lilydale-Coldstream SA2



Source: Victoria in Future 2019, ABS, Urbis

APPENDIX C
CATEGORY 2 HOUSING –
INDICATIVE LOCATIONS

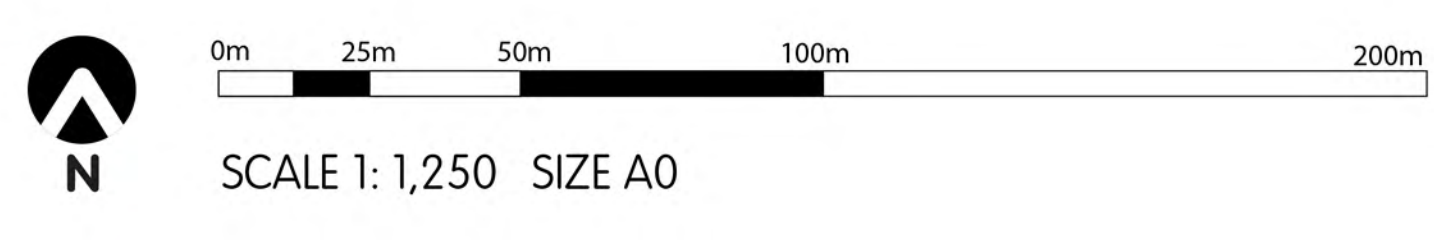


Indicative Small Lot Housing Code lot locations
 To be confirmed through detailed Precinct 1 planning and design process

Lillydale Quarry
 Yarra Ranges Council

West Precinct SLHC Plan

REF NO INT LIL DRAW NO RD 3114 REV A



REV	DESCRIPTION	DATE	BY	APPD
1	Draft	22/05/20	MJ	MD

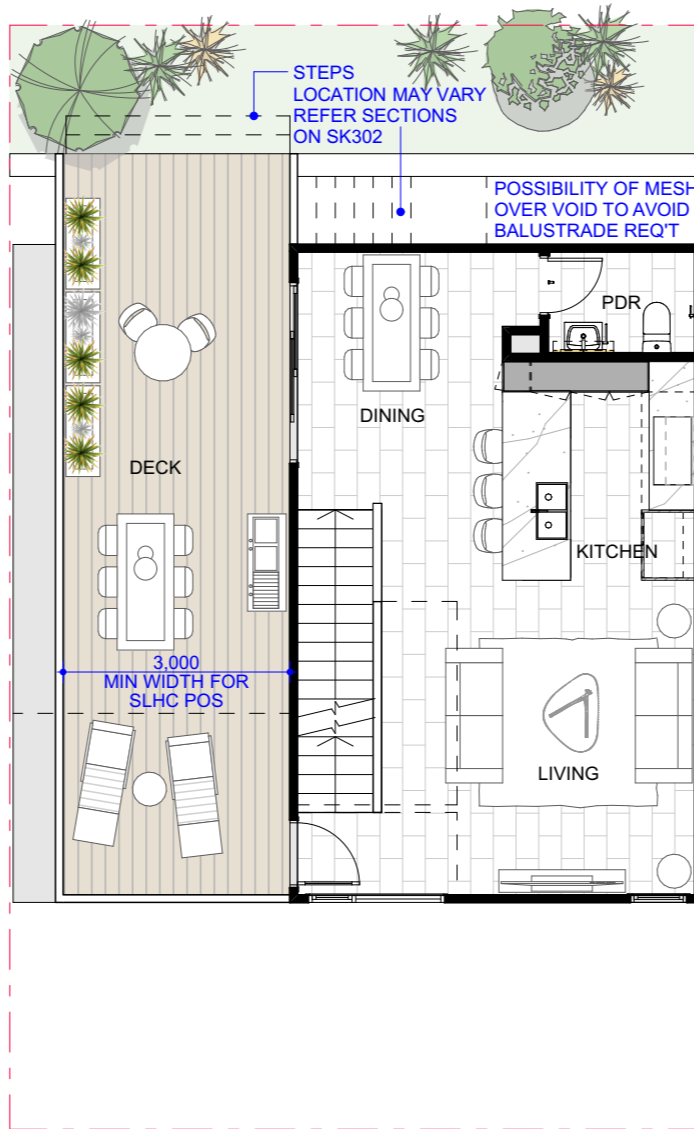
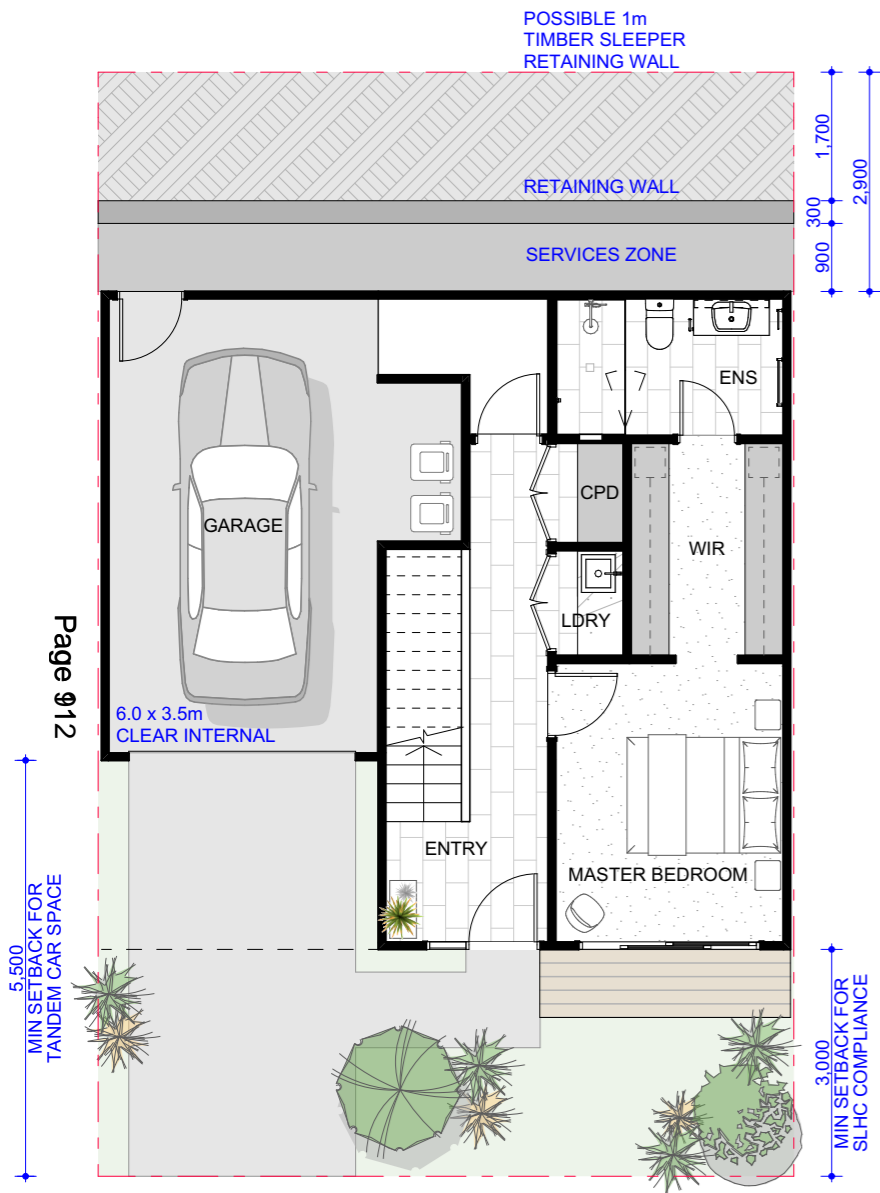


robertsday
 level 5
 411 collins street
 melbourne
 vic australia 3000
 t+61 3 9645 0788
 robertsday.com.au

APPENDIX D
CATEGORY 2 HOUSING –
INDICATIVE LAYOUTS

**HOUSE TYPES
-DRAFT-
27 MAY 2022**

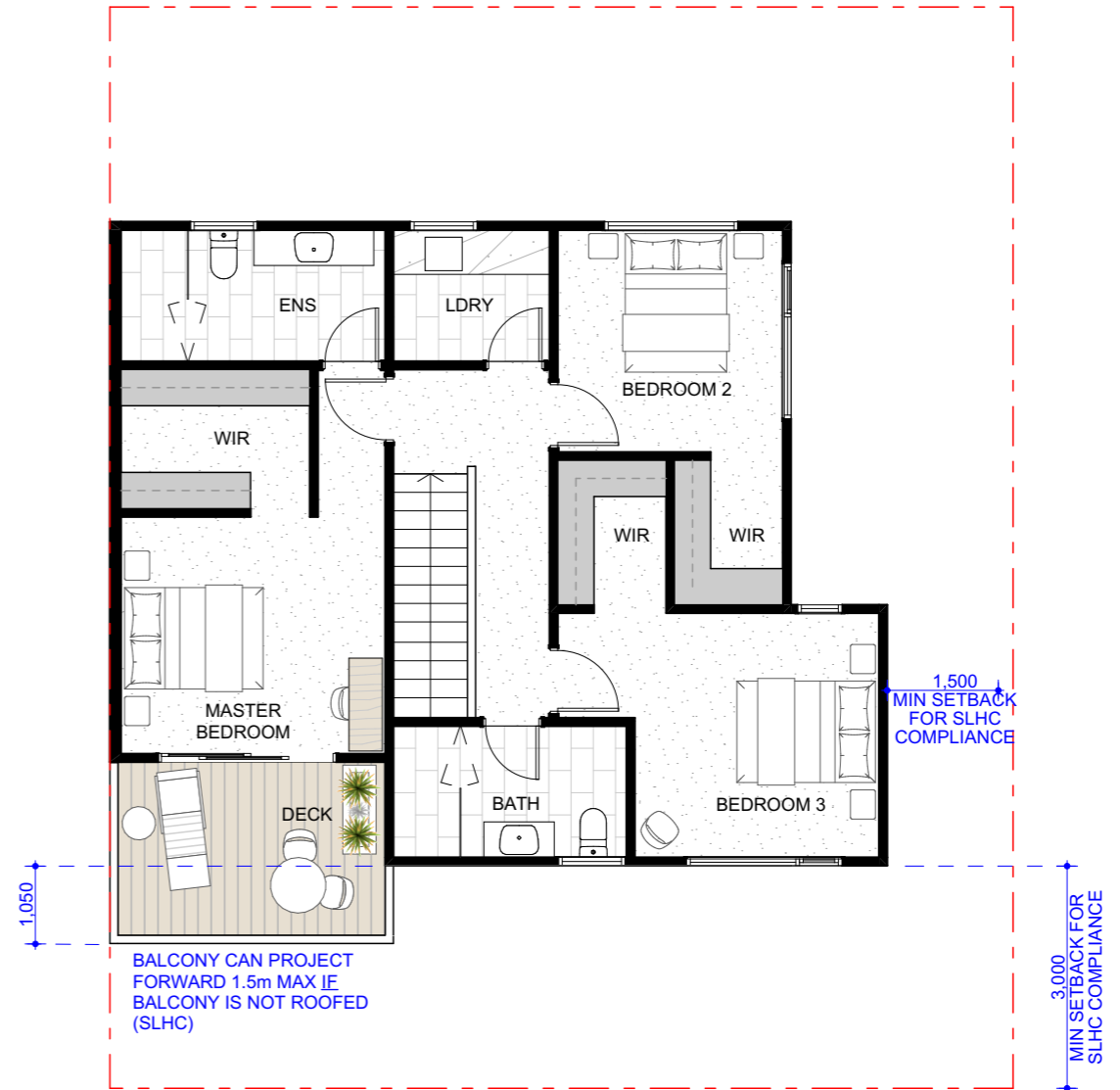
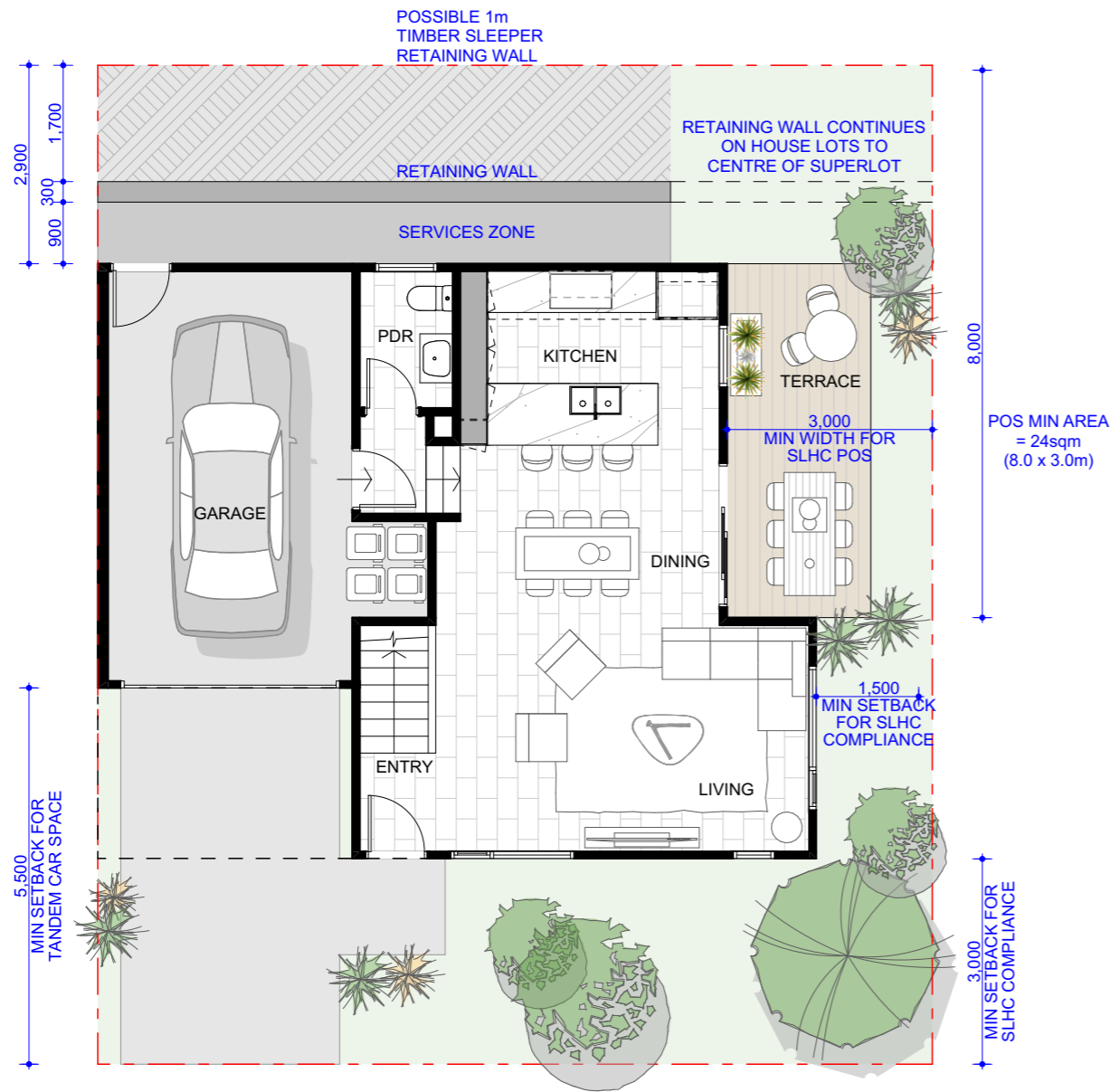
Cowles Diorama equivalent
so \$740K



HOUSE TYPE A - GFA	
DECK	29.0
GARAGE	25.0
GROUND FLOOR	45.1
LEVEL 1	47.4
LEVEL 2	45.3
PORCH	2.0
193.8 m²	

HOUSE TYPE A - NSA	
GROUND FLOOR	45.1
LEVEL 1	47.4
LEVEL 2	45.3
137.8 m²	

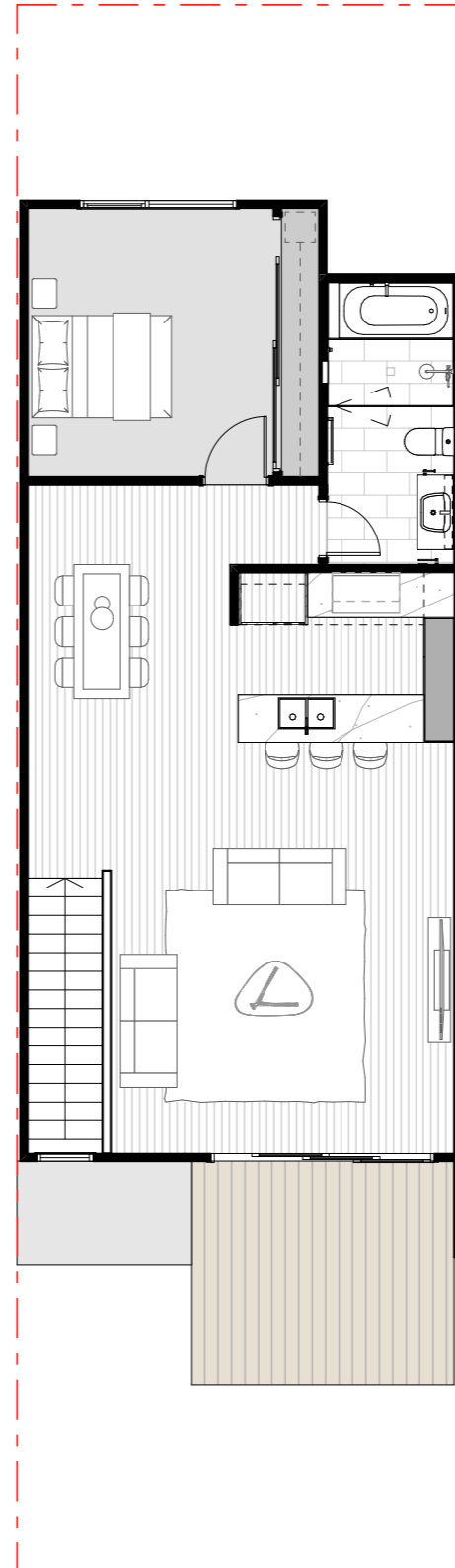
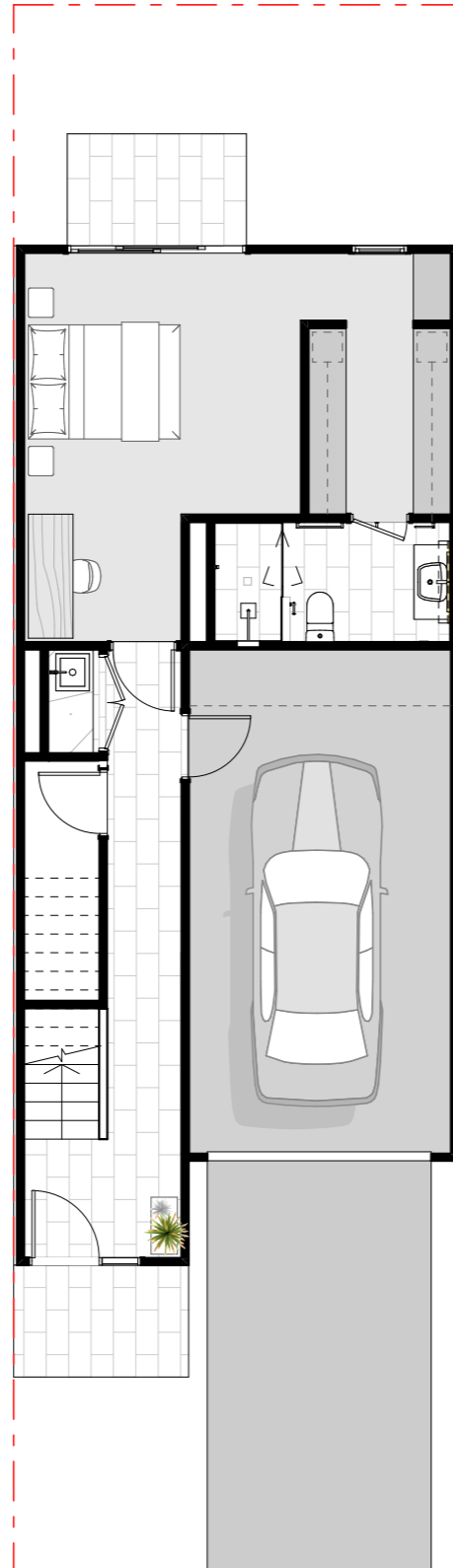
Cowles Forecast equivalent - \$760K



HOUSE TYPE C - GFA	
DECK	8.4
FIRST FLOOR	79.3
GARAGE	23.1
GROUND FLOOR	52.2
PORCH	1.4
TERRACE	10.9
175.3 m²	

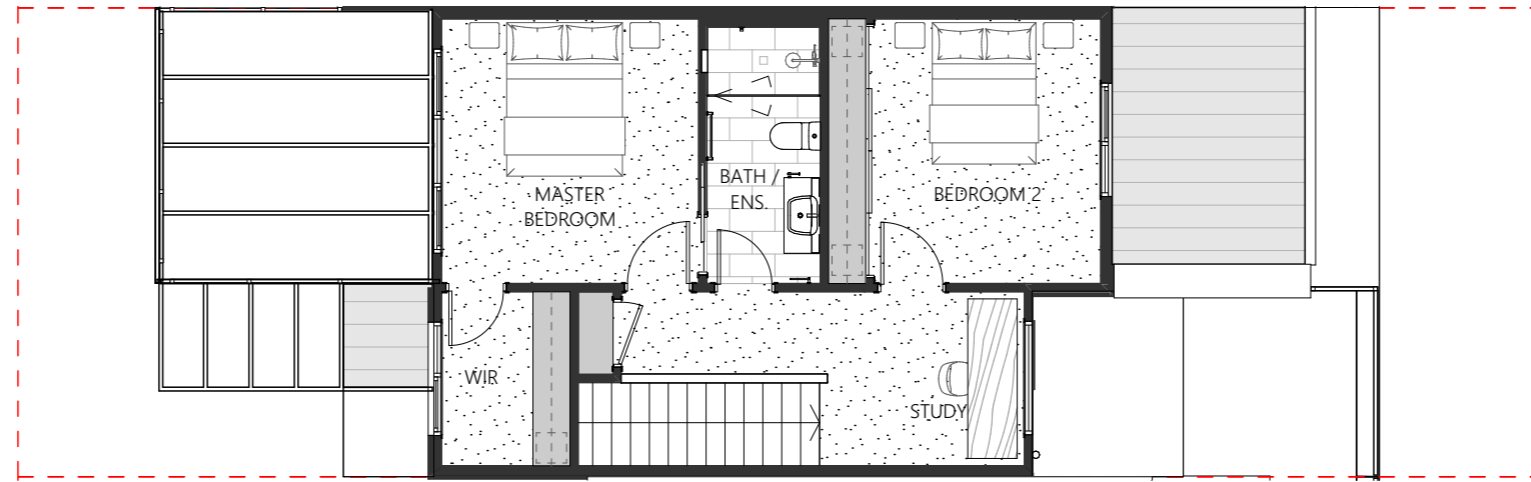
HOUSE TYPE C - NSA	
FIRST FLOOR	79.3
GROUND FLOOR	52.2
131.5 m²	

Cowles Vantage equivalent circa \$635K

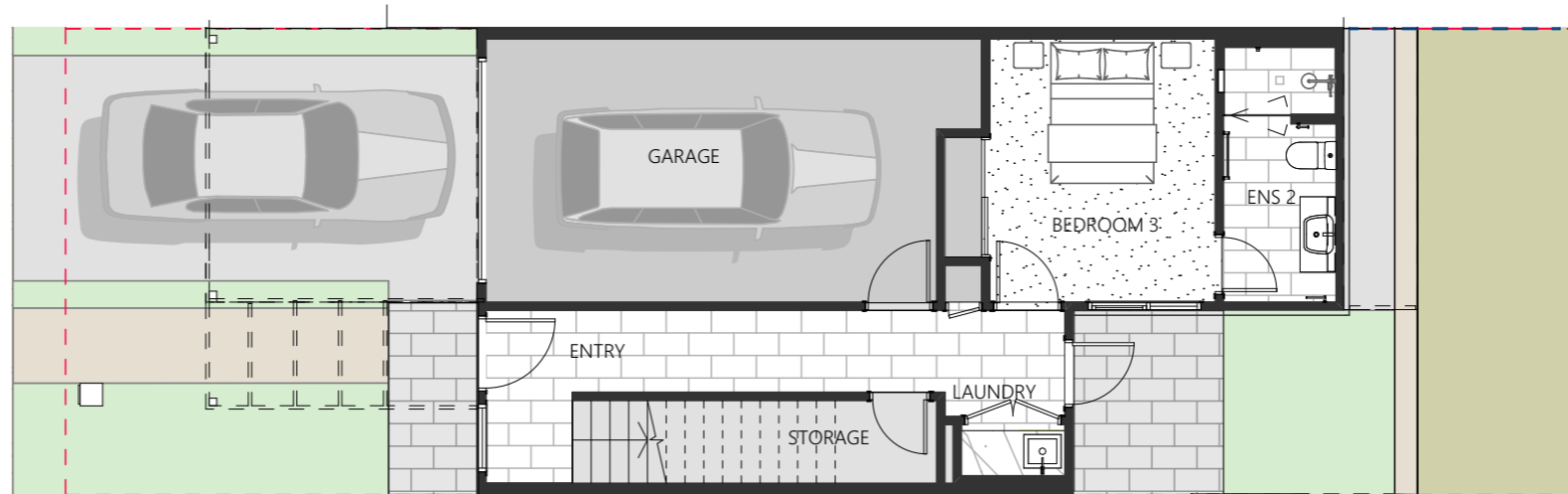
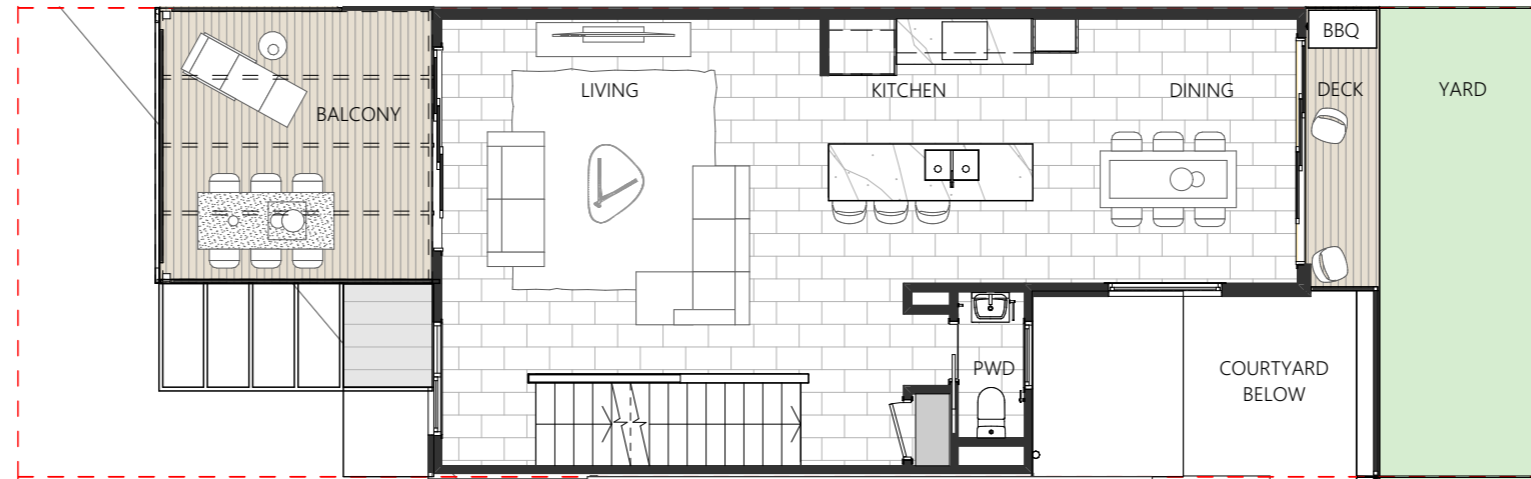


HOUSE TYPE L - NSA	
GROUND FLOOR	51.8
LEVEL 1	75.4
	127.2 m²

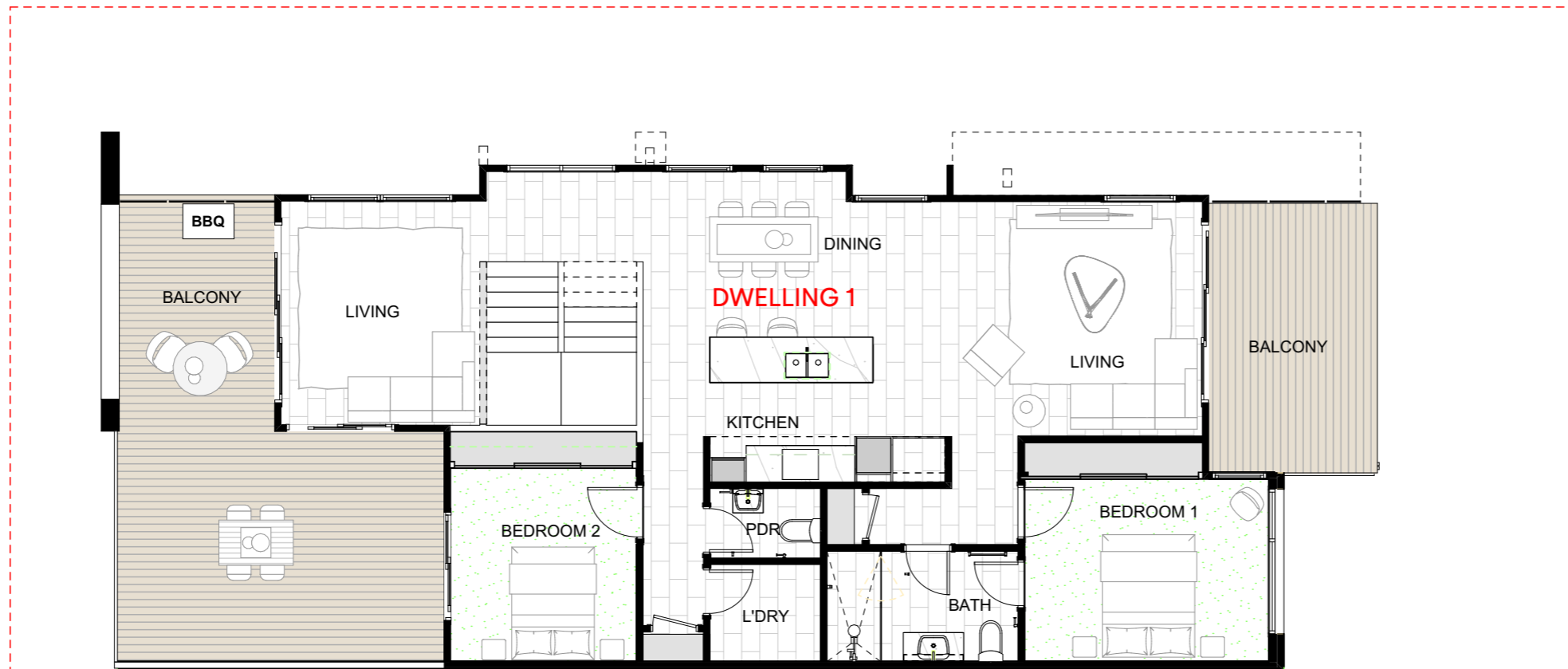
HOUSE TYPE L - GFA	
BALCONY	10.5
GARAGE	26.1
GROUND FLOOR	51.8
LEVEL 1	75.4
PORCH	2.0
	165.8 m²



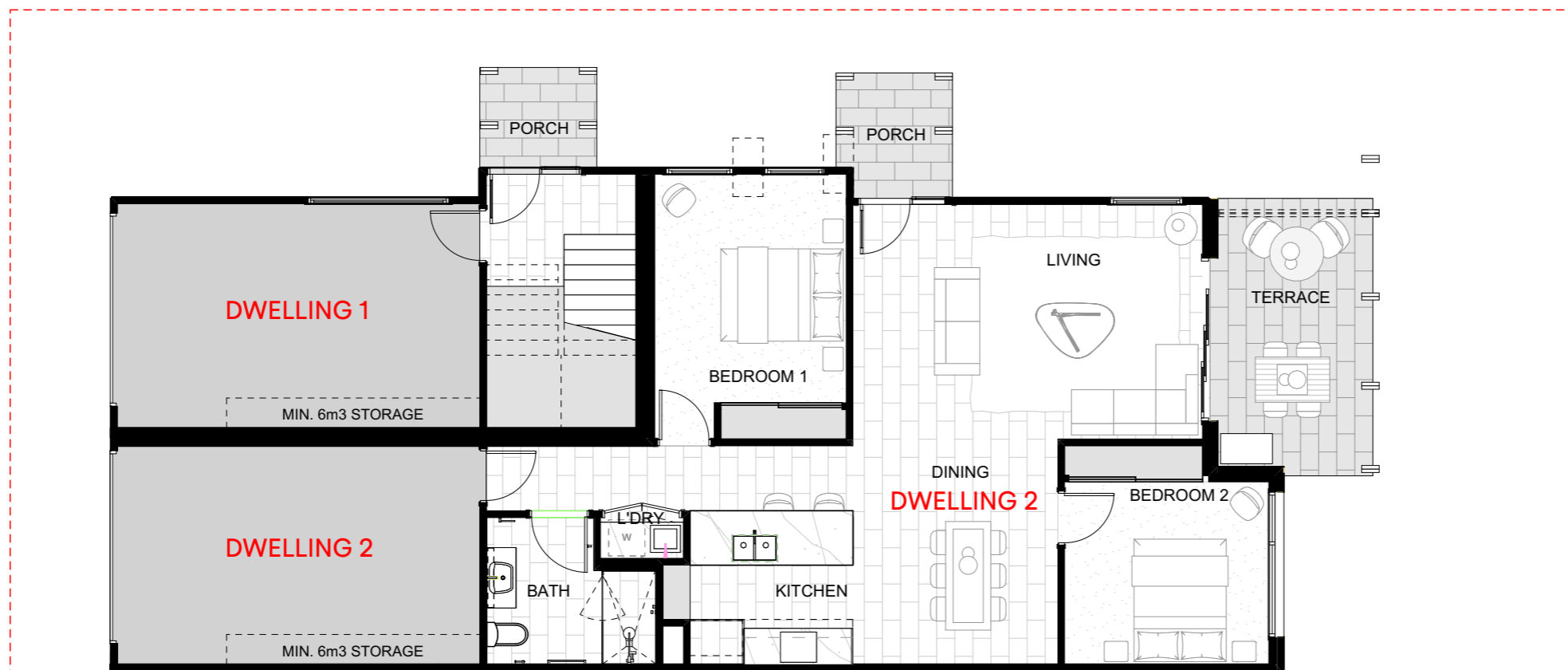
Cowles Diorama equivalent so \$740K



GFA	
BALCONY	13.1
COURT	4.2
DECK	3.6
GARAGE	23.1
GROUND FLOOR	39.5
LEVEL 1	62.6
LEVEL 2	52.8
PORCH	2.5
	201.4 m ²



Lower \$590
Upper \$625 (no roof deck)



HOUSE TYPE XX - 26 OPT 1 - NSA

DWELLING 1	
FIRST FLOOR	118.7
GROUND FLOOR	12.4
DWELLING 2	
GROUND FLOOR	91.2
222.3 m²	

HOUSE TYPE XX - 26 OPT 1 - GFA

DWELLING 1	
BALCONY	12.4
BALCONY 2	30.5
FIRST FLOOR	118.7
GARAGE	24.1
GROUND FLOOR	12.4
PORCH	3.2
PORCH	3.9
TERRACE	11.7
DWELLING 2	
GARAGE	23.9
GROUND FLOOR	91.2
332.0 m²	

APPENDIX E
CATEGORY 1 HOUSING –
SCHEMATIC LAYOUTS

COMMUNAL
OPEN
SPACES

18m TURNING
CIRCLE
(RUBBISH TRUCK)

CARS UNDER
BUILDINGS
(AT GRADE)

PEDESTRIAN
LINKS

① POTENTIALLY
4 BUILDINGS

② GUNBARREL
UNDERCROFT
DRIVEWAY

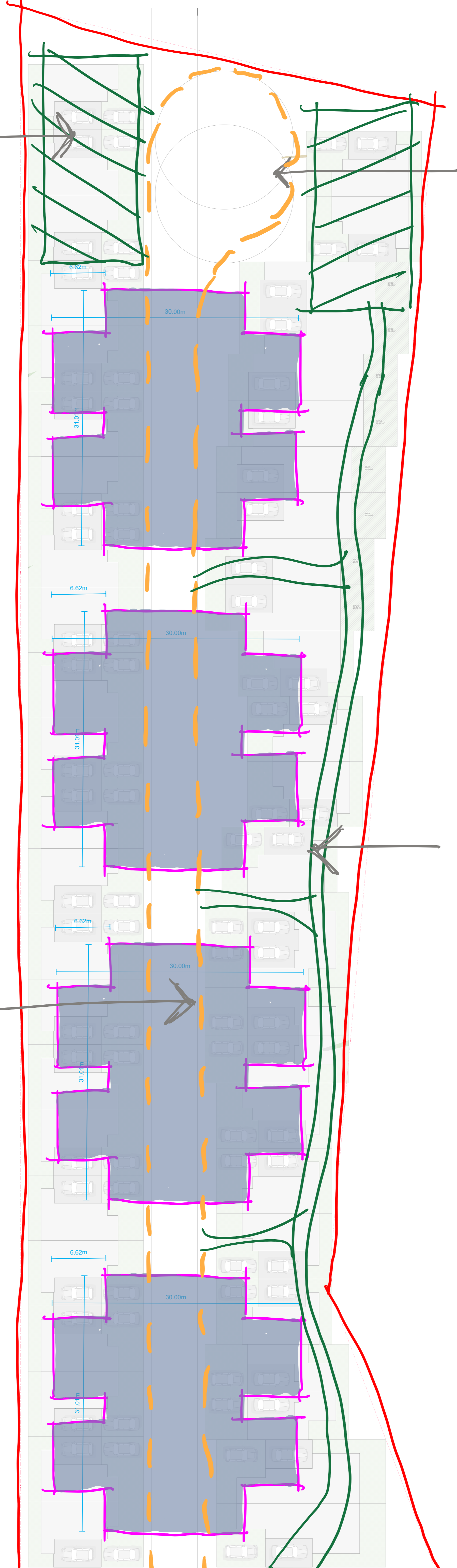
③ ENOUGH AREA
FOR COMMON
OPEN SPACE +
PEDESTRIANS

④ VISITORS + WASTE
TRUCKS TO BE
RESOLVED.
NOTE TRUCK
CLEARANCES
UNDER BUILDINGS.

MCKIMMIE'S ROAD
NORTHERN MD

SOCIAL HOUSING
SKETCH.

ARCADIA 14.2.2022





GROUND FLOOR

1:200

APARTMENTS - NUMBERS [BY BEDROOM No]		
GROUND FLOOR		
1 BED APT	16	
LEVEL 1		
2 BED APT	32	
LEVEL 2		
2 BED APT	32	
	<u>80</u>	

APARTMENTS - NSA		
		AREA
GROUND FLOOR		
1 BED APT	16	841
LEVEL 1		
2 BED APT	32	2784
LEVEL 2		
2 BED APT	32	2784
	<u>80</u>	<u>6409</u>

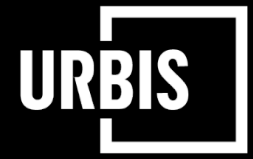
NOTE:
THERE ARE 4 APARTMENT BLOCKS IN TOTAL
(WITH A SIMILAR LAYOUT)



LEVEL 1 + LEVEL 2

1:200





PLANNING AND ENVIRONMENT ACT 1987 - SECT 3AA

Meaning of affordable housing

(1) For the purposes of this Act, *affordable housing* is housing, including [social housing](#), that is appropriate for the housing needs of any of the following—

- (a) [very low income households](#);
- (b) [low income households](#);
- (c) [moderate income households](#).

(2) For the purposes of determining what is appropriate for the housing needs of [very low income households](#), [low income households](#) and [moderate income households](#), regard must be had to the matters specified by the Minister by notice published in the Government Gazette.

(3) Matters specified by the Minister by notice under subsection (2) cannot include price ranges or prices for the purchase or rent of housing.

(4) In this section—

[S. 3AA\(4\)](#) def. of [low income households](#) amended by No. 7/2018 [s. 23](#).

"low income households" means households with a household income within the income range specified as a low income range by Order under [section 3AB](#);

"moderate income households" means households with a household income within the income range specified as a moderate income range by Order under [section 3AB](#);

"social housing" has the same meaning as in [section 4\(1\)](#) of the [Housing Act 1983](#) ;

"very low income households" means households with a household income within the income range specified as a very low income range by Order under [section 3AB](#).

[S. 3AB](#) inserted by No. 47/2017 [s. 4](#).

Planning and Environment Act 1987

SPECIFIED MATTERS UNDER SECTION 3AA(2)

Ministerial Notice

I, Richard Wynne, Minister for Planning and Minister responsible for administering the **Planning and Environment Act 1987**, under section 3AA(2) of that Act specify the following matters as matters to which regard must be had for the purposes of determining what is appropriate for the housing needs of very low, low and moderate income households:

- Allocation
- Affordability (in terms of the capacity for very low income, low income and moderate income households that it is intended for)
- Longevity (in terms of the public benefit of the provision)
- Tenure
- Type of housing, in terms of form and quality
- Location, in terms of site location and proximity to amenities, employment and transport
- Integration, in terms of the physical build and local community
- The following official estimates of housing need:
 - Australian Bureau of Statistics Community Profiles
 - Census profiles for Victoria
 - Department of Health and Human Services Rental Report
 - Metropolitan regional housing plans to guide housing growth
 - Public housing waiting list (Victorian Housing Register list)
 - Victoria in Future data tables.

This Ministerial Notice takes effect on 1 June 2018.

Dated 17 May 2018

HON RICHARD WYNNE MP

Minister for Planning

Planning and Environment Act 1987
SECTION 3AB – SPECIFICATION OF INCOME RANGES
Order in Council

The Governor in Council under section 3AB of the **Planning and Environment Act 1987** and on the recommendation of the Minister for Planning, the Minister administering the **Planning and Environment Act 1987**, hereby specifies, with respect to affordable housing that is not social housing, the following ranges to be the very low income range, low income range and moderate income range, respectively.

Table 1 – Greater Capital City Statistical Area of Melbourne

	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to \$26,680	\$26,681 to \$42,680	\$42,681 to \$64,020
Couple, no dependant	Up to \$40,010	\$40,011 to \$64,030	\$64,031 to \$96,030
Family (with one or two parents) and dependent children	Up to \$56,010	\$56,011 to \$89,630	\$89,631 to \$134,450

Table 2 – Rest of Victoria

	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to \$19,440	\$19,441 to \$31,110	\$31,111 to \$46,660
Couple, no dependant	Up to \$29,160	\$29,161 to \$46,660	\$46,661 to \$69,990
Family (with one or two parents) and dependent children	Up to \$40,830	\$40,831 to \$65,330	\$65,331 to \$97,980

Note: Table 1 and 2 are derived from annual area median income from the Australian Bureau of Statistics 2016 Census of Population and Housing and indexed using the Australian Bureau of Statistics Housing Group of the Consumer Price Index

This Order applies from 1 July 2022.

For the avoidance of doubt, this Order revokes the following Orders previously made under section 3AB of the **Planning and Environment Act 1987**:

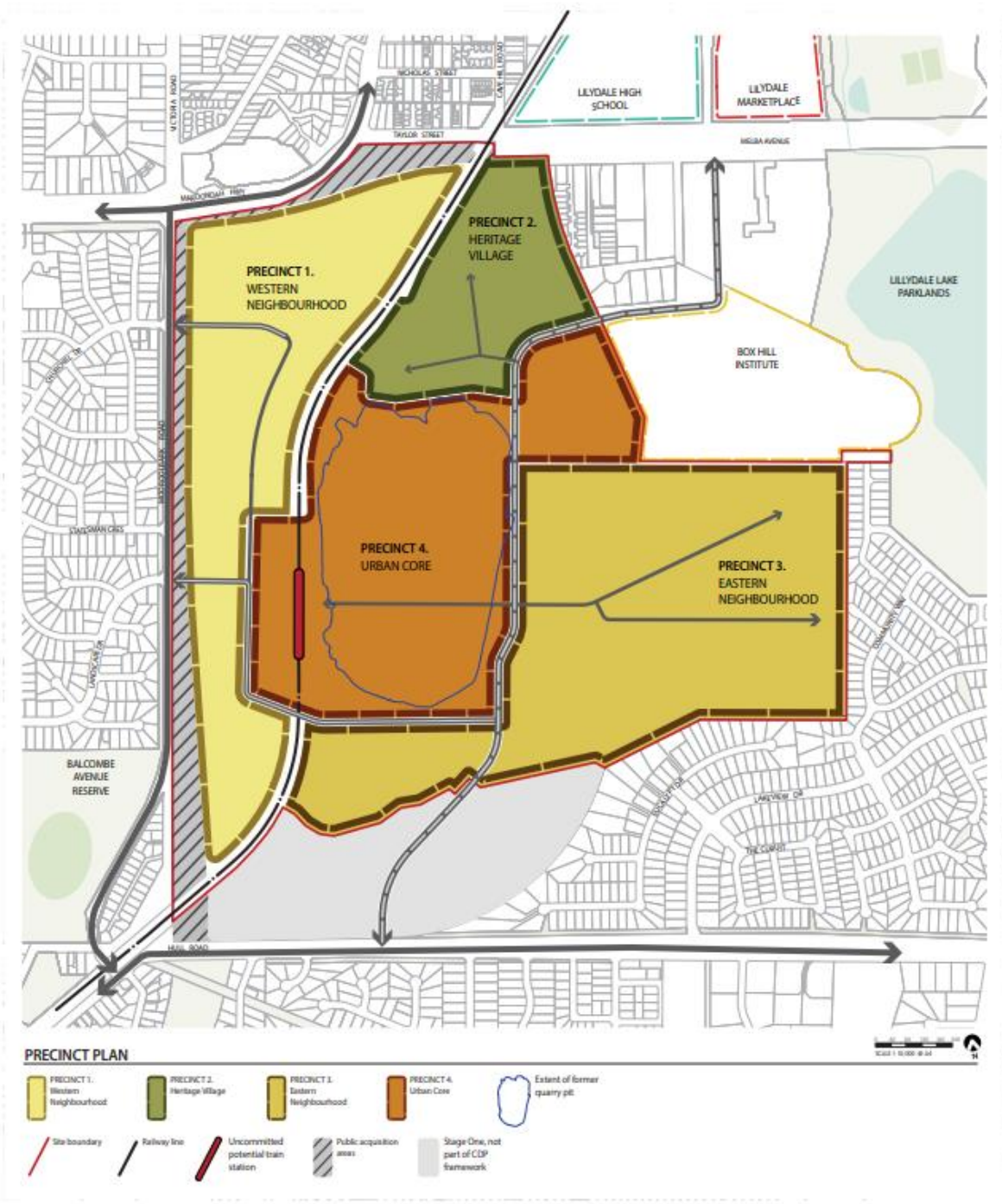
- Specification of Income Ranges, published in Government Gazette No. S 256 on 1 June 2018 at pages 1–2;
- Specification of Income Ranges, published in Government Gazette No. G 23 on 6 June 2019 at page 1070;
- Specification of Income Ranges for Affordable Housing, published in Government Gazette No. S 322 on 30 June 2020; and
- Specification of Income Ranges, published in Government Gazette No. G 26 on 1 July 2021.

21 June 2022

Responsible Minister:

HON RICHARD WYNNE MP
Minister for Planning

SAMUAL WALLACE
Clerk of the Executive Council



Former Lilydale Quarry Comprehensive Development Plan October 2021, (amended August 2022) - Precinct Plan

Summary of Council policy and strategies in regard to Social and Affordable Housing – January 2023

Strategic Document	Sections relevant to Social and Affordable Housing
Guiding Principles of Housing and Homelessness 2020 <i>(Endorsed at council 25 August 2020)</i>	<p>Council recognises the urgency and extent of need and homelessness across the municipality due to a shortfall in affordable rental accommodation, and the harms to the social and economic fabric of the community as a result of the shortfall in affordable housing options for people on lower incomes. There is a need for high quality, well managed social housing to ensure stable and secure homes for all.</p> <p>Council will address these issues through advocating to state government for mandatory inclusionary zoning to help met the gap in social housing, and advocate to state and federal government for an increase in funding for social housing, and systemic changes to meet the shortfall in affordable rental housing.</p> <p>Through Planning council will facilitate more diverse, high quality and liveable housing through negotiations with developers to include social housing as a component of larger developments and pursue negotiated agreements for the inclusion of affordable housing on appropriate development sites.</p>
Lilydale Major Activity Centre Structure Plan 2022 Page 126	<p>The Lilydale Major Activity Centre Structure Plan is intended to become the document that will guide the progressive redevelopment of the Lilydale Major Activity Centre. Being a major activity centre, increasing social housing supply in close proximity to public transport, jobs, community services and daily needs is consistent with Plan Melbourne. Objectives HS 7.4 and HS 7.5 aim to maximise opportunities to develop social housing, and provide Affordable Housing, including social housing, at the Kinley Development. Nine actions are identified to support a growing township, including action A12 – to work collaboratively with relevant Housing Associations to deliver affordable and social housing in Lilydale.</p>
Health and Wellbeing Plan 2021-2025	<p>Council has many roles in influencing and addressing the social determinants of health as part of improving health and wellbeing in Yarra Ranges. Principal among them is housing, particularly advocacy for social housing and to address homelessness.</p> <p>Council recognises the impacts of the gap in housing affordability, particularly for people in the lowest income bracket of our community, due to a shortfall in social housing.</p> <p>The Health and Wellbeing Plan also sets out four advocacy priorities which point to important systemic issues and are a longstanding focus for Council. Priority #2 is to increase social housing and reduce homelessness.</p>
Housing strategy 2009 <i>(Review underway 2022)</i>	<p>Housing Affordability is listed as the first <i>Current and Emerging issue</i> of the strategy and is identified as one of the four principles to guide the implementation of the strategy. This principle states that accessible and well-located affordable housing will be encouraged. Suitable accommodation for people who are unable to access the private housing market will be provided. Additional community and social housing will be facilitated. Opportunities to provide diverse and affordable housing on public land will be identified.</p>

QUARTERLY FINANCE REPORT - DECEMBER 2022

Report Author: Manager Financial Services

Responsible Officer: Director Corporate Services

Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

The attached quarterly finance report has been prepared as at 31 December 2022. The report includes financial year-to-date data up to quarter two of the 2022-23 financial year and is compared to the adopted budget and the forecast projections for the full year to 30 June 2023.

RECOMMENDATION

That Council

- 1. Receives and notes the Finance Report for the six months from 1 July 2022 to 31 December 2022 for the purpose of Section 97 of the Local Government Act 2020.***
- 2. Approves and adopts the Capital Works Transfers as outlined in the December Quarterly Capital Works Report.***

RELATED COUNCIL DECISIONS

There are no related Council decisions relevant to this item.

DISCUSSION

Purpose and background

The quarterly financial update presents summary financial statements and a series of other progress reports on matters that will inform both Council and the Community on the performance on the relevant quarter.

Key issues**Comprehensive result (net surplus)**

The year-to-date comprehensive result of \$9.1m or 31.8% is higher than the adopted budget mainly due to:

- Lower employee costs due to unfilled positions across the organisation (\$3.8m) with the largest variances in Building & Planning services (\$1.1m) and Family & Children services (\$0.5m); and
- Lower Covid-19 recovery costs to date (\$1.2m)

These were partially offset by:

- Grant funding recognised to date being \$1.1m below budget mainly related to the Roads for Community Initiative and delays across the capital project delivery program from poor weather, supply chain issues, significant community consultations and waiting for ministerial approvals/reviews; and
- Higher materials and services including for building maintenance works related to essential safety measures (\$0.9m) and temporary staff to backfill vacant positions due to labour shortages (\$1.4m)

Balance Sheet and Cashflow Statement

Cash and investment holdings are \$39.4m as at 31 December 2022, which reflects a positive cash position year-to-date, noting that when full year forecast projections are taken into consideration, this will have a small impact Council's full year cash position. The Balance Sheet presents a working capital of \$18.4m (total current assets of \$129.4m less total current liabilities of \$111.0m). The annual budgeted working capital is still expected to be positive at \$9.2m reflecting Council's ability to meet its obligations as and when they fall due.

Capital Program

Capital expenditure of \$29.5m is \$16.3m or 35.6% below the year-to-date Adopted Budget of \$45.8m. The underspend is mainly in:

- Infrastructure – Roads: Road for the Community Initiative (\$6.0m) and road rehabilitation and resurfacing (\$2.0m);
- Property – Buildings: Pinks Reserve Pavilion and Stadium (\$1.1m), Climate Resilient Buildings (\$1.4m) and Powelltown Pavilion (\$0.9m). These were partially offset by Civic Centre Redevelopment (\$0.6m) and the land purchase deposit for 150 Cambridge Rd land (\$0.6m); and
- Infrastructure - Open Space: Trails (\$2.6m) including RidgeWalk, Yarra Valley and Warburton Mountain Bike Destination.

Conclusion

This report provides a summary of the December 2022 position for Yarra Ranges Council. Council is currently tracking ahead of budget after the first six months, with Council forecasting a full financial year result that will be lower than budget. These variances are largely related to the timing of recognition of capital grant income and storm recovery income and rising costs of materials and services as detailed below.

FINANCIAL ANALYSIS

The attached report outlines the financial performance and position of Council's activities for the 2022-23 financial year up to 31 December 2022, as well as forecast of performance for the full year.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective in the Council Plan:

Sound financial management and reporting of Council's activities forms part of Council's commitment to being a High Performing Organisation, one of Council's five Strategic Objectives outlined in its Council Plan.

RELEVANT LAW

Section 97 of the *Local Government Act 2020* requires Council to prepare and present a quarterly finance report that compares annual budgeted revenue and expenditure with action year-to-date revenue and expenditure, at a Council meeting which is open to the public.

SUSTAINABILITY IMPLICATIONS***Economic Implications***

There are no broader economic impacts associated with this report.

Social Implications

There are no social impacts associated with this report.

Environmental Implications

There are no environmental impacts associated with this report.

COMMUNITY ENGAGEMENT

No community consultation was undertaken in relation to this report; however it is included in a Council meeting to provide community members with relevant information regarding the financial position of Council.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Not relevant.

RISK ASSESSMENT

A risk assessment has been considered in relation to the financial report and deemed an acceptable level of risk.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. December 2022 Quarterly Financial Report
2. December 2022 Quarterly Capital Works Report



Financial Report

for the period July 2022 to December 2022

Table of Contents

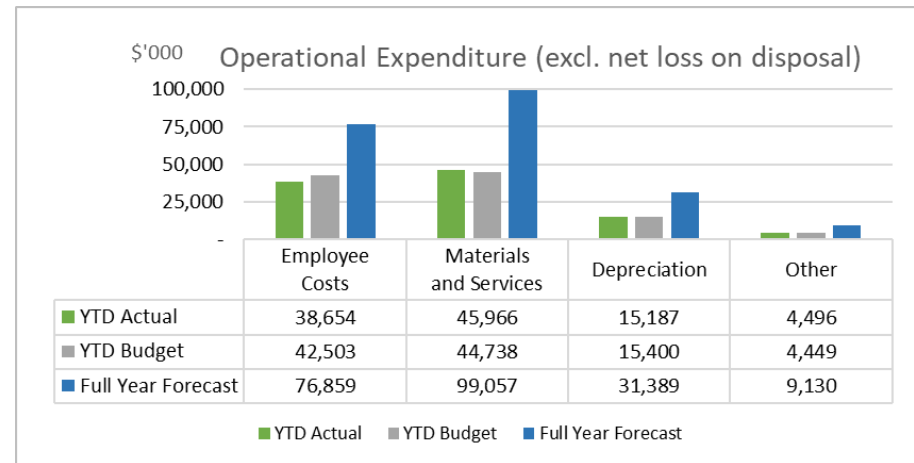
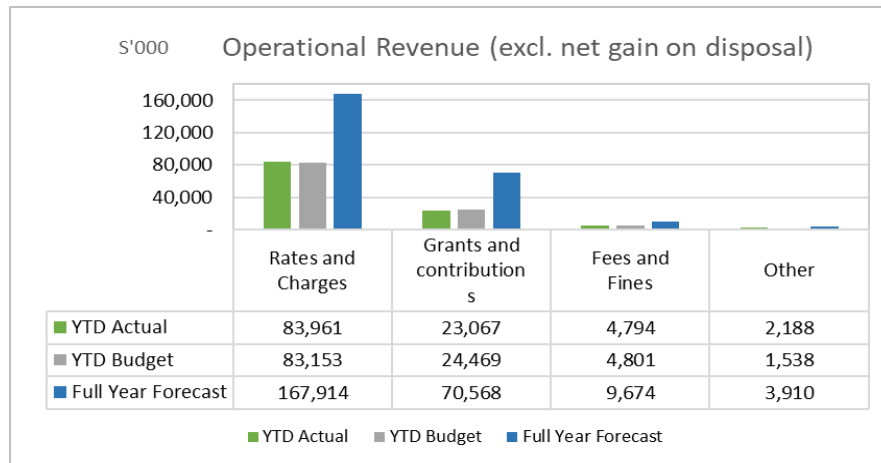
Executive Summary	3
Financial Performance for the period ending 31 December 2022	6
Comprehensive Income Statement	6
Variances and Insights	7
Directorate Overview	Error! Bookmark not defined.
Balance Sheet	10
Statement of Cash Flows	11
Statement of Capital Works	12
Natural Disaster Recovery	14
Storm Recovery - June 2021 (AGRN 969)	14
Storm Recovery - October 2022 (AGRN 1037)	15
Pandemic Recovery	15
Preparing Australian Communities (Local) Grant (PAC)	16
Organisational Performance	17
Investments	17
Borrowings	17
Debtor Management	17
Rate Arrears (includes Special Rates & Charges)	17
Special Charge Schemes	21
Work in Progress	23

Executive Summary

This report provides a summary of the December 2022 position for Yarra Ranges Council. Council is currently tracking ahead of budget after the first six months, with Council forecasting a full financial year result that will be lower than budget. These variances are largely related to the timing of recognition of capital grant income and storm recovery income and rising costs of materials and services as detailed below.

Income & Expense Summary

	December 2022				YTD December 2022				Annual Total			
	Adopted		\$ variance	% variance	Adopted		\$ variance	% variance	Adopted		\$ variance	% variance
	Actual	Budget			Actual	Budget			Budget	Forecast		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Total income	22,701	26,549	(3,848)	(14.5)%	114,010	113,961	49	0.0%	248,590	252,065	3,476	1.4%
Total expenses	23,288	18,056	(5,232)	(29.0)%	104,304	107,090	2,786	2.6%	208,914	216,435	(7,522)	(3.5)%
Net Gain/(Loss) on Disposal	(8)	0	(8)	0.0%	(650)	0	(650)	0.0%	0	(404)	(404)	100.0%
Net Surplus/(Deficit)	(594)	8,492	(9,087)	(107.0)%	9,056	6,869	2,185	31.8%	39,676	35,226	(4,450)	(12.6)%
Operating (Underlying) Surplus/(Deficit)	2,811	19,225	(16,413)	(85.4)%	(2,647)	(9,674)	7,027	72.6%	(5,039)	(7,436)	(2,397)	(32.2)%



Comprehensive Result (Net Surplus)

YTD comprehensive result of \$9.1m is \$2.2m or 31.8% higher than the adopted budget mainly due to:

- Lower employee costs due to unfilled positions across the organisation (\$3.8m) with the largest variances in Building & Planning services (\$1.1m) and Family & Children services (\$0.5m)
- Lower Covid-19 recovery costs to date (\$1.2m)

These were partially offset by:

- Grant funding recognised to date being \$1.1m below budget mainly related to the Roads for Community Initiative and delays across the capital project delivery program from poor weather, supply chain issues, significant community consultations and waiting for ministerial approvals/reviews.
- Higher materials and services including for building maintenance works related to essential safety measures (\$0.9m) and temporary staff to backfill vacant positions due to labour shortages (\$1.4m)

The annual forecast result of \$35.2m is expected to be below budget by \$4.5m or 12.6% mainly due to higher materials and services costs including:

- Unbudgeted Preparing Australian Communities (PAC) project costs which were unknown at the time of preparing the Budget (\$2.6m), this is fully offset by grant funding.
- Unbudgeted building maintenance works related to essential safety measures (\$1.5m).
- Unbudgeted Consultancy for the Sustainable Streetlighting Program, this is offset by savings from the 2021-22 Capital Expenditure Program and Victorian Energy Efficiency Certificate rebates (\$0.8m).
- Higher temporary staff to cover vacancies across the organisation (\$1.2m)

These are partially offset by higher non-recurrent funding (\$2.7m) related to prior year carried forward capital projects and storm recovery costs; as well as unbudgeted funding for some projects including the Blackspot project and the Preparing Australian Communities (PAC) grant.

Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$39.4m as at 31 December 2022, which reflects a positive cash position year-to-date, noting that when full year forecast projections are taken into consideration, this will have a small impact Council's full year cash position. The Balance Sheet presents a working capital of \$18.4m (total current assets of \$129.4m less total current liabilities of \$111.0m). The annual budgeted working capital is still expected to be positive at \$9.2m reflecting Council's ability to meet its obligations as and when they fall due.

Capital Program

Capital expenditure of \$29.5m is \$16.3m or 35.6% below the YTD Adopted Budget of \$45.8m.

The underspend is mainly in:

- Infrastructure – Roads: Road for the Community Initiative (\$6.0m) and road rehabilitation and resurfacing (\$2.0m).
- Property – Buildings: Pinks Reserve Pavilion and Stadium (\$1.1m), Climate Resilient Buildings (\$1.4m) and Powelltown Pavilion (\$0.9m). These were partially offset by Civic Centre Redevelopment (\$0.6m) and the land purchase deposit for 150 Cambridge Rd land (\$0.6m).

- Infrastructure - Open Space: Trails (\$2.6m) including RidgeWalk, Yarra Valley and Warburton Mountain Bike Destination.

The table below outlines where Council is tracking against key VAGO performance indicators.

VAGO Performance Indicators as at December 2022							
Indicator	Measure					YTD Actual	Full year Budget
Net result	Net surplus (deficit) / Total revenue	Less than -1.0%	-10% to 0%	More than 0%	%	7.9%	16.0%
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	Less than 0%	0% to 5%	More than 5%	%	-2.6%	-2.5%
Liquidity	Current Assets / Current Liabilities	Less than 0.75	0.75 to 1.0	More than 1.0	X	1.17	1.11
Internal financing	Net operating cashflow / Net capital expenditure	Less than 75%	75% to 100%	More than 100%	%	-29.6%	82.2%
Indebtedness	Non current liabilities / Own sourced revenue	More than 60%	40% to 60%	40% or Less	%	11.6%	20.1%

- *Net result – is revenue/income from transactions minus expenses from transactions, as a percentage of total revenue.*
Actual result is positive due to lower YTD expenditure employee costs, depreciation and finance costs. The higher budgeted net result is due to the full recognition of rates by the end of the financial year.
- *Adjusted underlying result – is the net result exclusive of grants and contributions. It is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives.*
YTD actual is mostly related to timing of expenditure for infrastructure maintenance, facilities management and disaster recovery. The budget factored in storm and pandemic recovery for FY23 causing short term deficit in this measure.
- *Liquidity - The ability to pay liabilities due within the next 12 months. A ratio of one or more means that an entity has more cash and liquid assets than short-term liabilities.*
Strong cash balance and higher rate debtors at the mid-year point of the financial year fully offsets current payables and liabilities.
- *Internal financing – The ability to finance capital works from net operating cashflow.*
Operational expenditure (materials, services and employee costs) and capital expenditure are higher than rate revenue actually collected, and grant funding received at this time of the year.
- *Indebtedness - The ability to repay debt due after the next 12 months from own-sourced revenue (Total revenue excluding grants and contributions).*
YTD and full year budget reflect Council's low level of debt compared to own-sourced revenue generated.

Financial Performance for the period ending 31 December 2022

Comprehensive Income Statement

Income & Expense Statement

	December 2022				YTD December 2022				Annual Total			
	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Adopted Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Income												
Rates - General Rates	13,646	13,384	262	2.0%	80,956	80,302	654	0.8%	160,604	160,604	0	0.0%
Rates - Special Rates & Charges	0	1,849	(1,849)	(100.0)%	3,005	2,850	154	5.4%	7,704	7,309	(395)	(5.4)%
Statutory Fees and Fines	433	299	134	44.7%	1,554	1,539	14	0.9%	3,079	3,076	(2)	(0.1)%
User Fees	322	540	(218)	(40.4)%	3,241	3,261	(21)	(0.6)%	6,480	6,598	118	1.8%
Contributions - Cash	341	525	(184)	(35.0)%	1,730	1,996	(266)	(13.3)%	4,340	4,644	303	6.5%
Grants - Recurrent	3,590	566	3,024	533.9%	10,852	6,440	4,412	68.5%	35,657	31,560	(4,097)	(13.0)%
Grants - Non Recurrent	3,510	9,113	(5,603)	(61.5)%	10,484	16,033	(5,549)	(34.6)%	24,556	31,364	6,808	21.7%
Other Revenue	131	151	(20)	(13.2)%	684	803	(120)	(14.9)%	1,699	1,782	83	4.7%
Interest	729	122	606	494.8%	1,505	735	770	104.7%	1,470	2,127	657	30.9%
Contributions - Non Cash	0	0	0	0.0%	0	0	0	0.0%	3,000	3,000	0	0.0%
Total income	22,701	26,549	(3,848)	(14.5)%	114,010	113,961	49	0.0%	248,590	252,065	3,476	1.4%
Expenses												
Employee Benefits*	9,366	7,086	(2,280)	(32.2)%	38,654	42,503	3,849	9.1%	76,651	76,859	(208)	(0.3)%
Materials and Services*	10,907	7,754	(3,153)	(40.7)%	45,966	44,738	(1,229)	(2.7)%	91,737	99,057	(7,321)	(7.4)%
Bad and Doubtful Debts	0	0	0	100.0%	6	1	(5)	(1,037.1)%	51	53	(2)	(3.1)%
Depreciation and Amortisation	2,562	2,567	4	0.2%	15,187	15,400	213	1.4%	31,234	31,389	(155)	(0.5)%
Other Expenses	434	556	122	21.9%	4,356	3,891	(466)	(12.0)%	8,110	8,361	(250)	(3.0)%
Finance Costs (Interest)	19	93	74	79.9%	134	558	424	76.0%	1,131	717	414	57.7%
Total expenses	23,288	18,056	(5,232)	(29.0)%	104,304	107,090	2,786	2.6%	208,914	216,435	(7,522)	(3.5)%
Net Gain/(Loss) on Disposal	(8)	0	(8)	0.0%	(650)	0	(650)	0.0%	0	(404)	(404)	100.0%
Net Surplus/(Deficit)	(594)	8,492	(9,086)	(107.0)%	9,056	6,871	2,184	31.8%	39,676	35,226	(4,450)	(12.6)%
Operating (Underlying) Surplus/(Deficit)	2,811	19,225	(16,413)	(85.4)%	(2,647)	(9,674)	7,027	72.6%	(5,039)	(7,436)	(2,397)	(32.2)%

The operating (underlying) result is calculated by removing capital related income (grants and contributions) from the comprehensive result to determine the true operating result of Council's operations.

Variations and Insights

Year to date performance against budget (>\$500k or 10%)

Variance type	Variance Commentary	\$ impact
General Rates	General Rates - variance is due to timing allocations of general rates and charges.	\$0.7m favourable to budget
Contributions - Cash	The unfavourable variance is mainly related to timing of the Native Timber Industry Transition contribution (\$0.2m) and contributions related to capital projects including: public open space contributions (\$0.7m) and contribution for the Warburton Mountain Bike Destination project (\$0.1m). These are partially offset by earlier receipt of the Lilydale Quarry developer contributions (\$0.2m) and Pinks Reserve Netball Court (\$0.3m).	\$0.3m unfavourable to budget
Grants – Recurrent and Non-Current	<p>The unfavourable variance is largely due to:</p> <ul style="list-style-type: none"> Roads for Community Initiative (\$2.7m) Delays across the capital project delivery program from poor weather, supply chain issues, significant community consultations and waiting for ministerial approvals/reviews. The largest variances are for Climate Resilient Buildings (\$1.1m), RidgeWalk (\$0.6m), Powelltown Pavilion (\$0.7m), Yarra Valley Trail (\$0.8m). <p>This is partially offset by:</p> <ul style="list-style-type: none"> Revenue recognition of Storm recovery funding (\$2.7m) Unbudgeted Preparing Australian Communities (PAC) funding (\$0.3m) unbudgeted funding for Climate & Nature program (\$0.2m) earlier receipt of recurrent grant revenue mainly for Emergency Management (\$0.2m), Corridors of Green project (\$0.2m), Children services (\$0.1m). 	\$1.1m unfavourable to budget
Employee Benefits	<p>Underspend in employee costs is mainly due to unfilled vacancies across the organisation. The largest variances are in:</p> <ul style="list-style-type: none"> Communities (\$1.8m) - Family & Children Services (\$0.8m), Safer Communities (\$0.7m), Cultural Development (\$0.3m) Environment & Infrastructure (\$0.9m) - Infrastructure Maintenance (\$0.3m), Parks and Bushland (\$0.4m), Waste Management (\$0.4m) Planning Design and Development (0.6m) - Building Services (\$0.6m) <p>These are partially offset by timing of salary capitalisation (\$1.0m).</p>	\$3.8m favourable to budget

Variance type	Variance Commentary	\$ impact
Materials and services	Unfavourable variance is mainly due to: <ul style="list-style-type: none"> • Building maintenance works related to essential safety measures (\$0.9m) • Parks and Bushland trees management and pruning (\$0.6m) • Higher temp staff to backfill vacant positions due to labour shortages (\$1.4m) • The Preparing Australian Communities (PAC) initiation phase which was not budgeted (\$0.2m) These are partially offset by underspend in Covid-19 Recovery (\$1.2m).	\$1.3m unfavourable to budget

Full year forecast analysis against budget

Variance type	Variance Commentary	\$ impact
Grants – Recurrent and Non-Current	<p>The favourable variance is largely due to:</p> <ul style="list-style-type: none"> • Recognition of Storms recovery prepaid and unearned income from the previous year as works are completed this year in accordance with accounting standards (\$1.6m) • Carried forward funding from FY22 including Mount Evelyn Sports Pavilion (\$1.3m) and Pinks Reserve (\$1.2m) • Unbudgeted funding for Blackspot project (\$1.2m), McMahons Creek Bridge (\$0.5m) and the Preparing Australian Communities (PAC) grant funding (\$2.8m). <p>This is offset capital funding expected to be carried forward including the Roads for the Community Initiative (\$4.0m), Climate Resilient Buildings (1.8m), RidgeWalk (\$1.1m)</p>	\$2.7m favourable to budget
Interest Revenue	Higher opening cash balance than anticipated and increase in interest rates.	\$0.7m favourable to budget
Materials and services	<p>The unfavourable variance is largely driven by:</p> <ul style="list-style-type: none"> • Unbudgeted Preparing Australian Communities (PAC) project costs which were unknown at the time of preparing the Budget (\$2.6m). • Unbudgeted building maintenance works related to essential safety measures (\$1.5m) • Unbudgeted Consultancy for the Sustainable Streetlighting Program, this is offset by savings from the 2021-22 Capital Expenditure Program and Victorian Energy Efficiency Certificate rebates (\$0.8m) • Higher temporary staff to cover vacancies across the organisation (\$1.2m) • Software - Cloud services (\$0.9m) 	\$7.3m unfavourable to budget

Balance Sheet

Balance Sheet - as at Dec 2022			
\$'000	Actuals YTD (Dec 2022)	Adopted Budget (to June 2023)	Prior year (to June 2022)
Current assets			
Cash and cash equivalents	39,353	66,330	84,674
Trade and other receivables	74,859	21,560	36,781
Other assets	15,170	5,418	15,343
Total current assets	129,382	93,308	136,798
Non-current assets			
Trade and other receivables	3,861	1,406	1,088
Investments in associates and joint ventures	3,561	5,400	3,561
Property, infrastructure, plant & equipment	1,295,977	1,259,485	1,282,486
Right-of-use assets	3,349	1,303	585
Intangible asset	492	819	3,349
Total non-current assets	1,307,240	1,268,413	1,291,069
Total assets	1,436,622	1,361,721	1,427,867
Current liabilities			
Trade and other payables	70,373	15,349	70,435
Trust funds and deposits	19,122	43,270	16,037
Provisions	18,568	19,252	20,436
Interest-bearing loans and borrowings	1,194	5,856	3,184
Lease liabilities	1,694	427	1,694
Total current liabilities	110,951	84,154	111,786
Non-current liabilities			
Provisions	5,702	5,843	5,167
Interest-bearing loans and borrowings	3,111	31,165	3,111
Lease liabilities	1,944	867	1,944
Total non-current liabilities	10,757	37,874	10,222
Total liabilities	121,708	122,028	122,009
Net assets	1,314,914	1,239,693	1,305,858
Equity			
Accumulated surplus	603,052	599,089	566,025
Reserves	702,806	600,928	702,806
Current Operating Surplus/(Deficit)	9,056	39,676	37,027
Total equity	1,314,914	1,239,693	1,305,858
Working Capital	18,431	9,154	25,011

Statement of Cash Flows

Statement of Cash Flows - as at Dec 2022

\$'000	Actuals YTD (Dec 2022)	Annual Budget (to June 2023)	Prior year (to June 2022)
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and charges	52,885	169,324	156,225
Statutory fees and fines	1,492	3,392	2,665
User fees (inclusive of GST)	6,599	7,138	6,722
Grants - operating (inclusive of GST)	12,701	21,879	19,591
Grants - capital (inclusive of GST)	18,753	36,009	51,303
Contributions (inclusive of GST)	1,759	3,944	3,467
Interest received	1,488	1,470	354
Trust funds and deposits	191	37	13,608
Other receipts (inclusive of GST)	726	5,363	6,007
Net GST refund	7,870	16,015	9,266
Materials and Services (inclusive of GST)	(60,674)	(73,042)	(69,324)
Employee costs	(42,376)	(93,820)	(87,555)
Other payments	(11,329)	(17,362)	(21,634)
Net cash provided by operating activities	(9,915)	80,347	90,695
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment	(33,541)	(97,753)	(68,155)
Proceeds from sale of property, infrastructure, plant and equipment	263	0	828
Investments in associates	-	0	2,000
Net cash used in investing activities	(33,278)	(97,753)	(65,327)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs	(138)	(1,116)	(411)
Proceeds from interest bearing loans and borrowings	-	23,497	0
Repayment of borrowings	(1,990)	(5,701)	(3,838)
Interest paid - lease liability	-	(15)	(232)
Repayment of lease liabilities	-	(423)	(1,774)
Net cash provided by (used in) financing activities	(2,128)	16,242	(6,255)
Net increase/(decrease) in cash and cash equivalents	(45,321)	(1,164)	19,113
Cash and cash equivalents at beginning of the financial year	84,674	67,494	65,561
Cash and cash equivalents	39,353	66,330	84,674

The breakdown of the Cash and Cash Equivalents can be found below under "Investments".

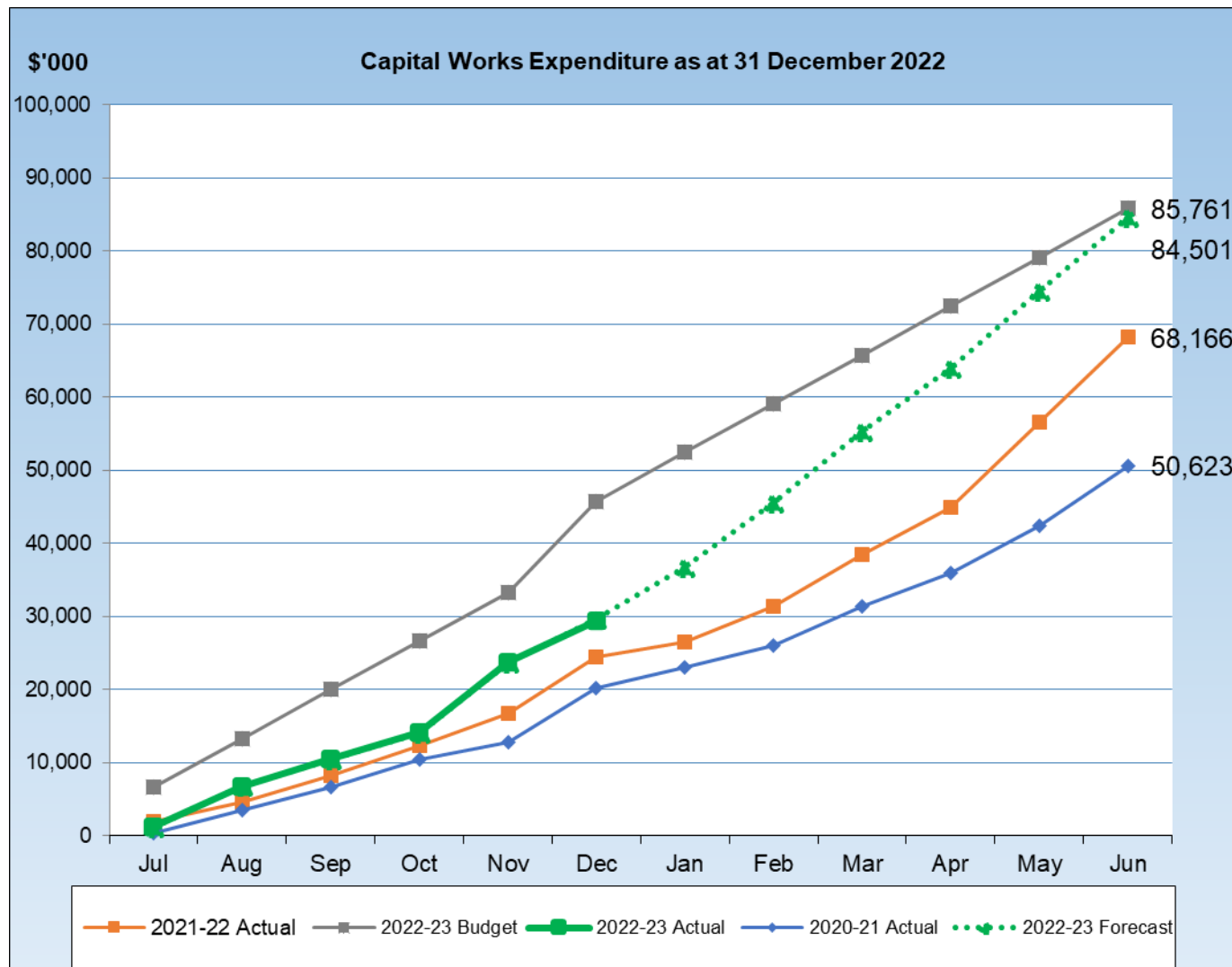
Statement of Capital Works

Capital Works Statement

	December 2022				YTD December 2022				Annual Total			
	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Adopted Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Expenditure												
Infrastructure - Asset Management	3	440	438	99.4%	7	2,643	2,635	99.7%	5,285	5,260	25	0.5%
Infrastructure - Bridges	194	56	(138)	(245.2)%	485	336	(149)	(44.2)%	673	1,603	(930)	(58.0)%
Infrastructure - Community & Recreation	131	262	131	50.0%	1,490	1,570	80	5.1%	3,140	5,442	(2,302)	(42.3)%
Infrastructure - Drainage	56	132	77	57.8%	131	794	663	83.5%	1,589	1,266	323	25.6%
Infrastructure - Footpaths & Cycleways	376	196	(180)	(92.0)%	1,057	1,177	120	10.2%	2,353	2,444	(91)	(3.7)%
Infrastructure - Off-street Carparks	68	29	(39)	(133.1)%	183	175	(8)	(4.4)%	350	350	0	0.0%
Infrastructure - Open Space	487	818	331	40.5%	1,959	4,906	2,947	60.1%	9,812	8,052	1,760	21.9%
Infrastructure - Roads	2,154	2,740	586	21.4%	9,097	16,441	7,344	44.7%	32,881	30,113	2,768	9.2%
P&E - Computers & Comms	222	216	(6)	(2.8)%	942	1,298	356	27.4%	2,596	2,106	490	23.3%
P&E - Fixtures, Fittings & Furniture	0	2	2	100.0%	0	9	9	100.0%	18	18	0	0.0%
P&E - Plant, Machinery & Equipment	318	296	(22)	(7.5)%	921	1,775	854	48.1%	3,550	5,017	(1,467)	(29.2)%
Property - Buildings	1,716	1,476	(240)	(16.2)%	6,751	8,859	2,108	23.8%	17,718	16,387	1,331	8.1%
Property - Land	0	5,796	5,796	100.0%	6,444	5,796	(648)	(11.2)%	5,796	6,444	(648)	(10.1)%
TOTAL	5,724	12,460	6,735	54.1%	29,466	45,779	16,312	35.6%	85,761	84,501	1,260	(54.9)%

Further detail on the performance of the Capital Program is provided in the separate monthly capital works report.

The graph below shows the adopted budget and actual Capital Works expenditure for 2022-23 in comparison to previous years.



Natural Disaster Recovery

Storm Recovery - June 2021 (AGRN 969)

	2022-23 YTD	2022-2023 YTD	2022-2023 YTD	LIFE TO DATE	FULL PROGRAM
	ACTUALS	BUDGET	BUD-ACT VAR	ACTUALS	FORECAST
Funding	1,974,051	2,170,422	(196,371)	14,425,414	18,509,030
People, Culture and Wellbeing	60,036	71,943	11,907	1,310,645	2,928,112
Business, Tourism and Economy	18,816	110,250	91,434	39,503	651,000
Public Infrastructure	103,433	1,089,723	986,290	1,289,911	3,592,836
Environment and Biodiversity	360,675	846,875	486,200	10,048,307	10,712,613
Planning and Rebuilding	34,145	105,193	71,048	93,895	620,000
Recovery Directorate	1,645,961	1,888,431	242,470	5,011,879	5,912,636
Resident Storm Branch Collection	77,586	741,741	664,155	1,342,336	2,000,000
Total Expenditure	2,300,652	4,854,156	2,553,504	19,136,476	26,417,197
Net Position	(326,601)	(2,683,734)	(2,357,133)	(4,711,062)	(7,908,167)

Note: Variances to budget which are unfavourable are shown in brackets ().

Resident Storm Branch Collection

YTD Variance to budget \$664,155.

Budget anticipated that the ERV funded second phase ran from July-September 2022. Actual timing is expected to be September 2022 to June 2023.

Public Infrastructure

YTD Variance to budget \$986,290.

Budget included substantial Asset Reconstruction works. Asset Reconstruction works had not been fully investigated at the time of preparing the budget. Asset Reconstruction program totalling \$307,000 has been approved under DRFA and works are in progress. These works will be largely funded under DRFA.

Environment and Diversity

YTD Variance to budget \$486,200.

Budget included tree clean-up in Parks, Reserves and Bushland which was largely completed in 2021-22. Actual YTD includes first payment of \$283,573 to Treasuring Our Trees and Habitat for Humanity as part of a private property clean-up program totalling \$656,667. This program is 100% funded by ERV. Funding is being recognised as expenditure occurs

DRFA Claims status

Claims have been lodged with Emergency Management Victoria under DRFA totalling \$10,307,341.

Thirty-two claims have been assessed and paid to date with Council receiving an average 90% reimbursement from \$7,287,899 claimed.

Advances received in 2021-22 were recorded as income in 2021-22. Advances totalling \$7,846,420 are expected to be fully recovered against claims. DRFA funding in 2022-23 is expected to be only for Asset Reconstruction works.

Storm Recovery - October 2022 (AGRN 1037)

Flooding was experienced over several days in October and November 2022. For example, at Coldstream, 220mm of rain fell in October and 146mm fell in November. In many instances, the rain fell within a short period of time, causing flash flooding throughout the region.

Damage to roads has been extensive, with over 500 roads or road sections listed as requiring remediation works. Around half have been repaired, with a total spend so far on roads and drains of \$1,815,421.

Trees were de-stabilised during the flooding, and many came down shortly thereafter. Most of the tree issues caused by the floods have been attended to, costing \$568,248.

Council is working with ERV and our DRFA assessor to ensure we receive the maximum funding assistance under DRFA and all other avenues of funding. \$500,000 has been received via the Council Flood Support Fund and will be used to support works in Council owned parks and gardens which are not funded under DRFA, as well as other non-DRFA funded expenses.

Total expenditure as a result of this flood event is expected to be around \$5 million.

	2022-23 YTD
	ACTUALS
Funding	2,647,450
People, Culture and Wellbeing	8,067
Insurance works on Council property	23,429
Parks and Gardens works	233,696
Environment and Biodiversity	568,248
Public Infrastructure	1,815,421
Total Expenditure	2,648,860
Net Position	(1,410)

Pandemic Recovery

	2022-23 YTD	2022-2023 YTD	2022-2023 YTD	2022-23 FULL YEAR
	ACTUALS	BUDGET	BUD-ACT VAR	BUDGET
900944 - Covid-19 Other	156,658	103,368	53,290	150,496
900945 - Working For Victoria	4,918	4,918	0	9,755
900948 - COVID Vaccination Communication	(5,700)	0	(5,700)	0
900950 - Covid-19 Recovery Fund	1,982	1,283,490	(1,281,508)	2,565,524
900951 - CRF-Community Led Recovery Committees	34,889	71,427	(36,538)	140,749
900953 - CRF – Mental Wellbeing Coordination	53,606	73,753	(20,148)	145,713
900956 - CRF-Grants Community Recovery	4,806	4,806	0	9,533
900957 - CRF-Emergency Relief Network	0	30,000	(30,000)	60,000
900960 - CRF-Mental Health First Aid	182	0	182	0
900967 - Coworking Plus	1,792	0	1,792	0
900971 - CRF-Art Attack Yarra Ranges	3,200	0	3,200	0
900972 - CRF - Affordable Housing	24,503	0	24,503	0
900973 - CRF - Diversity and Inclusion	0	0	0	0
900974 - CRF - Your Reason Your Season	40,476	0	40,476	0
900975 - CRF – Building Skills for the Future	0	0	0	0
Total Expenditure	321,310	1,571,762	(1,250,451)	3,081,770

Several new projects have been approved by ELT and will be started in the coming months, including:

Mental Health First Aid	\$78,260
Affordable Housing	\$288,583
Diversity and Inclusion	\$141,301
Your Reason Your Season	\$80,000
Building Skills for the Future	\$35,000

These projects will continue into the new financial year and will be included in the 2023-24 Budget.

Preparing Australian Communities (Local) Grant (PAC)

	Actual spend YTD	Grant funded	Council funded	Total Project	
Landslip Risk Assessment	0	300,000	0	300,000	
Changing Places Facility	16,667	87,000	87,000	174,000	* Capital project
Emergency Relief	0	161,016	14,234	175,250	
Place Based Resilience Planning	27,694	1,219,650	215,063	1,434,712	
Proactive Tree Management	229,207	4,825,725	0	4,825,725	
Resilient Buildings	174,403	3,000,000	3,070,000	6,070,000	* Capital project
Resilient Energy Precinct	21,946	401,609	49,500	451,109	
Resilient Yarra Ranges	0	5,000	0	5,000	
Total Expenditure	469,917	10,000,000	3,435,796	13,435,796	

Council was successful in the application for funds under the Preparing Australian Communities (Local) Grant program. Projects funded by this grant will run from 2022-23 to 2024-25. This was not certain at the time of preparing the Budget, so these projects have not been included in the Budget for 2022-23. Projects are still in the initiation phase with minimal spending.

Investments

Account Name	Balance \$'000	Applicable interest rate
Operating Cash Accounts		
Cash Management (Westpac Operating Account)	1,479	0.45%
Cash Management (Westpac Investment Account)	29,680	0.55%
Cash Management (Commonwealth)	671	0.01%
Term Deposits		
BOQ Term Deposit (matures 29/01/2023)	2,000	3.45%
MyState Term Deposit (matures 02/06/2023)	3,500	4.35%
MyState Term Deposit (matures 06/03/2023)	2,000	3.85%
Total Cash & Cash Equivalents	39,331	

Borrowings

Account Name	Original Loan Amount	Applicable interest rate	Current Liability	Non Current Liability	Total
Loan					
NAB (end 01/12/2022)	13,000,000	5.35%	0	0	0
NAB (end 04/08/2024)	21,000,000	4.65%	1,193,676	3,111,026	4,304,702
Loan Balance			1,193,676	3,111,026	4,304,702

Debtor Management

Trade & Other Receivables – *Balance of \$78.7m*

Rate Arrears (includes Special Rates & Charges)

Total outstanding is \$121.7m for Receivables – Property.

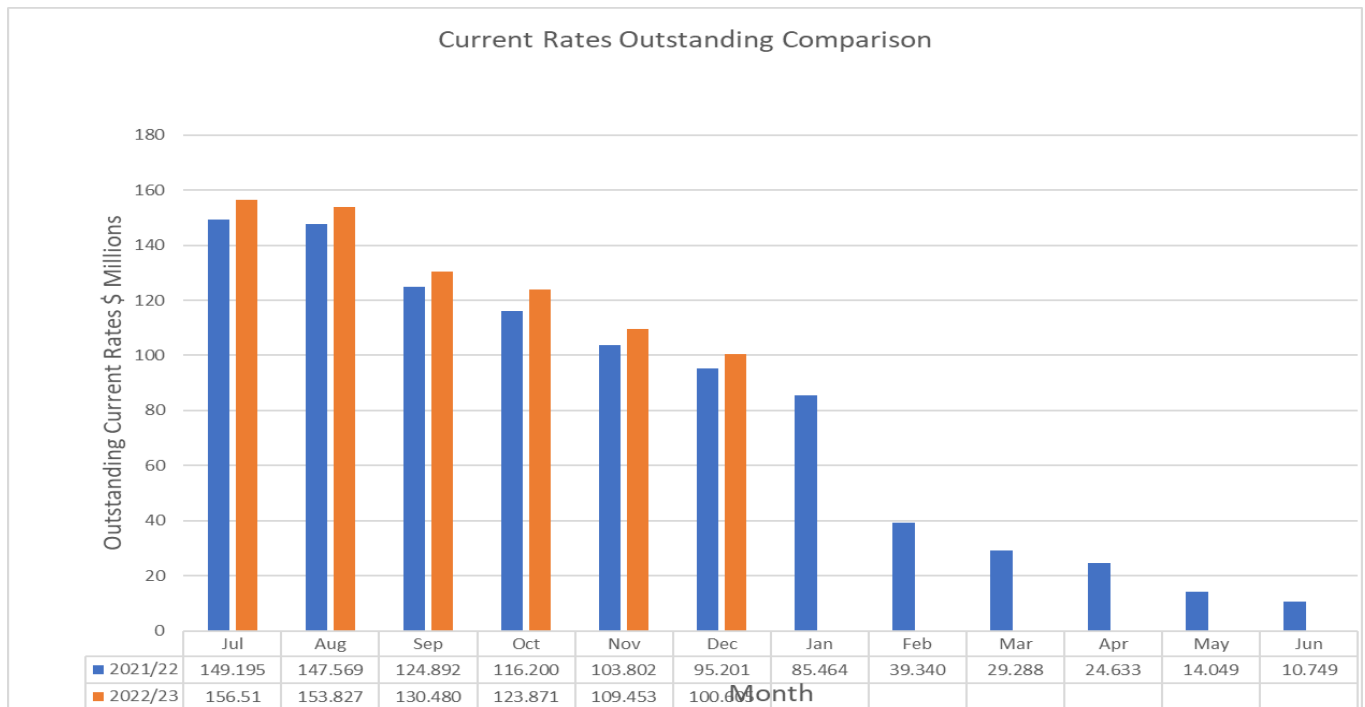
Note: The Trade & Other Receivables balance of \$78.7m in the balance sheet includes only the YTD apportioning of the total annual rates invoiced.

The following table details the total rates outstanding for 2022-23 as at 31 December 2022.

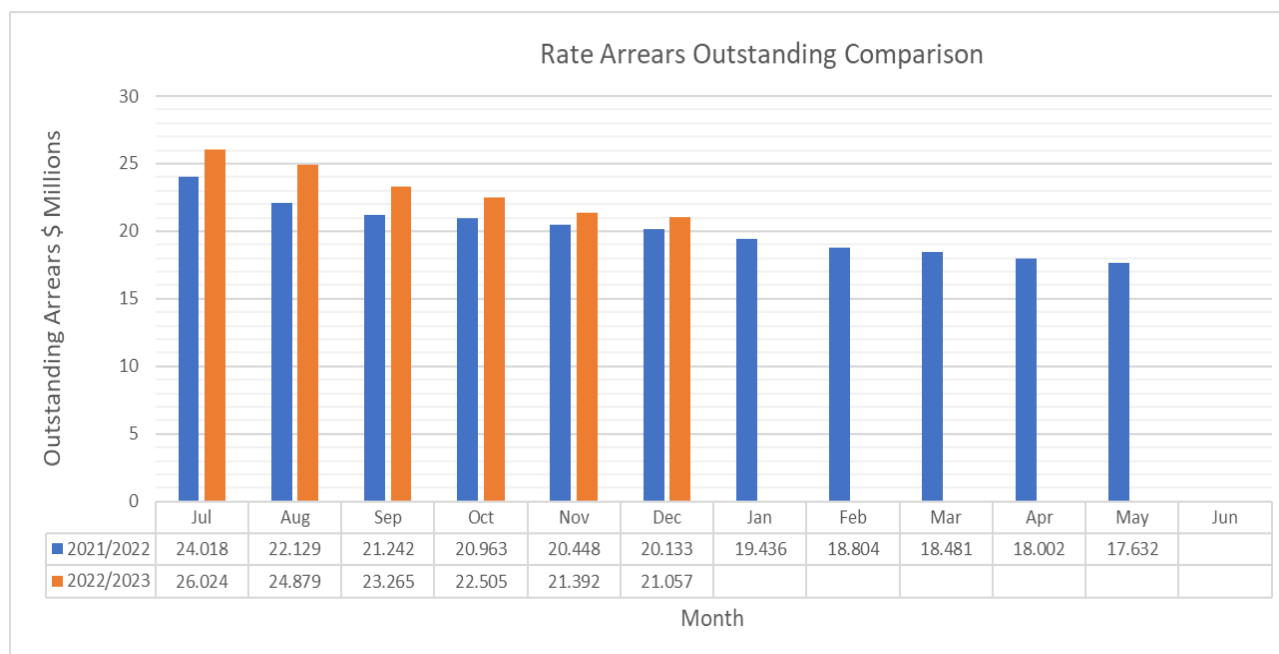
Rates Debts Outstanding		
Current Rates 22/23	100,328,809.53	
Current Interest	-	
Legal Costs on Current	276,738.31	100,605,547.84
<hr/>		
Arrears (prior to 22/23)	18,147,840.33	
Interest on Arrears	2,668,950.74	
Legal costs on Arrears	240,214.99	21,057,006.06
<hr/>		
Total rates & charges Outstanding		121,662,553.90

Current Rates Outstanding Comparison

The level of current rates outstanding measured in real terms (+1.75% Rates Cap Increase) compared to the same period last year has increased by 3.72%



The level of rate arrears measured in real terms (+1.75% Rates Cap Increase) compared to the same period last year has increased by 1.21%



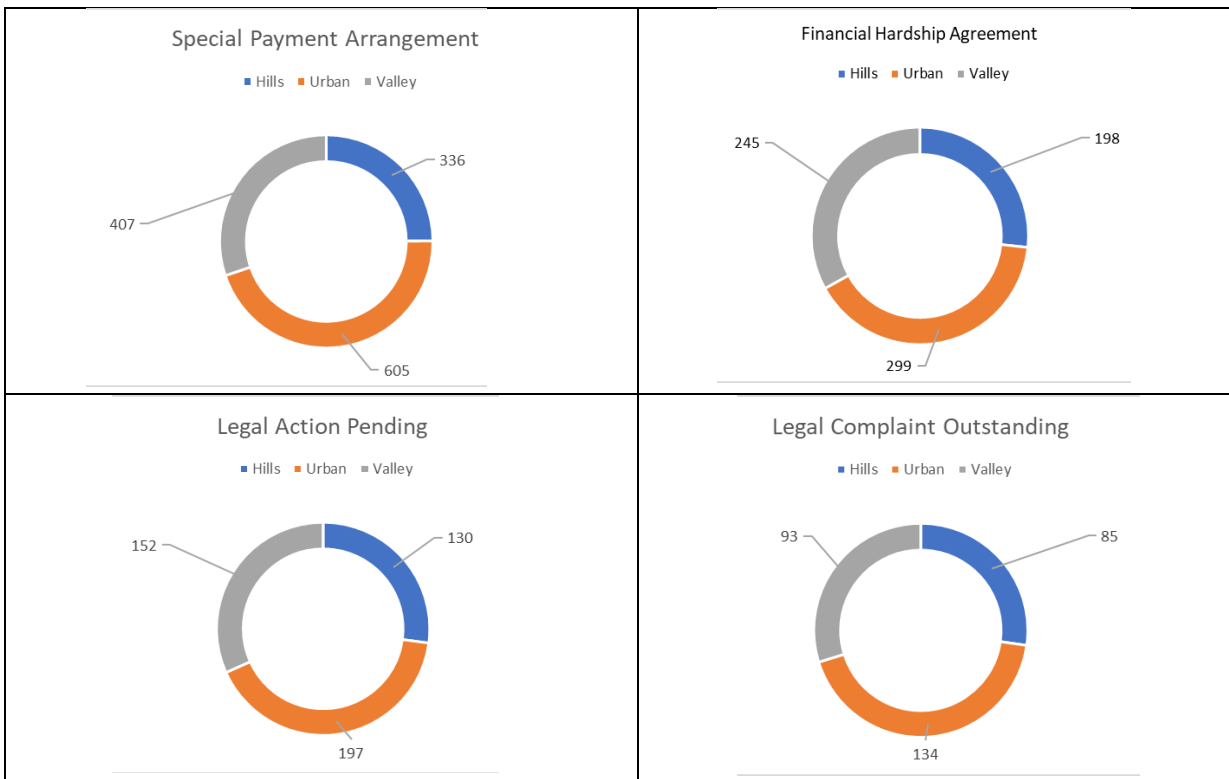
The following table details the current status of the arrears and rate recovery methods.

Rate Recovery Category	Activity	Arrears	Interest on Arrears	Legal Costs	Total O/S	Number of Assessments	Current Including Assessment
Financial Hardship	Deferment In place	4,220,061	161,727	22,479	4,404,266	710	1,530,548
	Recurring Deferment In place	46,524	284	770	47,578	7	12,931
	Deferment recently cancelled	98,922	7,921	2,578	109,421	24	39,747
	Defaulted conditions on deferment	-	-	-	-	-	-
Hardship Being Reviewed	Standard deferment being reviewed	31,426	-	-	31,426	3	7,842
	Recurring Deferment being reviewed	-	-	-	-	-	-
Arrangements	Payment Plan In place	3,366,488	327,881	893	3,695,263	997	2,131,294
	Payment Plan In place with Credit Solutions	1,386,815	191,306	27,628	1,605,749	351	787,699
Receivership		83,382	23,034	2,125	108,541	17	23,967
Auction (s181)		57,558	70,994	2,964	131,516	4	4,095
Sale Pending		76,616	20,388	5,992	102,996	27	40,062
Probate Pending		2,609	304	-	2,914	3	5,839
Legal Action Avenues Exhausted		406,002	228,618	32,391	667,011	27	51,525
Legal Action Continuing		-	-	-	-	-	-
Legal Action Pending		2,218,406	482,470	69,355	2,770,232	479	1,040,390
Sub Standard Vacant		-	-	-	-	-	-
Due date extended - Supps		-	-	-	-	-	-
Totals		11,994,810	1,514,928	167,176	13,676,913	2,649	5,675,939

- Levels of payment arrangements, financial hardship agreements have remained similar to November 2022.
- Decreases in Legal actions continuing (from 731 to 479) are due to customers with excessive overdue amounts paying or entering into some form of rates relief with Council.

The following graphs compare rate recovery information regarding Location categories (Hills, Urban, Valley) and the amount of assessments on the following recovery methods:

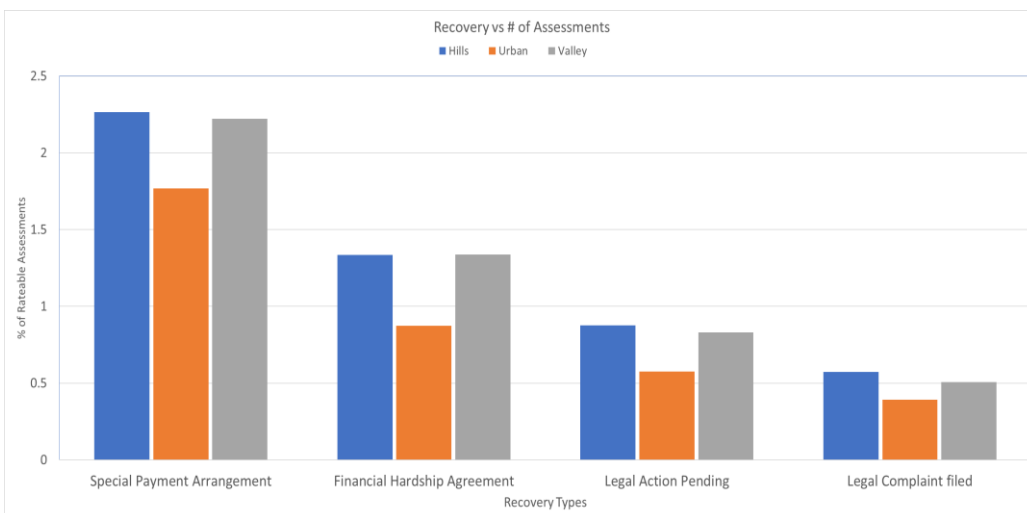
- Special Payment Arrangement
- Financial Hardship Agreement
- Legal Action Pending (For 2021/2022 outstanding rates)
- Legal Complaint Filed – With the Magistrates Court for Outstanding amounts.



Of the remaining 479 Legal action pending assessments;

- 53 Are currently being reviewed by Credit Solutions (Council’s debt recovery agent)
- 262 are now under the threshold for further legal action (\$2,500 arrears)
- 174 have made no arrangements, or payments and will be recommended for further recovery action.

The following graph considers % of assessments on rate recovery methods vs the number of rateable assessments in the location category. **Urban** has a higher number of assessments in all methods of rate recovery, but when compared to the number of rateable assessments in the Urban area it is relatively lower than **Hills** and **Valley** areas.



Generally, Hills assessments are returning slightly closer to their counterparts every month. This could be due to the spike of assessments that required rates assistance after the June 2021 storms, starting to recover financially and no longer needing that assistance

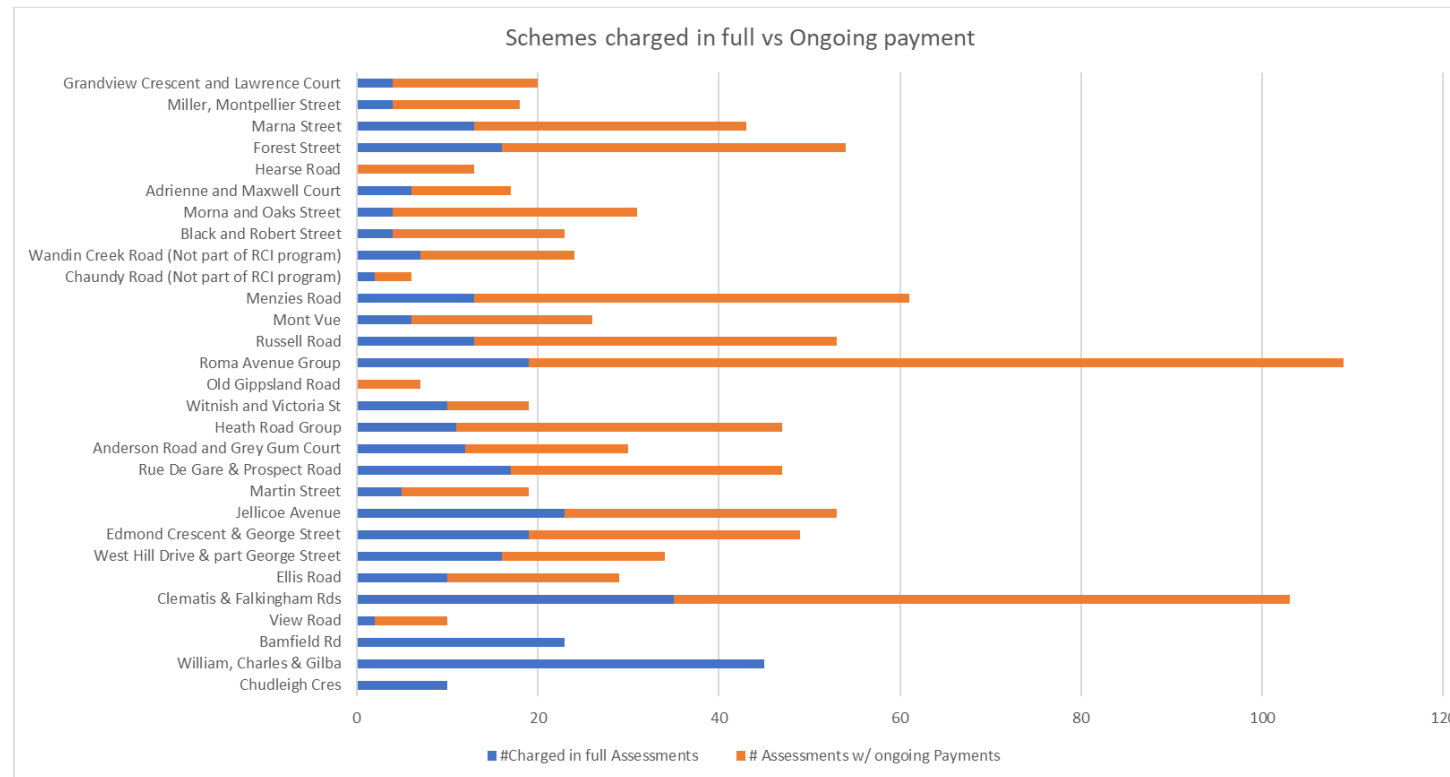
Special Charge Schemes

Due to the increase in Special Charge Schemes associated with Roads for the Community initiative funding received from the Federal Government, monthly reports will now break down the amounts currently owing and future liabilities of all Special Charge Schemes.

The following outstanding amounts are included as part of the \$121.7 million in rates and charges outstanding.

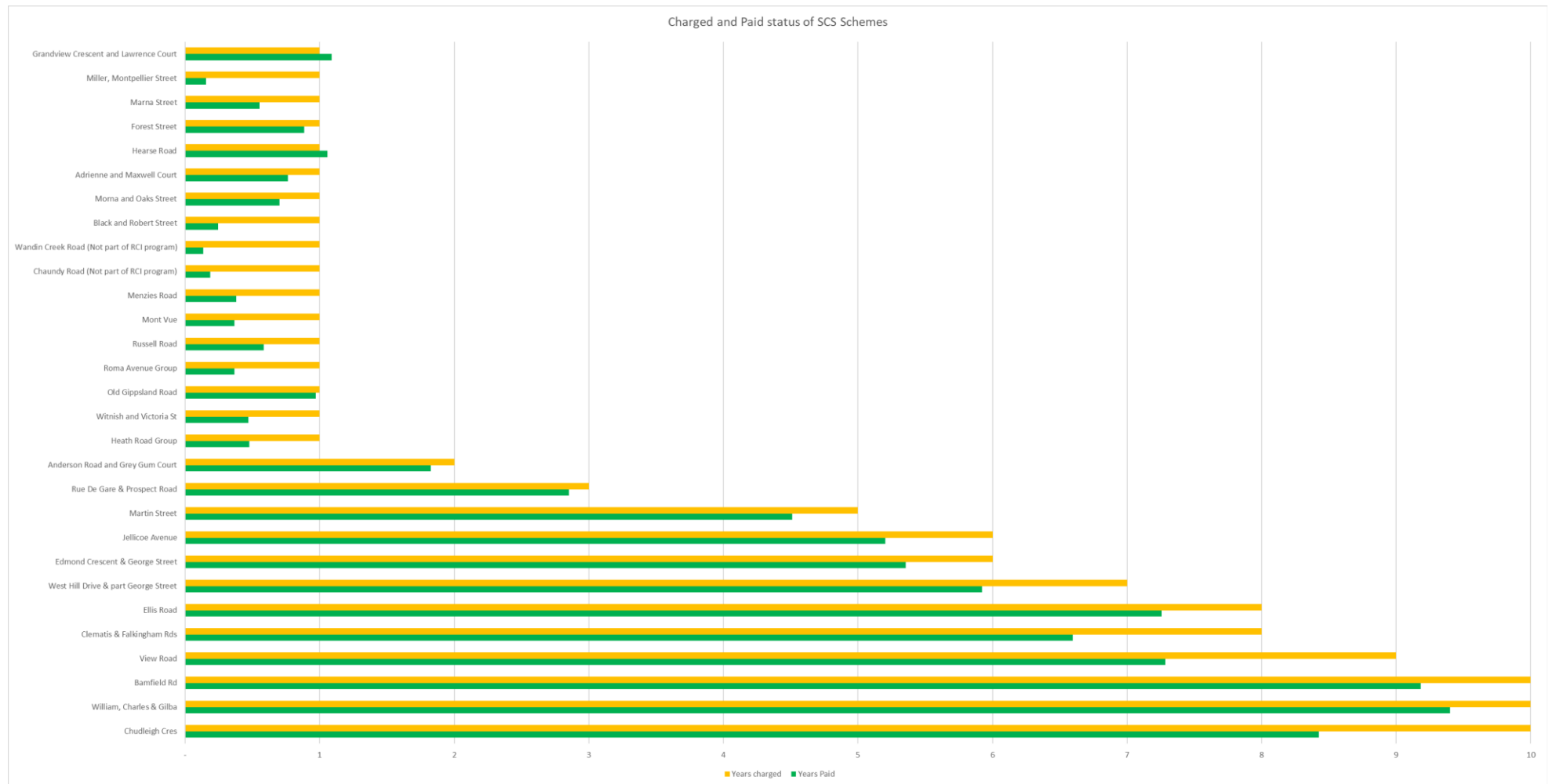
The following table shows all currently levied Special Charge Schemes, illustrating;

- How many assessments / owners have elected to pay the scheme in full (blue), and;
- How many assessments / owners continue to pay in instalments charged over the 10 year life of the scheme (orange)



% Charged and % paid of SCS schemes

The following graph shows the **Number of years** that the SCS has been charged for and the **the amounts charged (so far) that have been paid**.



In certain cases e.g “Grandview Crescent and Lawrence Court” and “Hearse Road” the amount paid so far (including those who have paid in full) is higher than the amount that would otherwise be charged on a yearly basis.

Work in Progress

The following table shows the YTD WIP movement as at 31 December 2022:

Financial Year	No of Project in Opening Balance	Opening Balance	Added in 2022-2023 (Jul to Dec)	Transfer to Asset Register 2022-2023	Total Balance as at 31.12.2022
FY 2020-21 or before	377	79,706,257.38	16,451,924.84	-3,741,205.68	92,416,976.54
FY 2021-22	181	15,974,068.95	3,189,264.07	-3,704,690.42	15,458,642.60
FY 2022-23	57	0.00	9,849,271.43	-6,443,735.87	3,405,535.56
Grand Total	615	95,680,326.33	29,490,460.34	-13,889,631.97	111,281,154.70

As at 31 December, 42 projects were transferred to the asset register totalling \$13.9m. Other progress to date includes:

- Continuing review of intangibles to identify any expenditure that should be expensed instead of capitalised in line with accounting standards.
- Continuing “clean up” work on prior year WIP balance to identify the status of each project in order to determine which assets are to be capitalised or expensed.
- Continuing asset registration in EAM as part of review and clean up:

Asset Registration Status	Details of Registration Status	Sum of Total WIP Balance as at 31.12.2022	Count of Asset registration status 31.12.2022
Asset registration complete	Assets are created in the Asset Register	15,021,634.58	226
Asset registration not required	Not Infrastructure assets - P&E or Intangible assets	8,427,114.15	22
Asset registration pending/in progress	Currently registering assets	2,176,540.54	5
Awaiting data	The project is known to be complete, but no data has been received	14,066,369.47	29
Project not complete	The project has not yet been completed; no assets to register yet	70,216,316.88	330
Under investigation	Used when determining if a project is completed, where to get data, if there is a need to create new asset categories etc.	1,373,179.08	3
Grand Total		111,281,154.70	615

Capital Expenditure Program Quarterly Report

For the period 1 July 2022 to 31 December 2022

1. Executive Summary

1.1. Financial Summary

This report covers the published 2022-23 Capital Expenditure Program (CEP) and funds carried forward from 2021-22. Throughout the financial year, occasional approved changes to the CEP Budget are made, moving funds between projects or adding funds from various funding sources. In particular, this can occur when external funding is announced during the current year.

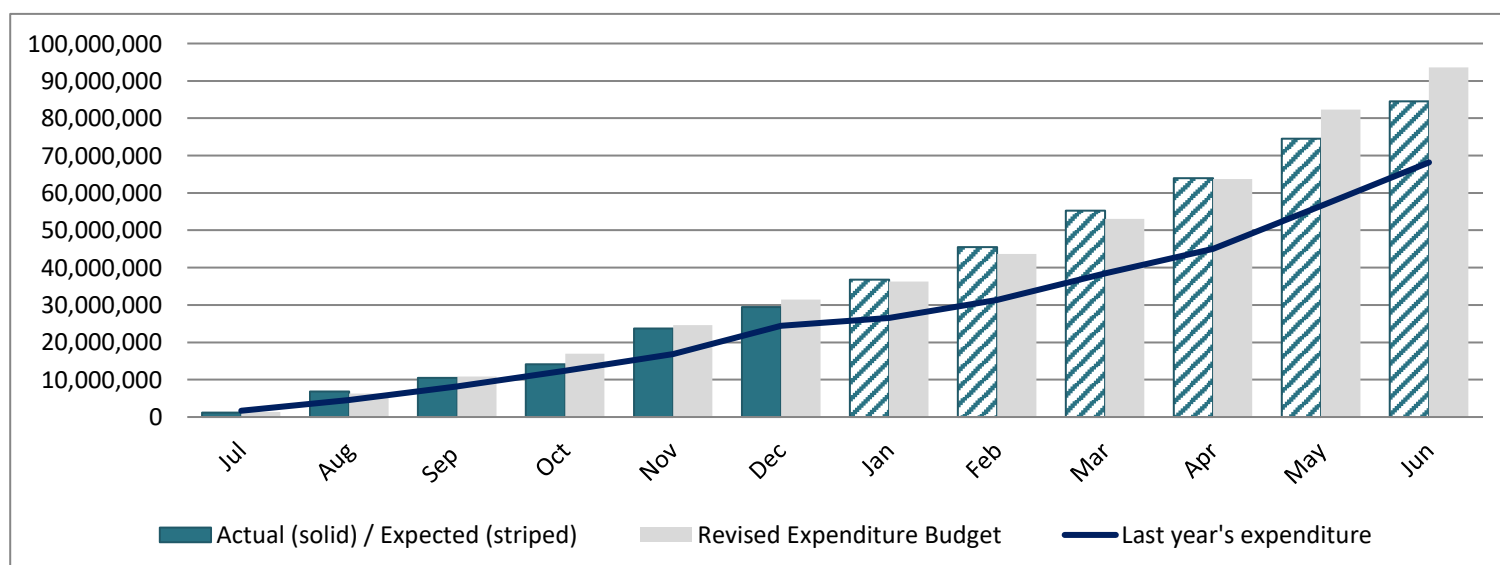
Approved 2022-23 Capital Expenditure Program (CEP) Budget		\$'000
Published Capital Budget Allocation: Council contribution		41,546
Published Capital Budget Allocation: external income		44,215
Carried forward from 2021-22 to 2022-23		3,450
Adopted Capital Expenditure Program Budget		89,211
Additional carried forward from 2021-22 to 2022-23		2,126
Capital Expenditure Program budget at 1 July 2022		91,337
Mid-year adjustments, including additional income <i>expected</i>		2,372
Capital Expenditure Program Budget (Revised Budget)		93,709
Less: Amount expected to be carried forward to 2023-24		-10,447
Plus: Expected forward spend from 2023-24 to 2022-23		525
Less: Savings expected at the end of 2022-23 financial year		-589
Plus: Increased expenditure funded with income		1,322
Expected to be spent by the end of the financial year		84,520
YTD Actual spend end December 2022		29,466
Percentage of the Revised Budget Expected to be Spent¹		90%

¹ Status:

- ✔ **90% or more** of the revised budget is expected to be spent
- ⚠ **Between 80% and 90%** of the revised budget is expected to be spent
- ✘ **Less than 80%** of the revised budget is expected to be spent

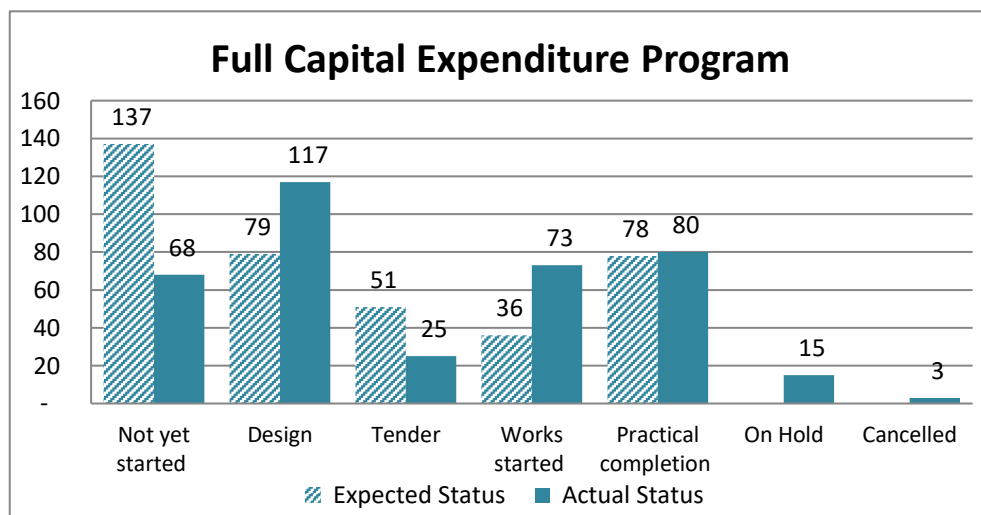
The following graphs show the *YTD Actual Spend*, *Expected Spend* and last year's expenditure. As with previous years, the expenditure is anticipated to increase as the year progresses. Further detail provided in the sections below.

Full Capital Works Program - Actual Spend and Expected Spend -vs- Last Year's Spend



1.2. Program Status Summary

The following graph shows the progression of projects through the various project phases. Commentary explaining any variations against targets is provided in the sections below.



Full program - phases	
Not yet started	68
On Hold	15
Consultation / design	117
Tendering	25
Works started	73
Practical completion	80
Cancelled	3
Total	381
Ahead of schedule	100
On schedule	208
Behind schedule	73
Total	381
On/ahead of schedule ¹	81%

¹ Status:

- ✓ 90% or more of all projects in this program have met their planned milestone dates* (planned in August 2022)
 - ⚠ Between 80% and 90% of projects in this program have met their planned milestone dates* (planned in August 2022)
 - ✗ Less than 80% of projects in this program have met their planned milestone dates* (planned in August 2022)
- * as per information given by project officers.

2. Consideration for Approval

2.1. Significant Capital Expenditure Transfers

From time to time, it is necessary to transfer all or part of a budget from one project to another. Reasons could include work program budgets being distributed to programmed projects or newly created, previously unanticipated projects being funded. All budget transfers valued \$250,000 and over require the approval of the Director, in coordination with EO - Capital Works. If the value is \$500,000 or over and is transferred from one distinct project to another they require Council approval. Any budget transfers that represent a significant change to the CEP Budget also require Council approval. Such changes may include the reassignment of budgets for cancelled projects published in the Capital Expenditure Program, the transfer of project funds carried forward from the previous year to a different project, or the transfer of funds allocated for renewal works to non-renewal projects.

1) Budget transfer approval request	Previous budget	Transfer amount	New budget
To: McMahons Creek Pedestrian Bridge	\$0	\$754,000	\$754,000

Budget brought into 2022-23 for externally State Government funded project to build a pedestrian bridge across McMahons Creek.

2) Budget transfer approval request	Previous budget	Transfer amount	New budget
From: Wickhams Rd Reserve Cricket Net Redevelopment	\$30,000	\$30,000	\$0
From: Narre Warren East Community Crickets Nets	\$30,000	\$30,000	\$0
From: WP Sports Court Rehab	\$112,000	\$44,000	\$68,000
To: Yarra Glen Netball Court and Lighting	\$0	\$104,000	\$104,000

Budget from completed Sports Reserves Rehabilitation projects and work program to fund Council contribution for State Government grant for Sports Reserves project in Yarra Glen.

3) Budget transfer approval request	Previous budget	Transfer amount	New budget
From: Menin Road, Monbulk - Footpath	\$137,000	\$43,346	\$93,654
To: Morna St and Oak St, Lilydale - RFCI	\$500,000	\$43,346	\$543,346

Footpath project on Menin Rd, Monbulk is not feasible to be constructed due to vegetation and gradient. Some budget is to be reallocated to construct a footpath as part of the RFCI project on Morna and Oak Streets, Lilydale with the balance to be used to address cost escalations within the footpaths new program.

4) Budget transfer approval request	Previous budget	Transfer amount	New budget
From: Warburton Highway, Wandin North - Footpath	\$231,225	\$231,225	\$0
To: Wandin North Township Improvements	\$0	\$231,225	\$231,225

Transfer of budget to new project, named to better reflect the scope of works being undertaken including footpaths and streetscape works.

5) Budget transfer approval request	Previous budget	Transfer amount	New budget
From: Stormwater Harvesting System, Pinks Reserve	\$151,438	\$151,438	\$0
To: Pinks Reserve Stadium Improvements	\$702,782	\$151,438	\$854,220

The Pinks Reserve Stormwater Harvesting project will be delivered alongside the pavilion extension and associated drainage works within the same tender package. The budget transfer will ensure efficient payment of invoices, which will not be separately issued for the stormwater harvesting component.

6) Budget transfer approval request	Previous budget	Transfer amount	New budget
From: 2024-25 CEP - Lilydale Tennis Facility	\$380,000	\$320,000	\$0
To: 2022-23 CEP - Lilydale Tennis Facility	\$0	\$320,000	\$320,000

Due to the recent flooding, the Lilydale Tennis Courts were severely damaged. The first four courts need to be fully replaced and the bottom four courts need an extensive clean. This will be covered through Council's insurance. Lilydale Tennis Court Renewal (which consists of surface, fencing and lighting) is currently in the 2024-25 CEP. Given the insurance works to the synthetic surface, the fencing and lighting works will also be brought forward for completion this year with the balance of funds to be returned to the Asset Renewal Reserve.

3. Action taken to address cost escalation

Cost escalation is an issue with a number of projects. Project Managers are taking action to address this, including:

- * For projects with external funding, approach the external funding body to request an increase in the grant to support cost escalation
- * Explore cost saving opportunities and identify any risks associated with this option
- * Look into reducing the scope of works to align the budget and identify any risks associated with this option
- * Options to retender the project

After taking all these steps there are still a number of projects that require additional funding. In addition, there are number of projects scheduled for delivery in 2022-23 that have been delayed. This has allowed that funding to be redirected to support cost escalation with the delayed projects rescheduled for 2023-24.

Project	Revised Budget	Identified underspend in 2022-23	Current Forecast
From: Township Improvements, Belgrave	\$170,000	\$120,000	\$50,000
Project delayed due to significant community consultation. Majority of budget moved to future years.			

Project	Revised Budget	Identified underspend in 2022-23	Current Forecast
From: Warburton Urban Design Framework	\$125,106	\$125,106	\$0
Project delayed due to significant community consultation. Budget moved to future years.			

Project	Revised Budget	Identified underspend in 2022-23	Current Forecast
From: David Hill Road, Monbulk - Footpath	\$290,000	\$155,000	\$135,000
Portion of works has been delivered as part of the Asset Renewal Reserve footpath program. Remaining works to be delivered under the Shared Use Path program.			

Project	Revised Budget	Identified underspend in 2022-23	Current Forecast
From: Blacksmiths Way, Belgrave - Streetscape Improvements	\$200,000	\$200,000	\$0
Project delayed due to significant community consultation. Budget moved to future years.			

Project	Revised Budget	Cost Escalation	Current Forecast
To: Biochar - Stage 1	\$481,481	\$300,000	\$781,481
Significant increases in tender prices have impacted this project. Increased funding will allow the project to proceed to required specifications.			

Project	Revised Budget	Cost Escalation	Current Forecast
To: Lysterfield Transfer Station Fire Service	\$409,988	\$330,000	\$739,988
The fire service is a statutory requirement of the Biochar facility. Increased costs are due to required design changes.			

4. Carry Forwards & Forward Spends

Projects that have been delayed and are impacting on anticipated expenditure will request funds to be carried forward for use in the next financial year. Early identification of *carry forward* funds ensures the optimum utilisation of cash resources.

Forward spends occur when capacity becomes available to make an early start on a future year's project.

Figures in \$'000 Figures are rounded	Carry Forward	Forward Spend	Anticipated Carry Forward to next year
	Budgets to be carried forward to 2023-24	Future year budgets to be brought forward for spending in 2022- 23	
Buildings New / Improvements	2,525	0	2,525
ICT New / Improvements	490	0	490
Roads New / Improvements	300	0	300
Bridges Rehab / Renewal	1,000	0	1,000
Bridges New / Improvements	250	0	250
Footpaths New / Improvements	179	0	179
Drainage New / Improvements	371	-24	347
Playspace Rehab / Renew	50	-46	3
Playspace New / Improvements	0	-4	-4
Sports Reserves Rehab / Renewal	0	-450	-450
Sports Reserves New / Improvements	300	0	300
Townships New / Improvements	918	0	918
Trails New / Improvements	4,039	0	4,039
Infrastructure - Asset New / Improve	25	0	25
	10,447	-525	9,922

5. Project Financial Summary

Figures in \$'000	Annual Budget	Revised Budget	Expected spend	YTD Actual spend	Anticipated carry forward to next year	Expected Saving/ (Overspend)	Status ¹
PROPERTY	23,514	25,953	23,569	13,195	2,525	131	
Land	5,796	6,440	6,444	6,444	0	(4)	
Land New / Improvements	5,796	6,440	6,444	6,444	0	(4)	✓
Buildings	17,718	19,513	17,125	6,751	2,525	135	
Buildings Rehab / Renewal	2,635	2,796	2,921	657	0	(126)	✓
Buildings New / Improvements	15,083	16,718	14,204	6,094	2,525	261	!
PLANT & EQUIPMENT	6,164	6,570	6,421	1,863	490	(340)	
Plant, Machinery & Equipment	3,550	3,956	4,297	921	0	(340)	
Plant & Equipment Renewal	3,000	2,915	2,915	663	0	0	✓
Plant & Equipment New / Improvements	550	1,041	1,382	257	0	(340)	✓
Fixtures, Fittings & Furniture	18	18	18	0	0	0	
FFF Rehab / Renewal	18	18	18	0	0	0	✓
Computers & Telecommunications	2,596	2,596	2,106	942	490	0	
ICT New / Improvements	2,596	2,596	2,106	942	490	0	!
INFRASTRUCTURE	56,083	61,185	54,530	14,408	6,907	798	
Roads	32,881	29,335	30,113	9,097	300	66	
Roads Rehab / Renewal	7,767	7,901	7,809	1,872	0	15	✓
Roads New / Improvements	1,542	3,582	3,110	1,520	300	60	!
Roads Traffic Management & Other Works	211	253	262	30	0	(9)	✓
Roads for the Community Initiative	23,361	17,599	18,932	5,675	0	0	✓
Bridges	673	2,853	1,603	485	1,250	0	
Bridges Rehab / Renewal	673	2,099	1,099	480	1,000	0	✗
Bridges New / Improvements	0	754	504	5	250	0	✓
Footpaths & Cycleways	2,353	2,928	2,444	1,057	179	305	
Footpaths Rehab / Renewal	1,604	1,604	1,295	443	0	309	!
Footpaths New / Improvements	749	1,324	1,149	613	179	(4)	!
Drainage	2,150	2,312	1,961	133	347	4	
Drainage Rehab / Renewal	250	250	250	34	0	0	✓
Drainage New / Improvements	1,900	2,062	1,711	99	347	4	!
Recreational, Leisure & Community Facilities	2,579	4,582	4,747	1,488	(151)	(20)	
Playspace Rehab / Renew	561	816	796	312	3	7	✓
Playspace New / Improvements	1,026	398	384	104	(4)	22	✓
Sports Reserves Rehab / Renewal	801	1,054	1,550	618	(450)	(47)	✓
Sports Reserves New / Improvements	191	2,314	2,016	455	300	(3)	!
Parks, Open Space & Streetscapes	9,812	13,540	8,052	1,959	4,957	444	
Open Space Rehab / Renewal	569	569	569	229	0	0	✓
Open Space New / Improvements	1,574	2,455	2,403	612	0	7	✓
Townships New / Improvements	1,115	3,205	1,821	613	918	436	✗
Trails Rehab / Renewal	417	417	417	58	0	0	✓
Trails New / Improvements	6,137	6,895	2,842	447	4,039	0	✗
Off-street Carparks	350	350	350	183	0	0	
Off-street Carparks Rehab / Renewal	350	350	350	183	0	0	✓
Other Infrastructure	5,285	5,285	5,260	7	25	0	
Infrastructure - Project Management	5,135	5,135	5,135	0	0	0	✓
Infrastructure - Asset New / Improve Reserve	150	150	125	7	25	0	!
Projects total:	85,761	93,709	84,520	29,466	9,922	589	

¹ Status:

- ✓ 90% or more of the revised budget is expected to be spent
- ! Between 80% and 90% of the revised budget is expected to be spent
- ✗ Less than 80% of the revised budget is expected to be spent

6. Detailed Commentary

Details of current year and multi year projects comprising the Capital Expenditure Program are listed below. Details of Major Projects can be found on the Major Projects Monthly Report and are not replicated here.

	Revised Budget \$'000	Expected spend \$'000	YTD Actual spend \$'000	Status
PROPERTY	25,953	23,569	13,195	

Land New / Improvements 6,440 6,444 6,444 ✓ 100%
The purchase of 150 Cambridge Road, Kilsyth was finalised in November 2022 with balance of funds paid.

Buildings Rehab / Renewal 2,796 2,921 657 ✓ 104%

Completion for Olinda pool kiosk and Yarra Glen Memorial Hall external works. Projects at Yarra Glen Bowls Club; Narre Warren East Pavilion, Wellington Cottage, Monbulk and St Martins Church Hall, Belgrave Heights are scheduled for construction in early 2023. Quotations are expected in early 2023 for Belgrave South Netball Club and Menzies Creek Hall. Planning is underway, with architects engaged, for Lilydale Tennis and Warburton Bowls Clubs. Refurbishment of The Yarra Centre fitness room and entry way is completed. Works underway at Kilsyth Centenary Pool for changeroom refurbishment, installation of a skylight and kitchen upgrades, to be completed in January 2023. Work to be finalised in early 2023 to compile asset priority list for aquatic facilities. Works on solar systems completed at The Yarra Centre and Monbulk Aquatic Centre. Report on full safety audits for all centres expected early 2023. Foyer redevelopment works are expected to commence in early 2023 at the Yarra Ranges Regional Museum.

Buildings New / Improvements 16,718 14,204 6,094 ! 85%

Electric vehicle charger installation in Yarra Glen is complete. Lilydale Sailing Club building construction is expected to commence in January 2023, following completion of the path works. Staging improvements have been finalised for The Memo, Healesville. The Climate Resilient Building program is underway. Current works include hot water upgrades at The Yarra Centre and Yarra Glen Memorial Hall. Works are expected in early 2023 to install LED lighting at The Memo, Healesville.

PLANT	6,570	6,421	1,863	
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Plant & Equipment Renewal 2,915 2,915 663 ✓ 100%
Delivery completed in December 2022 for a range of small plant equipment, a ute and two hybrid trucks which have been on order for 18 months.

Plant & Equipment New / Improvements 1,041 1,382 257 ✓ 133%

The Biochar facility shelter construction is 95 per cent complete with the plant equipment installation at 80 per cent complete. Stage 2 civil works are 80 per cent complete, with the plant equipment being constructed off site and options for electrical power upgrade being explored. Planning continues for installation of four electric vehicle chargers at YRC facilities to support Council's target for a zero emissions fleet.

FFF Rehab / Renewal 18 18 0 ✓ 100%

Program planning underway, with commencement expected early in 2023.

ICT New / Improvements 2,596 2,106 942 ! 81%

Ongoing replacement and updates to information technology continue for the organisation with purchases this quarter of laptops, tablets and screens. Phase 2 of the YRConnect implementation was delayed following the roll out of the Human Resource and Payroll module, impacting forecasted spend for this financial year. Phase 2 of the project consists of Property and Rating (P&R), Corporate Performance Management (CPM), Strategic Asset Management (SAM) and enhancements to Enterprise Asset Management (EAM) and Enterprise Budgeting (EB) to introduce Project Lifecycle Management (PLM). Phase 2 of the project is expected to complete by June 2024.

	Revised Budget \$'000	Expected spend \$'000	YTD Actual spend \$'000	Status
INFRASTRUCTURE	60,431	54,026	14,403	
Roads Rehab / Renewal	7,901	7,809	1,872 ✓	99%
<p>Road resurfacing is complete for Dean Crescent, Launching Place; Williams Road, Don Valley; Old Belgrave Road, Upwey and Crowley Road, Healesville. Preparation works are complete and awaiting final spray seal in March 2023 for Old Gippsland Road, Lilydale; Belgrave-Ferny Creek Road, Ferny Creek; Lusatia Park Road, Woori Yallock; Killara Road, Gruyere; Badger Avenue, Badger Creek; Coldstream West Road and Ruddock Lane, Coldstream and Dalry Rd, Launching Place. Road resurfacing projects underway in Upwey on Kookaburra Dell; Pioneer Avenue; Argyle Avenue; Photinia Court, Melaleuca Drive and Brookside Street. Works in Warburton for Kent Street; Surrey Road; York Street; Lincoln Road and Derby Street were scheduled for completion in November 2022 but have been delayed until February 2023 due to wet weather and contractor availability. Road resurfacing scheduled in early 2023 for Chirnside Park, Healesville, Kilsyth, Monbulk, Mooroolbark, Mt Evelyn and The Patch. Asphalt wearing course and final line marking expected to be completed in early 2023 for Wandin East Road, Wandin North. Preliminary kerb and drainage works completed for Beresford Road, Lilydale with road pavement construction to commence in January 2023.</p>				
Roads New / Improvements	3,582	3,110	1,520 ⚠	87%
<p>Works completed for MacIntyre Lane, Yering - Yarra Valley Trail Crossing and in Healesville for Lilydale Road and Smith Street. Retendering documentation is being prepared in January 2023 for Kallista-Emerald Road, Kallista (Blackspot) and Macclesfield Road, Yellingbo. Road improvement design works have been completed for Priors Road, The Patch; Marna Street, Maroondah Highway and Healesville-Yarra Glen Road, Healesville; Station Street, Coldstream; Gruyere Road, Gruyere; Edward Road and Paynes Road, Chirnside Park and Belvedere Dr, Montrose.</p>				
Roads Traffic Management & Other Works	253	262	30 ✓	104%
<p>Design finalised for a raised pedestrian crossing at Charles Street, Mooroolbark with construction expected in March 2023. Works planned to replace existing angled slow point with raised pavement in Forest Park Road, Upwey; to construct splitter islands on north and south ends of Bathurst Street, Mooroolbark; to install raised intersections/pavements on Grandvalley Drive and Allambi Road, Chirnside Park and to construct speed humps on Fortune Avenue, Mt Evelyn between Old Gippsland Road and Hereford Road.</p>				
Roads for the Community Initiative	17,599	18,932	5,675 ✓	108%
<p>Works completed for Allenby and Williams Roads, Black Street group; in Lilydale on Hyne, Morna and Oak Streets and Mont Vue; Anderson Street, Tecoma; Walker Road, Seville; Adrienne Court group, Millgrove; Witnish and Victoria Streets, Yarra Junction; Estate Road, Don Valley and Boronia Road group, Warburton. Construction underway for Heath Road group, Belgrave Heights; Roma Avenue group, Badger Creek; Menzies Road, Menzies Creek; Miller and Montpellier Streets, Healesville; and in Seville for Haag Road group, Victoria Road group and School Road and Valley Road. Tenders underway for Bell Street group, Seville; Shevlins Lane, Woori Yallock; Mt Morton Road and Hood Street, Belgrave Heights; Bretby Way, Montrose; in Healesville for Marna Street, Campbell Road group and Benton Road. Commencement of construction will be delayed for some projects as contractors have been assisting in post storm/flood related maintenance works. Design and consultation underway for future projects in Belgrave, Belgrave South, Chum Creek, Don Valley, Healesville, Kallista, Kalorama, Millgrove, Monbulk, Mt Dandenong, Mt Evelyn, Olinda, Sassafras, Selby, Seville, Silvan, The Patch, Upper Ferntree Gully, Upwey, Wandin North, Warburton, Wesburn, Woori Yallock and Yarra Junction.</p>				
Bridges Rehab / Renewal	2,099	1,099	480 ✗	52%
<p>Renewal works for Cement Creek Road Bridge, Warburton have been significantly impacted by the closure of Warburton Highway following extreme wet weather. There is currently no access to the site until remedial works to the road are complete. Bridge renewal works completed for Brisbane Bridge, Warburton; Long Bridge, Woori Yallock and Brushy Creek bridge, Mooroolbark.</p>				
Bridges New / Improvements	754	504	5 ✓	100%
<p>Design for McMahan Creek pedestrian bridge is complete, with ongoing consultation continuing with Department of Transport and Melbourne Water.</p>				

	Revised Budget \$'000	Expected spend \$'000	YTD Actual spend \$'000	Status
INFRASTRUCTURE - continued				
Footpaths Rehab / Renewal	1,604	1,295	443 ⚠	81%
Works are completed for Cherylnne Crescent, Kilsyth. A change to scope has delayed commencement of works for Main Street, Upwey and contractor availability has delayed Fairy Dell Road, Tecoma. Both have been rescheduled for February 2023, along with works planned for Mt Morton Road, Belgrave South.				
Footpaths New / Improvements	1,324	1,149	613 ⚠	87%
Construction complete for Nelson Road, Lilydale, shared use path. Awaiting finalisation of Telstra pit adjustments for completion of projects in Kilsyth on Beech Street and Jacaranda Avenue. Works are scheduled in early 2023 for Sugarloaf Drive, Chirnside Park and Fernhill Road, Mt Evelyn. Draft town centre masterplan has been completed, incorporating footpath works for Warburton Highway, Wandin North, with community consultation completed and currently under review.				
Drainage Rehab / Renewal	250	250	34 ✓	100%
Design completed for Hoddle Street, Yarra Junction; Riverside Drive, Warburton and Kalorama Park. Easement works completed for Don Road, Badger Creek.				
Drainage New / Improvements	2,062	1,711	99 ✓	98%
Tenders awarded and works set to commence in January 2023 for Camms Road, Monbulk and in February 2023 for Monbulk Stormwater Harvesting System. Tender currently being advertised for Commercial Road, Mt Evelyn - Stage 1. Consultation/design underway for Waratah Avenue, Belgrave; Fernhill Road and Commercial Road - Stage 2, Mt Evelyn; Cambridge Street, Belgrave South; Childs Road, Kalorama; Cobden Crescent, Lilydale; George Road and Lalor Road, Healesville and Schoolhouse Road, Yarra Junction. Indigenous artifacts were uncovered during the Cultural Heritage Management Plan for Maroondah Parade, Healesville, requiring further investigation currently scheduled for July 2023.				
Playspace Rehab / Renew	816	796	312 ✓	98%
Forward spend has been listed for feasibility works to be undertaken in a cost saving package for a number of Playspace rehabilitation projects that have budget in future years including: Bimbadeen Reserve, Mooroolbark; Kemp Reserve, Mt Evelyn, Mt Evelyn Recreation Reserve; Queen Road, Lilydale; Bluegum Playground Reserve, Badger Creek and McKenzie King Adventure Playground, Millgrove.				
Playspace New / Improvements	398	384	104 ✓	96%
Design works have commenced at Morrison Recreation Reserve for the Growing Suburbs Funded District Playspace project, with construction scheduled for 2023/24.				
Sports Reserves Rehab / Renewal	1,054	1,550	618 ✓	147%
Final works complete and certification by World Bowls and Bowls Victoria awarded for Yarra Glen Bowls Club. Application of acrylic layer to playing surface at Woori Yallock Netball Club expected to be completed in early 2023. Project tender is being advertised with works expected to commence in early 2023 for Upwey Tennis Club. Future budget has been aligned with current year insurance works expected to commence in early 2023 at Lilydale Tennis Club to renew courts severely affected by rain and flood events. Request for quotation currently out for fencing and lighting, with synthetic surface works to be completed under insurance. Sports court rehabilitation works completed on cricket pitches at Mooroolbark Heights Reserve; line marking for Woori Yallock Netball Club and lighting works at Belgrave Heights Tennis Club, Mooroolbark Heights Reserve, Millgrove Recreation Reserve, Olinda Recreation Reserve and Mt Evelyn Recreation Reserve.				
Sports Reserves New / Improvements	2,314	2,016	455 ⚠	87%
Two Capital Development Grants projects are complete: upgrades to arena for Upper Yarra Adult Riding Club and cricket nets for Hoddles Creek Cricket Club. All other projects are underway: Lilydale BMX Club path upgrade; Ferny Creek Tennis Club bathroom improvement; Olinda Recreation Reserve goal post upgrade; Melbourne Radio Control Circuit Racers rostrum extension; Monbulk Recreation Reserve netball court and cricket net works; Lilydale Junior Football Club coaches boxes; Macclesfield Adult Riding Club arena upgrade; Healesville Bowling Club heritage club house restoration and bathroom updates for Lilydale Montrose United Football Club. Tender awarded and works expected to commence in February 2023 for Yarra Glen Netball Court upgrade. Belgrave Netball Club storage and shelter construction is underway, projected to be completed in late March 2023. Elizabeth Bridge Reserve car park, lighting, path lighting, seats, water fountains, sports infrastructure and exercise equipment installations are complete. Additional paths and nature play construction is expected to be completed in early 2023.				

	Revised Budget \$'000	Expected spend \$'000	YTD Actual spend \$'000	Status
INFRASTRUCTURE - continued				
Open Space Rehab / Renewal	569	569	229 ✓	100%
Works completed to renew 40 lineal metres of fencing on the Olinda Creek Trail near the scar tree. Works scheduled to renew culverts at Birdsland Reserve and on the Warburton Rail Trail in early 2023. Three new applications for Council property fencing were received in Lilydale and Kilsyth and one application was completed in Mooroolbark this month. One picnic setting was renewed at Elizabeth Bridge Reserve in December 2022. All other furniture orders have been received and installation is scheduled for January 2023.				
Open Space New / Improvements	2,455	2,403	612 ✓	98%
Yering and Coldstream Station pump track is complete and open to the public. Public toilet construction works delayed due to material supply shortage, now expected in February 2023. Completion of water tank painting as part of the Indigenous Heritage Visibility project has been delayed due to poor weather at Spadonis Reserve in Yering and Kalorama Recreation Reserve but is expected in early 2023. Fabrication underway for Green Spine lighting, Chirside Park, with installation expected in January 2023. Tender awarded and design expected to be completed in early 2023 for Wesburn Pump Track. Construction is scheduled to commence late February 2023 with completion expected by end June 2023.				
Townships New / Improvements	3,205	1,821	613 ✗	57%
Community consultation has commenced for the Urban Design Frameworks for Monbulk and Warburton. Streetscape works for Castella Street, Lilydale are complete, just awaiting line marking. Tender awarded for Lions Park Rejuvenation with works scheduled to commence in February 2023. Outdoor dining construction as part of the CovidSafe Outdoor Activation Fund is complete, awaiting final invoicing. Works have commenced on Beresford Road, Lilydale Trail Crossing Stage 2. Lilydale Cycle Centre Nodes project set to recommence with resourcing in early 2023, with retendering process under investigation. Agreement is being finalised with Metro Trains to enable Mooroolbark Artwork LXP project to proceed in early 2023, whilst the Lilydale Artwork LXP project has stalled with plans to revisit the brief. The design for carpark activation on Station Street, Mooroolbark is being developed following community consultation, with construction expected to commence in early 2023.				
Trails Rehab / Renewal	417	417	58 ✓	100%
Works scheduled to connect Warburton Rail Trail to Heritage Drive, Lilydale in early 2023. 60 metres of asphalt trail renewed at Apex Park, Belgrave and works are scheduled to start in February 2023 to renew sections of the Warburton Rail Trail.				
Trails New / Improvements	6,895	2,842	447 ✗	41%
Contractors are onsite and installation of pedestrian bridge for Station Street, Coldstream trail is underway and expected to be completed by January 2023. Designs and costs are being finalised with construction scheduled to commence mid 2023 for Mountain Bike Destination, Warburton. Construction of River Road, Millgrove Community Walking Track has been delayed due to flooding and landslips. Preliminary and prefabricated works have commenced with completion now expected March 2023. Detailed design is underway for the Northern Loop of Yarra Valley Trail. Project reference group and community stakeholders have been updated on the current progress of the project. Community engagement and lighting design is underway for Brushy Creek trail, Mooroolbark. Resolution of VCAT for Yarra Valley Trail is close with follow up conference scheduled for early January 2023 and decision pending in February 2023. Tender and works likely to commence in 2023-24.				
Off-street Carparks Rehab / Renewal	350	350	183 ✓	100%
Projects completed at Steels Creek Community Hall; Central Park Belgrave Heights and Belgrave Lake Park cottage (Pre School). Works underway for Bellbird Park, Lilydale.				
Infrastructure - Project Management	5,135	5,135	0 ✓	100%
Recognition of salary component of asset delivery to be completed May 2023.				
Infrastructure - Asset New / Improve Reserve	150	125	7 !	83%
Advanced design works completed for Morrisons Recreation Reserve Pavilion, Yarra Glen Pavilion and Mt Dandenong Pre School. Electrical investigative works completed for Mooroolbark Heights Pavilion.				

7. Glossary

Annual Budget: The annual published budget of capital projects for delivery each year. It complies with the State Government reporting guidelines and so, excludes the non-capital components of projects. The carry forward amounts captured are estimates only as they were formed at the time the budget was set, not the end of the financial year.

Approved Changes: Throughout the year, formally approved changes to the Capital Works Program budget can include budget transfers from one project to another, funds from a future year's Capital Works Program brought forward for expenditure this year, or additional external funds identified for inclusion in the budget.

Capital Expenditure Program (CEP): Allocated funding for renewal, improvement or new project works.

Capital Expenditure Program (CEP) Budget: This comprises of the Capital Expenditure Program adopted by Council, any funds carried forward from the previous financial year, and any approved changes made to the Budget during the financial year.

Carry Forward: A component of the CEP Budget brought to the next financial year. This becomes part of the next financial year's CEP Budget.

Expected Saving/(Overspend): The expected final financial position of a project, which equals Budget less Forecast less Carry Forward.

Expenditure Target: Set before the start of the financial year, this represents the agreed upon Capital Works expenditure for the year. The target equals the CEP Budget less funds held over for works during future years.

Forward Spending: This is when capacity becomes available to make an early start on a future year's project. Early spending requires the Capital Works Management Steering Committee approval.

Income Recognition: Income will be recognised in line with project expenditure. Income cannot be carried forward to a future year, it will remain on the balance sheet until project expenditure occurs. For this reason, a project that has external funding which is not delivered in a current year may not show as having carry forward even though the project is delayed to a future year.

Milestone Dates: Set prior to the start of the financial year, these represent the start of key phases during the life of a project. (Also see Phases.)

Phases: Throughout the life of a project, there may be various phases, as explained below.

Consultation/Design: formal investigation, design or consultation is underway

Tender Phase: tender/quote is currently being sought or evaluated

Works/Construction Started: work has begun on site

Practical Completion: all works except minor defects or final seals are complete and the deliverable is ready for use

Finalisation: the project is complete, all monies owing have been paid and the defect liability period has passed

Program Status Overview: Successful delivery of a project to schedule involves meeting *milestone dates* set prior to the commencement of the financial year. Project *milestone dates* represent the start of four project *phases*: *consultation/design*; *tender phase*; *works started*; and *practical completion*. Project complexity is taken into consideration when establishing *milestone dates*. A project which falls behind in an earlier milestone may still meet a later *milestone date* and then be on schedule again.

Revised Budget: The Revised Budget is the current total expenditure budget for works to be completed in the current financial year. It includes the adopted budget, final carry forward from the previous financial year, external grants made within the year and any budget adjustments or transfers approved within the financial year.

YTD Actual Spend: The amount of funds expended year to date.

DISABILITY ADVISORY COMMITTEE ANNUAL REPORT

Report Author: Disability Inclusion Officer

Responsible Officer: Director Communities

Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

The Disability Advisory Committee (the Committee) was established in 2012 as an advisory committee to Council.

The Committee provides:

- An advisory process for Council's roles and responsibilities to ensure all aspects of the business are accessible to people with a disability and their families.
- A consultative process for a wide range of Council activities and initiatives.
- Advice to support Council's decision making.
- A mechanism to support monitoring of progress in meeting the objectives of the Equity Access and Inclusion Strategy.

This report presents an Annual Report of the Committee's activities (Attachment 1).

RECOMMENDATION

That Council receive and note the Annual Report of the Disability Advisory Committee.

RELATED COUNCIL DECISIONS

Endorsement of the new Disability Advisory Committee members and acknowledgement of retiring members' contributions at Council's 13 December 2022 meeting.

DISCUSSION

Purpose and Background

The Committee has been established for the purpose of:

- Being a voice to Council for people with lived experience of disability;
- Assisting Council in its consultative process and providing feedback on Council processes and policies to support Council's decision making; and
- Monitoring the achievement of objectives of the Equity, Access and Inclusion Strategy which outlines how Council will work to increase participation of people with disability.

The Annual Report is presented to Council in accordance with the reporting requirements in the Committee Terms of Reference. It details the key achievements of the Committee over the previous 12-month period and sets out plans and goals for the next 12 months.

The key goals of the Committee over the next 12 months include:

- Induct new Committee members;
- Provide strategic advice on the development of major strategies and plans;
- Monitor the achievements of objectives within the Equity, Access and Inclusion Strategy and inform the initiation of the new strategy which is due in 2024; and
- Continue to advocate on the impacts of COVID-19 and other emergencies, on people with disability and their family members.

FINANCIAL ANALYSIS

The costs associated with the operation of the Committee are met through the current approved departmental budget. There are no additional costs associated with the preparation of the Annual Report. Operational and capital budgets across the organisation include expenditure to meet the strategic goals and commitments for disability access and inclusion.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan:

Connected and Healthy Communities:

Ensuring communities are safe, resilient, healthy, inclusive and socially well-connected and that quality services should be accessible to everyone. Ensuring that our spaces are age-friendly and help promote good health.

Health and Wellbeing Plan 2021-2025:

Support mental wellbeing and promote inclusive and equitable communities.

RELEVANT LAW

Disability Act 2006

SUSTAINABILITY IMPLICATIONS

Economic Implications

While there are no economic impacts arising from the recommendations in this report, the work undertaken by the Committee has increased member's capacity to participate meaningfully in the economic life of the community of Yarra Ranges.

Social Implications

The Annual Report illustrates the positive social impacts of work undertaken by the Committee for Council, for both the members, Council and wider community.

Environmental Implications

There are no environmental impacts arising from the recommendations in this report.

COMMUNITY ENGAGEMENT

The Annual Report was reviewed by the Committee and endorsed at their meeting on 1 February 2023.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration with other Councils, Governments or statutory bodies was sought.

RISK ASSESSMENT

There are no risks associated with the recommendations in this report. The report mitigates risk by meeting standards required for transparency and reporting of the work of delegated committees of Council. Over time the Committee has become the 'go to' forum for consultation on new strategies, plans and projects to ensure access and inclusion are genuinely considered.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Disability Advisory Committee Achievements 2022

Yarra Ranges Council Disability Advisory Committee Achievements – 2022

Project	Achievements/Milestones
Internal Advocacy: <i>Input, influence, and involvement in number of Council projects that support accessibility.</i>	<ul style="list-style-type: none">• DAC members informing the development of Council Policy and Strategies such as:<ul style="list-style-type: none">- Economic Development Strategy 2022-2032- Active Recreation for People Plan- Nature Plan 2022-2032- Review of the Yarra Ranges Council Housing Strategy- Municipal Recovery Plan (MRP)• Input to the Monbulk Urban Design Framework. DAC members conducted a site visit in Monbulk with Council staff. DAC members also had input on the following place planning projects:<ul style="list-style-type: none">- Wayfinding Strategy for Lilydale Project.- Lilydale Structure Plan.- Warburton Place Plan and opportunities to engage on Council’s Shaping Yarra Ranges website.• Four accessible play spaces opened in 2022 with accessible design features influenced by the DAC. This included play equipment including sealed paths, large gyro swing and rubber softfall access to combination units (Upper Yarra, Luke Polkinghorne, Mooroolbark Heights, Bailey Road in Mt Evelyn and Monbulk Recreation Reserve).• Bailey Road in Mt Evelyn is a steep site however a pram crossing was installed to ensure safe crossing and access to the concrete path. Involvement from DAC has ensured accessible design features are included in play space upgrades.

Yarra Ranges Council Disability Advisory Committee Achievements – 2022

Project	Achievements/Milestones
	<ul style="list-style-type: none">• Waste Management system – input from DAC on proposed changes to collections and how Council can assist people with disability who may have difficulty putting their bins out for collection.• Input on the Coldstream Pump Track and elements that ensure disability access.• Kilsyth Sports Centre improvements, including the installation of a Changing Places toilet at the reserve. DAC members have conducted previous site visit to this Centre to provide input.• Lillydale Lake and Chirnside Urban Park Masterplans. DAC members provide input on design elements that ensure equitable access.• Input on examples of accessibility projects as part of Council's Minor Works program in 2022-23.• Belgrave South Netball Club – disability access. Two DAC members proposed a site visit to provide input on the path and ramp access.• Belgrave South Safer Places. DAC members provided input on key design features.• Council's footpath program and prioritisation of footpath missing links. DAC members actively informing Council to report missing links.• Input on Council's accessible parking bay program and on newly constructed accessible parking bays in Belgrave, Lilydale and Monbulk.• Input on Council's crossing facilities - funding and grant opportunities to develop programs. Recent installation of crossing at Liverpool Road, Kilsyth.

Yarra Ranges Council Disability Advisory Committee Achievements – 2022

Project	Achievements/Milestones
	<ul style="list-style-type: none"> • Access issues input provided by DAC member at Yarra Glen Oval resolved and posts installed to stop cars and enable safer access. • DAC member couldn't access Breakneck Road in Yarra Glen in his adaptive Mountain bike. Council's Outdoor team created a ramp access which enabled the member to use the trail. The DAC member created a video of his experience getting to the top of Breakneck Road which was shared at the International Day of People with Disability event 2022. • Council's Pandemic & Storm Impact Survey enabled DAC members to share their experience of the impact of the COVID-19 pandemic and the severe storm event on 9 June 2021. Results from this survey have been used to monitor the effectiveness of Pandemic and Storm Event Recovery Programs being implemented now and over the next few years. • Acknowledgement of retiring DAC Committee members and the recruitment of new members of the Disability Advisory Committee 2022-26 approved by Council on 13 December 2022.
<p>External Advocacy: <i>Input, influence, and involvement in number of projects that support partners and key stakeholder to increase accessibility.</i></p>	<ul style="list-style-type: none"> • Involvement of two DAC members who shared their stories for Eastern Community Legal Centre's (ECLC) project, <i>Hidden Voices</i>. This is funded by the Lilydale Revitalisation Program. Lilydale has been selected as one of eight activity centres to receive focused funding and support from the State Government's Suburban Revitalisation Program. The Hidden Voices project was held at Lilydale Library and the Regional Museum where their stories foster conversations that challenge stereotypes and prejudices through dialogue.

Yarra Ranges Council Disability Advisory Committee Achievements – 2022

Project	Achievements/Milestones
	<ul style="list-style-type: none"><li data-bbox="667 320 1390 678">• Art and Sole Project – DAC members were involved in an audit of the walking trails to ensure accessibility in Lilydale. A site visit was conducted with Inspiro, DAC members and Council staff at Poyner Reserve, Cave Hill Road 7-11 crossing and Lilydale Station. DAC members' input has resulted in changes to pedestrian crossing and improved pathways and accessways at Poyner Reserve.<li data-bbox="667 719 1390 864">• Accessible Caravan launched at Warburton Caravan Park and DAC members advocated on the value of accessible visitor accommodation in Yarra Ranges.<li data-bbox="667 904 1390 1122">• Yarra Ranges Disability Inclusive Emergency Planning (DIEP) Forum: A community workshop held at Civic Centre. DAC members participated in the forum and were invited to register in the Person-Centred Emergency Preparedness (P-CEP) Facilitator Training.<li data-bbox="667 1162 1390 1666">• The CHAOS Network (of community houses) and SwinLocal (a network with Swinburne Uni and 21 Learn Locals) received funding to deliver a Carers Employment Support Program through DFFH. The project aimed to link 108 carers into vocational opportunities such as adult learning, training, employment or volunteering. A DAC Carer member, Mt Evelyn Community House and Council are part of the Project Reference Group. DAC Carer member employed as Link Worker for the Project. The project successfully reaches its targets and funding extended for another year.<li data-bbox="667 1706 1390 1883">• DAC carer member continues to co-lead the Pathways for Carers walks in Mt Evelyn. The carer member also shares the information provided by Guest Walkers with carers who are unable to attend the walks.

Yarra Ranges Council Disability Advisory Committee Achievements – 2022

Project	Achievements/Milestones
<p>Projects & Events: <i>Input and involvement in a number of projects and events that build knowledge, awareness and skills for staff, community members and enable the DAC members to actively participate.</i></p>	<p>A number of accessible events and celebrations were held during 2022:</p> <ul style="list-style-type: none">• Annual Yarra Ranges International Day of People with Disability event held <i>Celebrating the Power of People with Disability</i>. This was an opportunity for staff and DAC members with disability to participate and contribute to the planning of this event.• Promotional videos created with DAC members and shared on social media and on the Civic Centre screens.• DAC members present on key projects that have benefitted from working with the committee and celebrating the DAC contributions and achievements across Council.• Yarra Ranges Council 16 Days of Activism against Gender Based Violence event held <i>'Gender and Diversity: Creating Equality and Respect' What does equality and respect look like? How might this differ for Indigenous women, older women, or women with disability?</i>• Twelve editions of the Yarra Ranges Disability Inclusion newsletter created by Council and distributed to the community. The content includes promotion of the DAC activities and profiles members' contributions.

CT7035 CONSTRUCTION OF NEW BASKETBALL COURT AND ASSOCIATED IMPROVEMENTS AT KILSYTH SPORTS COMPLEX, PINKS RESERVE.

Report Author: Executive Officer Major Projects
 Responsible Officer: Director Built Environment & Infrastructure
 Ward(s) affected: Walling;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

Confidential information is contained in Attachment 1. This information relates to contractual matters and contains commercially sensitive information including, but not limited to, the name of tendering parties, the evaluation panel members, the tendered prices, and the evaluation of the tenders received against the published evaluation criteria.

Any disclosure of the information included within the confidential attachment to this report could be prejudicial to the interests of the Council or other parties. If discussion of this information is required, the Council is recommended to resolve that the item be deferred to the confidential section of the agenda when the meeting is closed to members of the public in accordance with Section 3(1)(g)(i)(g)(ii) of the Local Government Act 2020.

This report seeks Council approval to award a contract that complies with the Section 108 of the Local Government Act 2020.

SUMMARY

This report summarises the evaluation process and seeks Council approval for the awarding of the construction contract to the successful tenderer for a new Basketball Court and associated improvements at Kilsyth Sports Complex, Pinks Reserve.

The project includes the following works:

The project scope will deliver:

1. Badminton works, including external cladding replacement, internal linings and insulation, accessibility upgrades and flood protection works to the badminton entry.
2. Rainwater harvesting and Water Sensitive Urban Design works.
3. Changing Places (Adult accessible change room with hoist system including shower and toilet).

4. A new compliant Basketball Court including all associated amenities, storage, access, and fire protection works.
5. Fire protected corridor link from existing basketball area and required fire protection works to the existing external building.
6. Fully renewed and compliant amenities to the existing dilapidated amenities including additional amenities to service courts 1,2 & 3.
7. New compliant accessible changerooms to cater for the new court and show court and provide provision for wheelchair basketballers.
8. Service upgrades and all associated works and making good.
9. Flood Mitigation works to protect the existing Badminton /Table tennis buildings which is essential for the project and its future proofing against 1 in 100-year flood events.

The project consists of both new works and renewal/refurbishment work, the project is being funded in partnerships with the State Government and the Eastern Sports Development Ltd.

RECOMMENDATION

That Council

1. ***Award the contract to construct a new basketball court and associated facilities to Newpol Construction Pty Ltd for the Lump Sum price of \$8,080,196.00 Excluding GST (\$8,888,251.60 including GST) and adopted provisional sums and cost saving options.***
2. ***Approve a funding allocation for the project of \$2,116,324.13 excluding GST from Council's Capital Expenditure Program Asset Renewal Reserve and future Asset New & Investment Reserve, as detailed in Confidential Attachment 1.***
3. ***Council approves the Director of Built Environment and Infrastructure be delegated the authority to sign the contract documents.***
4. ***The confidential attachment to this report remains confidential indefinitely as it relates to matters specified under section 3(1) (g)(i), (g)(ii) of the Local Government Act 2020.***

RELATED COUNCIL DECISIONS

This project forms part of the key building projects approved by the Council in 2020 as part of the Pinks Reserve Masterplan with State Government funding.

Current external funding grants and agreements relating to the works and a funding agreement with Eastern Sports Development Ltd needs to be considered as part of the resulting contract.

A Construction Market Impact Report was presented to Council Forum on May 17, 2022, for noting. The details of this report are relevant to this item as the details of

this report identify a significant shift in construction prices impacting the costs of current and future projects.

DISCUSSION

Purpose

To seek Council approval to enter a contract for the Construction of a new Basketball Court and associated works at Pinks Reserve, Kilsyth under contract CT7035. To recommend acceptance of a preferred tenderer and a revised overall project budget.

Background

Pinks Reserve is located at Liverpool Road in Kilsyth. Pinks Reserve is surrounded on three sides by private residential properties and an industrial zone to the south. Pinks Reserve has had a long history with sporting activities on site. It has served a vital role for the progression of sporting clubs in the Yarra Ranges. It is host to many clubs and associations that have rich history within their respective disciplines.

The reserve is home to the Kilsyth Sports Centre, incorporating regional basketball, badminton and table tennis, regional netball, Australian Rules football, cricket, and softball. Intermingled with these sporting activities is a playground, picnic area, half-court basketball and a path network popular with joggers and dog walkers.

The Pinks Reserve Master plan was prepared following a comprehensive site analysis, detailed review of the demographics of the area and a review of relevant Council plans, strategic documents, and industry literature. As part of the masterplan process, a need was identified to expand, renew, and upgrade parts of the Kilsyth Sports Centre.

Kilsyth Basketball centre is one of the largest regional basketball centres in Victoria. It currently has over 10,000 participants, including 3,400 females and over 6,000 of these participants reside in Yarra Ranges.

The Basketball Centre is host to over 1,100 teams from clubs based in many Yarra Ranges suburbs and has over 1,400 referees, coaches, and team managers. It has a very large junior participation base of over 6,000, including over 2,000 junior female participants. Their elite talent pathway program, the Kilsyth Cobras, is the main talent pathway in the region and as such draw's players from all over Yarra Ranges including Healesville, Yarra Glen and the Dandenong's.

The Kilsyth Basketball Centre is also home to a State Level Wheelchair basketball competition with over 40 participants playing each week.

The centre is also host to weekly indoor Netball competitions on a Tuesday and Thursday morning, as well as utilised for school holiday programs and Australia Day and Queens Birthday holiday tournaments.

The centre is also Council's primary Emergency Relief Centre. The complex plays host to the community in times of need.

Options Considered

A recommendation of a selected tender via the Department of Treasury and Finance's Construction Supplier Register (CSR) as the method of procurement was discussed and approved. Council use of the CSR list is approved by the Minister of Local Government under section 186(5) (c) of the Local Government Act 1989 and is therefore compliant with Councils' legislative requirements.

On 2 November 2022, five (5) CSR registered preselected Contractors were invited for this tender. The tender closed on 12 December 2022 and three (3) submissions were received.

Due to the value of the contract and to mitigate risks, a probity plan was developed in accordance with Councils procurement policy by an independent probity advisor (SHOP Consulting). SHOP Consulting also acted in the role of Chair of the evaluation panel and provided ongoing probity advice throughout the procurement process. The probity plan was developed in conjunction with the Tender Evaluation Plan to ensure procedural fairness, value and a contract that can withstand any scrutiny.

Key issues

This tender has been carried out in accordance with the requirements of Council's Procurement Policy.

Tenders were assessed for conformity with the tender documents and no tenders were eliminated from further evaluation because of major non-conformances. The evaluation panel scored tenders against pre-established evaluation criteria. A summary of the mandatory requirements and evaluation criteria is as follows:

Mandatory Requirements:

- Is an acceptable legal entity;
- Has met the insurance requirements;
- Will be compliant with Rapid Global prior to contract award;
- Registered Commercial Builder with the Building Practitioners' Board;
- Tender has been received in full prior to the closing time;
- Completed all schedules; and
- Lodged in electronic form using Council's e-tendering portal

Evaluation Criteria	Weighting
Price	60%
Capability/Capacity	15%
Sustainability, Quality & Environmental	15%
Programme & Methodology	10%
Total	100%

Site Meeting

A non-mandatory site meeting was facilitated on 15 November 2022 where Council Officers provided access and further insight into the requirements of the project. Attendance, notes, questions, and answers were captured and issued via an addendum shortly after to ensure all tenderers could access the same information.

Addenda

During the tender open period a total of nine (9) Addenda were advertised to address a range of queries including a request to extend the closing date to provide tenderers with adequate time to prepare a response. Having considered this request, the evaluation panel agreed to extend the closing date from 28 November to 12 December 2022. All addenda were responded to in a timely manner and to the satisfaction of the tenderer asking the clarification question.

FINANCIAL ANALYSIS

Following the closing of tenders, a comprehensive review of the pricing was undertaken by Councils Acting Manager Recreation Projects & Parks with further scrutiny by SHOP Consulting to ensure an accurate review and recommendation was presented to the evaluation panel. A detailed price and evaluation breakdown is provided within confidential Attachment 1.

Recommended option and justification

Following an extensive evaluation process the evaluation panel are unanimous in their decision to recommend Newpol Construction Pty Ltd for the Final Tender Price of **\$8,080,196.13 excluding GST**. Newpol Construction Pty Ltd offers the best value outcome for the community.

All tender prices received were over the pre-tender cost estimate and project budget. This is fundamentally due to current adverse market conditions impacting the construction industry. These impacts have been reported to Council in the recent Construction Market Impact Report presented to council forum on 17 May 2022.

The construction industry is experiencing unprecedented cost increases due to direct and in-direct impacts of the Covid-19 pandemic, inflationary pressures, labour and material shortages, and ongoing geopolitical issues. The tender prices received were aligned with the anticipated percentage price increases that industry experts have reported.

The recommended tender award amount is reflective of current construction market rates and is considered to represent a best value outcome for Council. The recommended tender price together with items outside of the construction contract exceed the current allocated overall project budget which is currently made up from State Government funding grants, Council funding, and a funding agreement with Eastern Sports Development Ltd.

A detailed financial breakdown is provided in the Confidential Attachment to this report.

Works are anticipated to commence in April 2023 with an anticipated period for practical completion of 197 Master Builders Association of Victoria (MBAV) calendar days.

This item has been included in the public agenda to facilitate openness and transparency in Council's decision making. A confidential attachment has been included with the report which contains commercially sensitive information that is not to be disclosed whilst the meeting is open to the public. A detailed summary of the evaluation process is included in the Confidential Attachment to this report.

The recommendation in this report has been formally endorsed by the evaluation panel. The evaluation panel request that Council adopts the recommendations within this report.

APPLICABLE PLANS AND POLICIES

This report supports Council's Strategic framework in being a high performing organisation that listens and delivers quality, value for money services to our community.

This report contributes to the following strategic objective(s) in the Council Plan: connected and healthy communities.

- Quality Infrastructure and Liveable Places; and
- Connected and Healthy Communities.

RELEVANT LAW

This report seeks Council approval to award a contract that complies with the Section 108 of the *Local Government Act 2020*.

SUSTAINABILITY IMPLICATIONS

Economic Impacts

This has been considered as part of the project specification and evaluation process. The recommended tenderer also employs some staff that reside within the municipality. Some of the owners and sub-contractors reside in the Yarra Ranges. The purchasing of Hardware, Fuels, and servicing of all machinery is done locally.

Social Impacts

This has been considered as part of the project specification and evaluation process. The recommended tenderer tries in most cases to employ from Yarra Ranges.

Environmental Impacts

This has been considered as part of the project specification and evaluation process. Details are provided in the confidential attachment. The Recommended tenderer will follow general guidelines to mitigate environmental damage.

Climate Change

This has been considered as part of the project specification and design process. Environmentally Sustainable Design features have been embedded into the design of the proposed building, including water sensitive urban design, passive ventilation systems, heavy insulation, LED lighting, natural lighting and the minimisation of energy and water use. Waste materials will be kept to a minimum during the construction works and recycled wherever possible. The design will help reduce energy consumption and utilise quality materials to decrease the ongoing maintenance and operational costs of the facility.

COMMUNITY ENGAGEMENT

The design of the facility has been through an extensive consultation process with multiple approval gateways prior to tender. Stakeholder consultation has included both external and internal stakeholders throughout the process.

The project has been through a public advertised planning permit process. The permit process included a referral process to all required internal and external stakeholders.

The specification and tender documentation have been prepared in collaboration with an external consultant team, project stakeholders, planning referral advice, Major projects team, and has been developed in consultation with Council's Procurement team.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration with other Councils, Governments or statutory bodies was sought on this item.

RISK ASSESSMENT

This has been considered as part of project design, overall project management, contract terms and conditions and the evaluation process.

There are significant cost and time risks directly associated with this opportunity.

A project risk register has been developed, maintained, and monitored for this project. Extensive negotiations have taken place with the preferred tenderer to reduce the financial and time impacts associated with this project. Refer to the Confidential Attachment for further details.

PROBITY

Due to the value and risk of this project, and in accordance with Councils Procurement Policy, an independent probity advisor was engaged to oversee this project to raise and mitigate any probity related risks. A detailed Probity Plan was developed that lists the identified Probity Risks and mitigation strategies. The Probity Plan and associated checklist have been completed in accordance with the Australian Standard HB 325-2008 Probity in Decision Making and checklist and provided as confidential attachments to this report.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the Local Government Act 2020.

ATTACHMENTS TO THE REPORT

1. Confidential Attachment 1, CT7035 – Construction of a Basketball Court & Associated Facilities Tender Evaluation Report

Confidential Item

11. COUNCILLOR MOTIONS

In accordance with Chapter 3 Division 4 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

There were no Councillor motions received prior to the Agenda being printed.

12. ITEMS THROUGH THE CHAIR

13. REPORTS FROM DELEGATES

14. DOCUMENTS FOR SIGNING AND SEALING

In accordance with Clause 87 of the Meeting Procedures and Use of Common Seal Local Law 2015, as prescribed by Section 14(2)(c) of the Local Government Act 2020.

There were no Documents for Signing and Sealing listed for this meeting prior to the Agenda being printed.

INFORMAL MEETINGS OF COUNCILLORS

Report Author: Governance Officer
Responsible Officer: Director Corporate Services
Ward(s) affected: All Wards

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public

SUMMARY

Chapter 8, Rule 1, of the Governance Rules requires that records of informal meetings of Councillors must be kept and that the Chief Executive Officer must ensure that a summary of the matters discussed at the meeting tabled at the next convenient Council meeting and recorded in the Minutes of that Council meeting.

An 'informal meeting of Councillors' is defined in the Governance Rules as a meeting of Councillors that:

- is scheduled or planned for the purpose of discussing the business of Council or briefing Councillors;
- is attended by at least one member of Council staff; and
- is not a Council meeting, Delegated Committee meeting or Community Asset Committee meeting.

The records for informal meetings of Councillors are attached to the report.

RECOMMENDATION

That the records of the Informal Meetings of Councillors, copies of which are attached to the report, be received and noted.

ATTACHMENTS TO THE REPORT

1. 2 February 2023 - Sustainable Environment Advisory Committee;
2. 7 February 2023 - Council Briefing;
3. 7 February 2023 - Council Forum; and
4. 7 February 2023 - Review of Complex Planning Matters.

Informal Meeting of Councillors

Public Record



Meeting Name:	Sustainable Environment Advisory Committee	
Date:	02 February 2023	Start Time: 5.30pm Finish Time: 7.55pm
Venue:	Karawun Room, Civic Centre and via Zoom	
Attendees:	Councillors:	Cr Johanna Skelton, Cr Andrew Fullagar
	Other attendees:	Graeme George (Member), Lauren Dwyer (Member), Laurence Gaffney (Member), Melanie Birtchnell (Member), Peter Martin (Member), Lucy Gilchrist (Member), Mel Carmody (Melbourne Water), Merryn Kelly (DEEECA)
	CEO/Directors:	Nil
	Officers:	Suzanne Burville, Sarah Bond, Joanna Lebbink, Jess Rae, Amanda Smith
Apologies	Cr Tim Heenan, Graham Brew, Kym Saunders, Tom Meek, Clinton Muller (Member), Ron Sawyer (Member), Joanne Antrobus (Parks Vic), Jeff Barlow (Member), Lucy Southwell-Hambly (Member), Jonathan Gay (Member), Bec Brannigan (Member), Darren Wandin (member)	
Disclosure of Conflicts of Interest:	None	
Matter/s Discussed:	1.1	Updates given by Melbourne Water and Department Energy, Environment and Climate Change (DEECA) representatives
	1.2	YRC Biodiversity Offset Program
	1.3	YRC Energy Transition Plan
	1.4	Indigenous Cultural Training for committee members
Completed By:	Suzanne Burville	

Informal Meeting of Councillors

Public Record



Meeting Name:	Council Briefing	
Date:	7 February 2023	Start Time: 6.20 pm Finish Time: 6.33 pm
Venue:	Council Chamber, Civic Centre, Anderson Street, Lilydale and via videofonference	
Attendees:	Councillors:	Jim Child, Andrew Fullagar, David Eastham, Tim Heenan, Sophie Todorov, Fiona McAllister, Johanna Skelton & Len Cox
	CEO/Directors:	Tammi Rose, Kath McClusky, Andrew Hilson, Jane Price & Kim O’Conner (Acting Director Built Environment & Infrastructure)
	Via Zoom:	Nil
	Officers:	Andrew Edge, Debbie Pulham, Sarah Candeland
	Via Zoom:	Nil
Apologies	Richard Higgins	
Disclosure of Conflicts of Interest:	Nil	
Matter/s Discussed:	This briefing covered the following items of business to be considered at the 14 February 2023 Council Meeting.	
	10.1	YR-2022/452 - 20 David Hill Road, Monbulk - Planning Report
	10.2	YR-2022/356 - 2420 Warburton Highway, Yarra Junction -Planning Report
	10.3	Amendment C208: 27-33 Old Hereford Road, Mount Evelyn
	10.4	CT7095 Kerbside Collection Services Including Mobile Bin and Lid Purchasing and Distribution
	10.5	Kilsyth Recreation Reserve Master Plan for Community Consultation
	10.6	Purchase of 13 Green Street, Healesville - Progress to Community Engagement
	10.7	Road Discontinuance abutting 2 Edward Street Healesville
Completed By:	Andrew Edge	

Informal Meeting of Councillors

Public Record



Meeting Name:	Council Forum	
Date:	7 February 2023	Start Time: 7.07 pm Finish Time: 10.01 pm
Venue:	Council Chamber, Civic Centre, Anderson Street, Lilydale and via videofonerecence	
Attendees:	Councillors:	Jim Child, Andrew Fullagar, David Eastham, Tim Heenan, Sophie Todorov, Richard Higgins, Fiona McAllister, Johanna Skelton & Len Cox
	CEO/Directors:	Tammi Rose, Kath McClusky, Andrew Hilson, Jane Price & Kim O'Conner (Acting Director Built Environment & Infrastructure)
	Via Zoom:	Nil
	Officers:	Andrew Edge, Debbie Pulham, Amanda Kern, Alexia Paterson, Sarah Candeland, Hugh Baulch, Phil Murton, Jenny Davies, Clint Hong, Isha Scott
	Via Zoom:	Allison Southwell, Pip Smith
Apologies		
Disclosure of Conflicts of Interest:	Nil	
Matter/s Discussed:	2.2	Councillor Discussion Time
	2.4	Pinks Reserve Stadium Tender Update
	2.5	Partnerships Grants Recommendations 2023
	2.6	Aquatics Communication and Engagement Plan
	3.1	Capital Works Program Quarterly Report - December 2022
	3.2	Indicative Forum & Council Meeting Schedule
	3.3	Mayor & CEO Update
	4	General Business
	5	Late Items and Urgent Business
Completed By:	Andrew Edge	

Informal Meeting of Councillors

Public Record



Meeting Name:	Review of Complex Planning Matters	
Date:	7 February 2023	Start Time: 5.33 pm Finish Time: 6.19 pm
Venue:	Council Chamber, Civic Centre, Anderson Street, Lilydale and via videofonference	
Attendees:	Councillors:	Jim Child, Andrew Fullagar, David Eastham, Tim Heenan, Sophie Todorov, Fiona McAllister, Johanna Skelton & Len Cox
	CEO/Directors:	Tammi Rose, Kath McClusky, Andrew Hilson, Jane Price & Kim O'Conner (Acting Director Built Environment & Infrastructure)
	Via Zoom:	Nil
	Officers:	Andrew Edge, Debbie Pulham, Amanda Kern, Alexia Paterson, Sarah Candeland,
	Via Zoom:	Nil
Apologies	Richard Higgins	
Disclosure of Conflicts of Interest:	Nil	
Matter/s Discussed:	10.1	YR-2022/452 - 20 David Hill Road, Monbulk - Planning Report
	10.2	YR-2022/356 - 2420 Warburton Highway, Yarra Junction -Planning Report
Completed By:	Andrew Edge	

16. URGENT BUSINESS

In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

17. CONFIDENTIAL ITEMS

In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

There were no Confidential Items listed for this meeting.

18. DATE OF NEXT MEETING

The next meeting of Council is scheduled to be held on Tuesday 14 March 2023 commencing at 7.00pm, at Council Chamber, Civic Centre, Anderson Street, Lilydale and via videoconference.



In providing for the good governance of its community, Councillors are reminded of their obligation to abide by the provisions as set within the Local Government Act 2020 and the Code of Conduct for Councillors.

When attending a Council Meeting, Councillors should adhere to the procedures set out in the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

The following is a guide for all Councillors to ensure they act honestly, in good faith and in the best interests of Yarra Ranges as a whole.

- 1. Councillors will respect the personal views of other Councillors and the decisions of Council.*
- 2. Councillors may publicly express their own opinions on Council matters but not so as to undermine the standing of Council in the community.*
- 3. The Mayor is the official spokesperson for Council.*
- 4. Councillors will incur expenditure in a responsible manner and in accordance with the Councillor Expenditure and Policy.*
- 5. Councillors will avoid conflicts of interest and will always openly disclose any direct and indirect interests where they exist.*
- 6. Councillors will act with integrity and respect when interacting with Council staff and members of the public.*
- 7. Councillors will demonstrate fairness in all dealings and conduct and be open with and accountable to the community at all times.*
- 8. Councillors will conduct themselves in a manner that does not cause detriment to Council or the Yarra Ranges community.*