Ordinary Meeting of Council Agenda

to be held on Tuesday 25 June 2019 at 7.00pm Richmond Town Hall

Arrangements to ensure our meetings are accessible to the public

Council meetings are held at either the Richmond Town Hall or the Fitzroy Town Hall. The following arrangements are in place to ensure they are accessible to the public:

- Entrance ramps and lifts (off Moor Street at Fitzroy, entry foyer at Richmond).
- Interpreting assistance is available by arrangement *(tel. 9205 5110).*
- Auslan interpreting is available by arrangement *(tel. 9205 5110).*
- A hearing loop is available at Richmond only and the receiver accessory is available by arrangement *(tel. 9205 5110).*
- Proposed resolutions are displayed on large screen.
- An electronic sound system amplifies Councillors' debate.
- Disability accessible toilet facilities are available at each venue.

Recording and Publication of Meetings

An audio recording is made of all public Council Meetings and then published on Council's website. By participating in proceedings (including during Public Question Time or in making a submission regarding an item before Council), you agree to this publication. You should be aware that any private information volunteered by you during your participation in a meeting is subject to recording and publication.

www.yarracity.vic.gov.au

Order of business

1. **Statement of recognition of Wurundjeri Land**
2. **Attendance, apologies and requests for leave of absence**
3. **Declarations of conflict of interest (Councillors and staff)**
4. **Confidential business reports**
5. **Confirmation of minutes**
6. **Petitions and joint letters**
7. **Public question time**
8. **General business**
9. **Delegates' reports**
10. **Questions without notice**
11. **Council business reports**
12. **Notices of motion**
13. **Urgent business**

1. Statement of Recognition of Wurundjeri Land

"Welcome to the City of Yarra."

"Yarra City Council acknowledges the Wurundjeri as the Traditional Owners of this country, pays tribute to all Aboriginal and Torres Strait Islander people in Yarra and gives respect to the Elders past and present."

2. Attendance, apologies and requests for leave of absence

Anticipated attendees:

Councillors

- Cr Danae Bosler (Mayor)
- Cr Misha Coleman (Deputy Mayor)
- Cr Mi-Lin Chen Yi Mei
- Cr Jackie Fristacky
- Cr Stephen Jolly
- Cr Daniel Nguyen
- Cr Bridgid O'Brien
- Cr James Searle
- Cr Amanda Stone

Council officers

- Vijaya Vaidyanath (Chief Executive Officer)
- Ivan Gilbert (Group Manager Chief Executive's Office)
- Lucas Gosling (Director Community Wellbeing)
- Gracie Karabinis (Group Manager People, Culture and Community)
- Chris Leivers (Director City Works and Assets)
- Diarmuid McAlary (Director Corporate, Business and Finance)
- Bruce Phillips (Director Planning and Place Making)
- Mel Nikou (Governance Officer)

3. Declarations of conflict of interest (Councillors and staff)

4. Confidential business reports

Item

4.1 Matters relating to the security of Council property

Confidential business reports

The following items were deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89 (2) of the *Local Government Act* 1989. In accordance with that Act, Council may resolve to consider these issues in open or closed session.

RECOMMENDATION

1. That the meeting be closed to members of the public, in accordance with section 89 (2) of the *Local Government Act* 1989, to allow consideration of matters relating to the security of Council property.
2. That all information contained within the Confidential Business Reports section of this agenda and reproduced as Council Minutes be treated as being and remaining strictly confidential in accordance with the provisions of sections 77 and 89 of the *Local Government Act* 1989 until Council resolves otherwise.

5. Confirmation of minutes

RECOMMENDATION

That the minutes of the Special Council Meeting held on Tuesday 11 June 2019 be confirmed.

6. Petitions and joint letters

7. Public question time

Yarra City Council welcomes questions from members of the community.

Public question time procedure

Ideally, questions should be submitted to Council in writing by midday on the day of the meeting via the form available on our website. Submitting your question in advance helps us to provide a more comprehensive answer. Questions that have been submitted in advance will be answered first.

Public question time is an opportunity to ask questions about issues for which you have not been able to gain a satisfactory response on a matter. As such, public question time is not:

- a time to make statements or engage in debate with Councillors;
- a forum to be used in relation to planning application matters which are required to be submitted and considered as part of the formal planning submission;
- a forum for initially raising operational matters, which should be directed to the administration in the first instance;

If you wish to raise matters in relation to an item on this meeting agenda, Council will consider submissions on these items in conjunction with and prior to debate on that agenda item.

When you are invited by the meeting chairperson to ask your question, please come forward and take a seat at the microphone and:

- state your name clearly for the record;
- direct your questions to the chairperson;
- ask a maximum of two questions;
- speak for a maximum of five minutes;
- refrain from repeating questions that have been asked previously by yourself or others; and
- remain silent following your question unless called upon by the chairperson to make further comment or to clarify any aspects.

8. General business

9. Delegates' reports

10. Questions without notice

11. Council business reports

Item		Page	Rec. Page	Report Presenter
11.1	2019/20 Annual Budget, 4 Year Strategic Resource Plan, & 10 Year Long Term Financial Strategy Adoption	8	10	Ange Marshall – Chief Financial Officer
11.2	2019/20 Annual Plan	213	215	Julie Wyndham – Manager Corporate Planning and Performance
11.3	Draft Social and Affordable Housing Strategy	242	246	Malcolm McCall – Unit Manager Social Policy and Research
11.4	Draft Urban Agriculture Strategy	538	542	Eloise Lobsey – Urban Agriculture Facilitator
11.5	Report on Assemblies of Councillors	571	572	Ivan Gilbert – Group Manager - Chief Executive's Office

The public submission period is an opportunity to provide information to Council, not to ask questions or engage in debate.

Public submissions procedure

When you are invited by the meeting chairperson to make your submission, please come forward and take a seat at the microphone and:

- state your name clearly for the record;
- direct your submission to the chairperson;
- speak for a maximum of five minutes;
- confine your remarks to the matter under consideration;
- refrain from repeating information already provided by previous submitters; and
- remain silent following your submission unless called upon by the chairperson to make further comment.

12. Notices of motion

Item		Page	Rec. Page	Report Presenter
12.1	Notice of Motion No. 10 of 2019 - Requesting Council Support Nomination to Heritage Victoria by the Queens Parade Heritage, Planners and Traders Group	579	579	Bridgid O'Brien - Councillor

13. Urgent business

Nil

11.1 2019/20 Annual Budget, 4 Year Strategic Resource Plan, & 10 Year Long Term Financial Strategy Adoption

Trim Record Number: D19/97437
Responsible Officer: Director Corporate, Business and Finance

Purpose

1. In relation to the 2019/20 Proposed Budget, Council having considered public submissions and information contained in this report, must resolve on whether to:
   (a) adopt the 2019/20 proposed Budget following public notice and inspection in accordance with the requirements of the *Local Government Act* 1989 (the Act) and Local Government (Planning and Reporting) Regulations 2014 (the Regulations); and
   (b) declare the amount which the Council intends to raise by General Rates and Charges;
   (c) adopt the 2019/20 – 2022/23 proposed Strategic Resource Plan (SRP); and
   (d) adopt the 2019/20 – 2028/29 proposed Long Term Financial Strategy (LTFS).

Background

2. On 16 April 2019, Council resolved to adopt in principle the draft 2019/20 Budget, 2019/20 – 2022/23 SRP and 2019/20 – 2028/29 LTFS for the purpose of community consultation.
3. On 4 June 2019, Council held a Special Council Meeting to hear verbal submissions on these documents.

External Consultation

4. The proposed 2019/20 Budget was publicised via:
   (a) a formal public notice in The Age and Council's website on Thursday 18 April 2019;
   (b) Yarra News double page feature (to 55,000 addresses);
   (c) Yarra Life email newsletter (to 13,000 subscribers);
   (d) Facebook campaign (13,732 views);
   (e) Twitter campaign (6,714 views);
   (f) Your Say Yarra direct message to previous submitters;
   (g) Message to Advisory Committee representatives;
   (h) Yarra website banner and news item; and
   (i) Your Say Yarra front page banner.
5. The proposed 2019/20 Budget has been available for public inspection for 30 days, from 18 April to 17 May 2019, with the community having a number of options for submitting feedback:
   (a) formal submissions received via email, online on Council's website, post, or in-person as stipulated under s223 of the Local Government Act; and
   (b) open community information and feedback sessions were hosted by the Mayor at the following times and locations:
      (i) 3.00pm, Monday 6 May Fitzroy Town Hall, Fitzroy; and
      (ii) 6.00pm, Monday 6 May Fitzroy Town Hall, Fitzroy.
6. At the close of submissions on Friday 17 May 2019, Council had received 159 submissions.
7. A summary of submission issues and responses is contained in **Attachment 4**. In addition to this, Councillors have been provided with full details of all submissions and officer responses.

8. Of the issues raised in the submissions, there are only 2 projects of significance with multiple submissions, and these are the Panther Pavilion Ivanhoe and Northcote Canoe Club (27) and the Railway House community garden (23).

Internal Consultation (One Yarra)

9. The Budget has been prepared in consultation with Managers and the Executive. The Governance branch has provided advice to ensure compliance with the legislative obligations of the Local Government Act 1989.

Financial Implications

10. The Budget process is guided by legislation and has major financial implications for Council's current and future operations and financial direction into the future.

Economic Implications

11. The annual budget preparation and adoption process has wide-ranging economic implications for Yarra's citizens, particularly those reliant on Council infrastructure, services and funding, which in turn continue to support and contribute to economic activity in the municipality.

Environmental Sustainability Implications

12. The annual budget preparation and adoption process shows a commitment to continue funding appropriate environmental initiatives.

Social Implications

13. The social implications of the annual budget preparation and adoption process support Council's strategic objectives which include supporting the community, liveability and sustainability.

Human Rights Implications

14. Human Rights have been considered, and there are no human rights implications.

Communications with CALD Communities Implications

15. Translation service assistance is available via Council's website for members of the CALD community and this service extended to the Council Plan and Budget process.

Council Plan, Strategy and Policy Implications

16. The Draft Budget and Strategic Resource Plan (SRP) complement the Council Plan 2017-2021.

17. In accordance with Section 125(7) of the Local Government Act and Section 26 of the Public Health and Wellbeing Act, the Council Plan 2017-2021 (incorporating the Health Plan) has been reviewed and no changes are proposed.

Legal Implications

18. Adoption of Council's proposed Budget, SRP and LTFS process is as prescribed in the Act and all requirements have been addressed.

Other Issues

19. The adopted Budget will include the results received to date of the 2019 revaluations as well as any supplementary valuations of properties in the municipality which will then determine the 'rate in the dollar' to be used to generate general rate income. This will be pending clarification with the Valuer-General Victoria (VGV) on the final valuations received.

Conclusion

20. Council's proposed 2019/20 Budget, SRP, & LTFS process commenced in November 2018 and has involved numerous meetings with Councillors and Officers over the past several months.

21. Council ran an early community engagement process in late 2018/early 2019 and this initial round of consultation assisted Council to understand a range of community suggestions and priorities for the budget.

22. The formal public consultation phase of this process commenced in April 2019 with two community information sessions. The public submission process generated interest and input from the community, with 159 submissions on the draft documents.

23. All submissions have been reviewed and assessed (refer **Attachment 4**). Officers will respond to all submitters in writing.

24. Council has satisfied the legislative requirements of the process and is now in a position to adopt its 2019/20 Budget, 2019/20-2022/23 SRP, and 2019/20 – 2028/29 LTFS.

25. Any further changes resulting from Council Plan and Budget deliberation and resolution, or changes from the VGV, will be incorporated in the final version of the documents.

RECOMMENDATION

1. That Council, in considering submissions made on the proposed 2019/20 Budget and for the reasons set out at Attachment 4:

   (a) adopts the 2019/20 Proposed Budget as the Annual Budget of Council for the 2019/20 financial year, with the following amendments:

(i)	Add Investment Interest Income	$255k
(ii)	Remove Yarra Street Community Garden Project	$55k
(iii)	Include additional Street Cleansing associated with Medically Supervised Injecting Facility	$300k

   (b) adopts the 2019/20 – 2022/23 Proposed SRP as the Strategic Resource Plan for 2019/20;

   (c) adopts the 2019/20 – 2028/29 Proposed LTFS as the Long Term Financial Strategy for 2019/20;

   (d) makes copies of the 2019/20 Adopted Budget, SRP & LTFS available at Council offices, libraries and on Council's website;

   (e) authorises the Chief Executive Officer to give public notice of the decision to adopt the Annual Budget and submit a copy to the Minister for Local Government, in accordance with Section 130 of the Act;

   (f) endorses Council's response to the submissions and notifies in writing the persons who have made a submission regarding the 2019/20 Proposed Budget, SRP and LTFS of Council's decision, in accordance with Section 223 of the Act, which will include a response to the issues raised in the submission;

   (g) declares rates and charges as per pages 45-48 of the budget document (Attachment 1), in summary, an amount of $ 112,465,000.00 (or such greater amount as is lawfully levied as a consequence of this resolution) as the amount which Council intends to raise by General Rates and other charges, which is calculated as follows:

General Rates	$ 111,235,000.00
Special Rates & other charges	$ 245,000.00
Supplementary Rates	$1,100,000.00

Pensioner rate rebate and other rate offsets	($465,000.00)
Interest on Rates	$350,000.00
Total Rates and Charges	$ 112,465,000.00

(h) advises in respect to General Rates:

(i) a general rate be declared in respect of and for the entire duration of the 2019/20 financial year;

(ii) it further be declared that the general rate be raised by application of a uniform rate;

(iii) a percentage of 0.039533 be specified as the percentage of the uniform rate which may be alternatively expressed as $0.039533 cents in the NAV dollar: this figure is subject to clarifying the final valuations with the VGV;

(iv) it be confirmed that no amount is fixed as the minimum amount payable by way of a general rate in respect of each rateable property within the municipality; and

(v) the Council funded Pensioner Rate Rebate be declared at $187.10 for 2019/20;

(i) declares no Annual Service Charge in respect of the 2019/20 financial year;

(j) declares no Municipal Charge in respect of the 2019/20 financial year; and

(k) authorises the Chief Executive Officer to effect administrative and wording changes to the proposed 2019/20 Budget, SRP & LTFS documents, which may be required.

2. That Council has reviewed the Council Plan (incorporating the Health and Wellbeing Plan) in accordance with relevant legislation, and no changes are proposed.

CONTACT OFFICER: **Ange Marshall**
TITLE: **Chief Financial Officer**
TEL: **9205 5544**

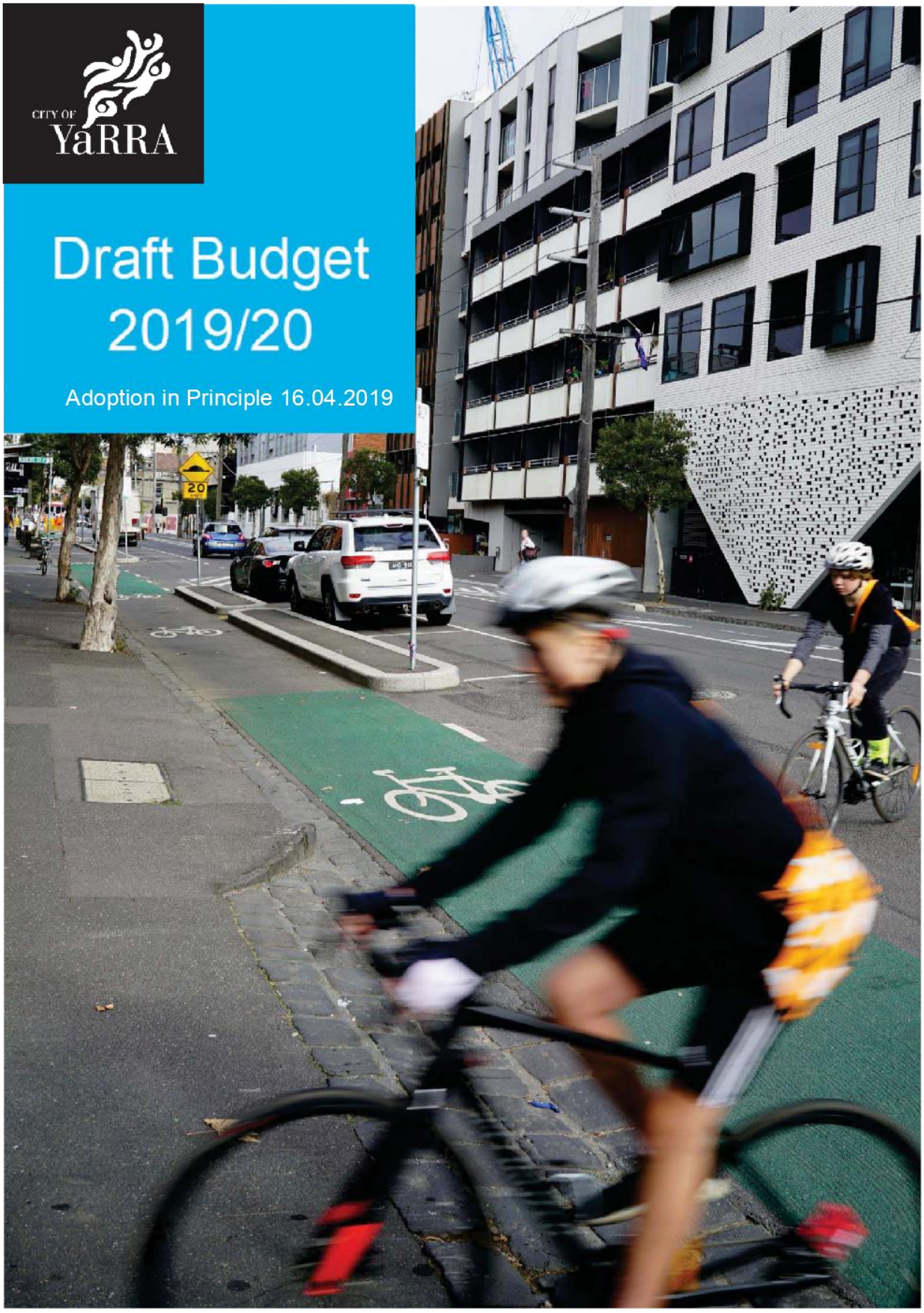
Attachments
1⇩ 2019-20 Proposed Annual Budget
2⇩ 2019-20 to 2022-23 Proposed Strategic Resource Plan
3⇩ 2019-20 to 2028-29 Proposed Long Term Financial Strategy
4⇩ 2019-20 Budget Submissions Summary

Attachment 1 - 2019-20 Proposed Annual Budget

CITY OF YARRA

Draft Budget 2019/20

Adoption in Principle 16.04.2019



Attachment 1 - 2019-20 Proposed Annual Budget

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5. Notes to the financial statements 45
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DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

Message from the Mayor and CEO

Thank you for sharing your ideas and priorities with us during the first phase of community consultation for this budget. Your feedback has helped us produce a budget that supports the broad range of services and facilities that our growing community needs. It supports programs like immunisation, childcare and kindergarten. It funds our parks, libraries and leisure centres, and supports our business and creative communities. It enables us to plan for sustainable growth, harness new technologies, improve our network of roads, pursue innovative solutions to waste collection, and much more.

The draft budget continues to deliver on our long-term vision to become smarter and more sustainable through our use of innovative technologies. This year we will continue to source 100% of our electricity needs from renewable sources, including a major new windfarm in regional Victoria. We are helping to drive construction of the wind farm with our partners in the Melbourne Renewable Energy Project. This is just one part of our sector-leading response to the climate emergency facing our city and our world. This year we are partnering with the Yarra Energy Foundation to deliver a Climate Emergency Plan that empowers every member of the Yarra community to reduce their carbon emissions.

We're embracing a smart city approach to provide a more targeted, timely and cost-effective service for the community. Our new Thinxtra wireless network allows us to track Council assets in real time. At first, we will use the network to tell us when a public bin needs to be emptied. Other uses might include telling us when to replace a street light or service a public toilet. These innovations ensure that every budget dollar works harder and smarter for the Yarra community.

This year's budget also supports our trailblazing recycling trial. Participating households will receive a glass collection, a food and green waste collection, and a standard recycling collection. Collecting glass separately will provide the material to resurface local roads. It will also reduce the amount of waste going to landfill, and boost the quality of our regular recycling, which is often contaminated by glass fragments. And by demonstrating the potential for local recycling markets, we will be leading the response on the recycling crisis affecting Victoria.

This budget includes $31.3m worth of capital works and new initiatives, including upgrades and renewals for facilities cherished by their local communities:

- $2.4m for upgrades to facilities at Ryans Reserve and Kevin Bartlett Reserve, Richmond
- $1.4m for traffic and safety initiatives in Abbotsford, North Fitzroy and Richmond
- $1m for trees throughout Yarra (a $200,000 increase over last year)
- $900,000+ for bicycle infrastructure across Yarra, including completing the bike lane in Wellington Street, Collingwood
- $560,000 to improve streetscapes in Swan Street and Bridge Road, Richmond
- $485,000 for improving storage and designing enhancements to Panther Pavilion boating facilities in Fairfield Park, Fairfield
- $70,000 to redevelop the Carlton Library Courtyard
- $60,000 to make Council Meetings more accessible via livestreaming

Thank you for your interest in our draft budget for 2019/20. We have worked hard to deliver a draft budget brimming with innovation and creativity, while preserving a strong and sustainable financial position for the city, all within the constraints of the 2.5% cap on average rate increases. We now invite you to review the draft budget and to provide further feedback on any changes you would like to see.

Cr Danae Bosler
Mayor

Vijaya Vaidyanath
Chief Executive Officer

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

The financial snapshot below shows Council's key financial statistics:

Financial Snapshot				
Key Statistics	*2018-19*		*2019-20*	
	Forecast		*Budget*	
	$million		*$million*	
Total Revenue	*$*	*214.12*	*$*	*200.42*
Total Expenditure	*$*	*184.77*	*$*	*188.91*
Comprehensive Operating Surplus	*$*	*29.34*	*$*	*63.71*
Adjusted underlying result	*$*	*4.50*	*$*	*4.77*
Operating cash result	*$*	*58.48*	*$*	*36.99*
Capital Works Program	*$*	*31.30*	*$*	*31.33*
Funding the Capital Works Program				
Council	*$*	*25.81*	*$*	*27.80*
Grants	*$*	*2.84*	*$*	*2.43*
Open Space Reserve contributions	*$*	*2.65*	*$*	*1.10*
Borrowings	*$*	*-*	*$*	*-*

Commentary on the financial snapshot:

- Total Revenue is decreasing from forecast to budget next year due to the $17.5m one off grant Council will receive for the Fitzroy Depot relocation. The money is forecast to be received in 2018-19 and will be spent over future years via the capital program.

- The Operating Cash Result decreases for the same reason.

- The Comprehensive Operating Surplus increases due to the revaluation of Council's assets in that year - $52m non-cash accounting entry and this is offset by the decrease in the grants funds mentioned above.

- The cash received for the grant will form part of Council's cash holdings at the end of each year, until the project is complete, which is why the cash at bank at the end of the year for the next few years is at a high level. This cash is restricted for future use on the capital project to relocate the Depot.

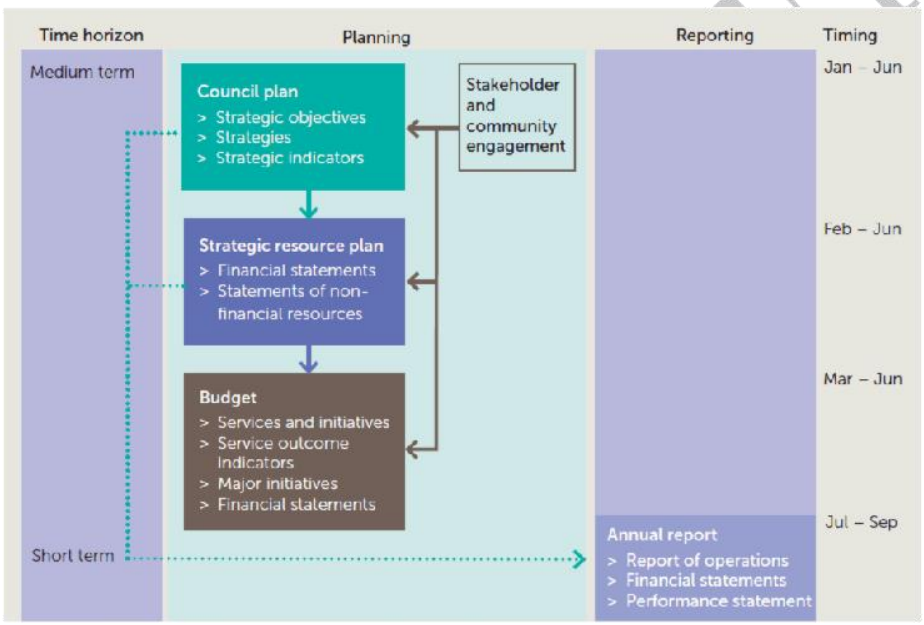
DRAFT BUDGET

1. Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

1.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, considering the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes.

Attachment 1 - 2019-20 Proposed Annual Budget

1.2 Our purpose

Our vision

A vibrant, liveable and sustainable inner city that the community can be proud of.

Our values

We aim to achieve the greatest outcomes for the community through delivering our Council Plan and working with, and for, all in Yarra. Out values guide our conduct and working relationships with colleagues and the community.

INTEGRITY

Honesty. Fairness. Transparency.

We communicate clearly and apply policies and procedures with discretion, judgement and sensitivity for equitable outcomes.

ACCOUNTABILITY

Ownership. Leadership. Initiative

We take responsibility for our actions and welcome feedback. We follow through on obligations and commitments promptly, and willingly achieve agreed goals and standards.

TEAMWORK

Support. Collaboration. Encouragement.

We acknowledge we are one organisation in which every person plays and important role. We build positive working relationships across all teams and groups and in our interactions with the wider community. We engage our colleagues, value their experiences and share our resources.

RESPECT

Understanding. Empathy. Courtesy.

We celebrate diversity and value different opinions, views and working styles. We seek to understand expectations and differing needs then respond appropriately.

INNOVATION

Lead. Learn. Improve.

We tackle challenges and try new things. We strive for a learning culture. We embrace change and are not hampered by fear. We learn from our actions and experiences. We seek and provide feedback. We further develop our knowledge and skills.

SUSTAINABILITY

Environmental. Economic. Social. Cultural.

Our long-term vision guides our investment in the future to promote the health and resilience of our organisation and our community.

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

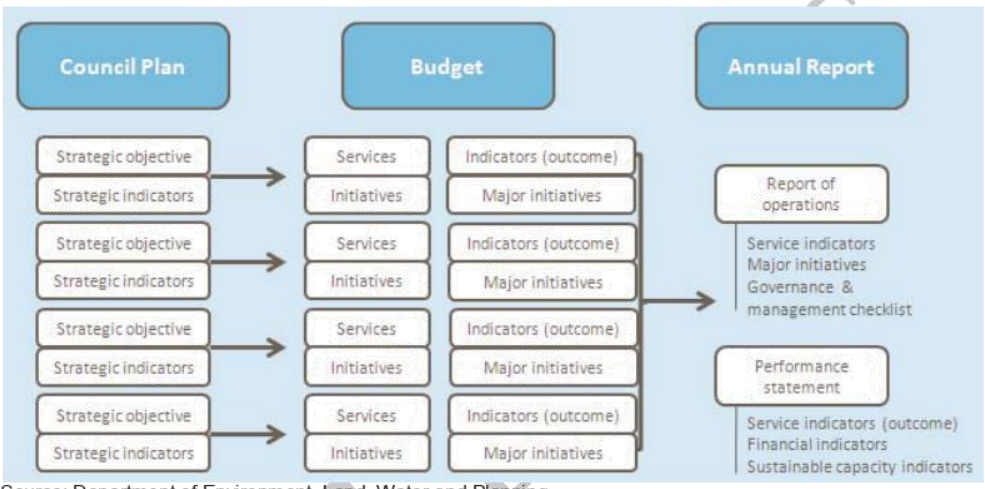
1.3 Strategic objectives

Council delivers services and initiatives across a number of Branches and Business Units. Each contributes to the achievement of one of the Strategic Objectives as set out in the Council Plan incorporating the Municipal Public Health and Wellbeing Plan for the years 2017-21. The following table lists the seven Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. A healthy Yarra: Community health, safety and wellbeing are a focus in everything we do	Council plays a key role in contributing to our community's health and wellbeing. From delivering maternal and child health services to ensuring access to open space, enforcing noise regulations to supporting community and cultural initiatives, community health, safety and wellbeing is central to everything we do.
2. An inclusive Yarra: Inclusion, diversity and uniqueness are welcomed, respected and celebrated	Identity was a passionate and recurring theme throughout community consultation for the Council Plan. Our community values its diversity. Creating a safe place where people of all ages, genders, sexualities, abilities, cultures and backgrounds feel welcome and connected is a priority for Council.
3. A sustainable Yarra: Council leads on sustainability and protects and enhances its natural environment	As Victoria's first carbon-neutral council, we are proud of our commitment to sustainability. Protecting our natural environment and supporting our community to reduce its environmental footprint will continue to be a priority for Council.
4. A liveable Yarra: Development and growth are managed to maintain and enhance the character and heritage of the city	With demand for inner city housing increasing, Council is mindful of the importance of balancing the needs of new and existing residents, and ensuring that development does not encroach on the amenity or heritage of our city.
5. A prosperous Yarra: Local businesses prosper and creative and knowledge industries thrive	Yarra is a great place to do business and to work. Supporting local businesses and creative industries not only contributes to Yarra's economy, but also increases local employment opportunities, enhances street life and fosters community connectedness.
6. A connected Yarra: Connectivity and travel options are environmentally sustainable, integrated and well-designed	Council is committed to creating a city that is accessible to all irrespective of levels of personal mobility, to support a fulfilling life without the need for a car.
7. A leading Yarra: Transparency, performance and community participation drive the way we operate	Council is committed to change through an energised, cohesive team of professionals, recognised for our leadership, innovation and service.

2. Services and initiatives and service performance outcome indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2019/20 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

DRAFT

Attachment 1 - 2019-20 Proposed Annual Budget

2.1 Strategic Objective 1

A healthy Yarra:
a place where…Community health, safety and wellbeing are a focus in everything we do

Council plays a key role in contributing to our community's health and wellbeing. From delivering maternal and child health services to ensuring access to open space, enforcing noise regulations to supporting community and cultural initiatives, community health, safety and wellbeing is central to everything we do.

Council's work to achieve this Strategic Objective includes the following strategies:

1.1 Maintain and enhance Yarra's open space network to meet the diverse range of community uses

1.2 Promote a community that is inclusive, resilient, connected and enjoys strong mental and physical health and wellbeing

1.3 Provide health promoting environments that encourage healthy eating and active living

1.4 Assist to reduce the harms from alcohol and drugs on individuals and the community in partnership with State Agencies and key service providers

1.5 Promote environments that support safe and respectful sexual practices and reproductive choices

1.6 Promote a gender equitable, safe and respectful community

1.7 Promote an effective and compassionate approach to rough sleeping and advocate for affordable, appropriate housing

1.8 Provide opportunities for people to be involved in and connect with their community

Services

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
Family, Youth and Children's Services	Family, Youth and Children's Services provides direct services for children, young people and their families and is also responsible for municipal wide planning for children and young people. The Branch is structured into five service units: Children's Services, Family Services, Youth and Middle Years Services, Connie Benn Centre and Service Planning and Development. Key services: • Education and Care / Children's Services • Maternal & Child Health • Family Support • Youth & Middle Years	*Exp*	*16,582*	*17,656*	*18,317*
		Rev	*(9,399)*	*(9,427)*	*(9,831)*
		NET	*7,183*	*8,229*	*8,486*

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
Aged and Disability Services	Aged and Disability Services provides a range of services to assist older adults and people with disabilities to live independently in their homes in partnership with the State and Federal Government. The services include home care, personal care, home maintenance, meals and social support to older people, younger people with disability and their carers. The Branch carries out community development and strategic planning roles to support the inclusion of older adults and people with disability in community life, including resourcing Council's Disability Advisory Committee and the Active Ageing Advisory Group. Key Services: • Delivering community care services • Community Development • Support for Older Persons Groups • Strategy planning and development for Disability, Access & Inclusion and Active Ageing • Metro Access • Community Transport • Contract Management	*Exp*	*6,400*	*6,413*	*6,514*
		Rev	*(2,972)*	*(3,704)*	*(3,774)*
		NET	*3,428*	*2,709*	*2,740*
Recreation and Leisure Services	Recreation and Leisure Services operates three major leisure and aquatic facilities, a public golf course and a community gymnasium and provides a range of high quality facilities and programs that encourage participation from a broad cross section of the community. The branch also manages and provides accessible recreation opportunities, services, facilities and open space. Our service manages and provides diverse recreational and leisure opportunities, whilst maintaining facilities that are safe, clean and fit-for-purpose.	*Exp*	*11,662*	*12,721*	*12,230*
		Rev	*(10,609)*	*(10,540)*	*(11,129)*
		NET	*1,053*	*2,181*	*1,101*

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	Key Services: • Collingwood Leisure Centre • Richmond Recreation Centre • Fitzroy Swimming Pool • Burnley Golf Course • Recreation planning, club development and sports field allocation				
Compliance Services	Compliance Services is responsible for a range of statutory enforcement services to maximise the health, safety and harmony of the City. Key Services: • Animal Management • Local Laws Enforcement • School Crossing Management • Temporary Liquor Licensing referrals • Local Law permits • Litter Enforcement • Planning Enforcement • Health Protection (including Food Safety and Immunisation)	*Exp* *Rev* *NET*	*6,344* *(5,111)* *1,233*	*6,669* *(5,057)* *1,612*	*6,607* *(5,096)* *1,511*
Social Policy and Research	Social Policy and Research has responsibility for managing the organisation's response to community safety, health planning including alcohol and other drug issues, policy and research and the night time economy. Key Services: • Undertake social research • Undertake strategic research, planning and policy development • Health Planning • Administer the Annual Customer Satisfaction Survey	*Exp* *Rev* *NET*	*491* *(-)* *491*	*482* *(-)* *482*	*558* *(-)* *558*

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Initiatives

Strategic Objective	Major Initiatives	Other Initiatives
A healthy Yarra	**1. Ryans Reserve Netball Tennis Court and Pavilion - $1.2 million** Redevelopment of courts to improve functionality and make compliant. Resurfacing four netball courts, replacement of sports lights and alterations to boundaries and open space. State Government funding through Sport and Recreation Victoria has been received and the project will be completed in 2020/21. **2. Malcolm Graham Pavilion (Kevin Bartlett Reserve) – $1.23 million** Extension and refurbishment of the Malcolm Graham Pavilion to meet legislative, functional, disability access and environmental sustainability requirements. This project commenced in 2018/19 and will be completed this year. State Government funding has enabled Council to broaden the original scope of this project.	**1. Panther Pavilion, Fairfield Park (Canoe Club) design - $485,000** A precinct approach will be taken to redesign three facilities and deliver relevant items from the Fairfield Park Master Plan. **2. Alphington Bowling Club design works - $130,000** Council is committing $130K for design works and project management costs for refurbishment works at Alphington Bowling Club.

Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Animal Management*	Health and Safety Animal management prosecutions (Number of successful animal management prosecutions)	13	13	13
Aquatic Facilities*	Utilisation Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	9.14	9.14	9.14
Food Safety*	Health and Safety Critical and major non-compliance outcome notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	99.56%	100%	100%
Maternal and Child Health*	Participation Participation in the MCH service	80.41%	80.41%	80.41%

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Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
	(Percentage of children enrolled who participate in the MCH service)			
Maternal and Child Health*	Participation	79.37%	79.37%	79.37%
	Participation in MCH service by Aboriginal children			
	(Percentage of Aboriginal children enrolled who participate in the MCH service)			

*refer to table at end of section 2.8 for information on the calculation of Service Performance Outcome Indicators.

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2.2 Strategic Objective 2

An inclusive Yarra:
a place where…Inclusion, diversity and uniqueness are welcomed, respected and celebrated

Identity was a passionate and recurring theme throughout community consultation for the Council Plan. Our community values its diversity. Creating a safe place where people of all ages, genders, sexualities, abilities, cultures and backgrounds feel welcome and connected is a priority for Council.

Council's work to achieve this Strategic Objective will include the following strategies:

2.1 Build resilience by providing opportunities and places for people to meet, be involved in and connect with their community

2.2 Remain a highly inclusive Municipality, proactive in advancing and advocating for the rights and interests of specific groups in the community and community issues

2.3 Continue to be a local government leader and innovator in acknowledging and celebrating Aboriginal history and culture in partnership with Traditional Owners

2.4 Acknowledge and celebrate our diversity and people from all cultural backgrounds.

2.5 Support community initiatives that promote diversity and inclusion.

Services

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
Community Partnerships	Community Partnerships leads community development in Yarra through strengthening civic participation, championing social inclusion and cohesion and supporting community groups and organisations. Key Services: • LGBTIQ Working Group • Manage relationships and funding agreements with Neighbourhood Houses and community centres • Manage needle and syringe contract • Coordinate and administer the Community Grants Program • Strategy planning and development for Aboriginal Partnerships , volunteering, social housing and	*Exp*	*3,407*	*3,684*	*4,138*
		Rev	*(16)*	*(-)*	*(-)*
		NET	*3,391*	*3,684*	*4,138*

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided	2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	homelessness and multicultural affairs			

Initiatives

Strategic Objective	Major Initiatives	Other Initiatives
An inclusive Yarra	**1. Access and Inclusion Strategy and Action Plan projects - $124,000** Funding is being provided to deliver four projects in the adopted Access and Inclusion Strategy.	**1. Aboriginal Employment - $59,604** Funding for two flexible, part time positions to increase Aboriginal representation in Yarra's workforce. **2. Community Facilities for Older People - $50,000** A service review and feasibility assessment of Willowview/Collingwood Seniors Centre will be undertaken to determine the vision, purpose and focus of these assets for future use to support services and activities for older people.

Service Performance Outcome Indicators
Nil

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2.3 Strategic Objective 3

A sustainable Yarra: a place where…Council leads on sustainability and protects and enhances its natural environment

As Victoria's first carbon-neutral council, we are proud of our commitment to sustainability. Protecting our natural environment and supporting our community to reduce its environmental footprint will continue to be a priority for Council.

Council's work to achieve this Strategic Objective will include the following strategies:

3.1 Investigate strategies and initiatives to better manage the long term effects of climate change

3.2 Support and empower a more sustainable Council and Community

3.3 Lead in sustainable energy policy and deliver programs to promote carbon neutral initiatives for the municipality and maintain Council as a carbon neutral organisation

3.4 Reduce the amount of waste-to-landfill with a focus on improved recycling and organic waste disposal

3.5 Promote responsible water usage and practices

3.6 Promote and facilitate urban agriculture with a focus on increasing scale and uptake in the community

3.7 Investigate strategies and initiatives to improve biodiversity

Services

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
Sustainability Services	Sustainability Services focusses on the advocacy and policy areas of environmental management including reducing Yarra's greenhouse gas emissions/energy consumption and climate change adaptation.	*Exp*	*2,376*	*2,848*	*3,225*
		Rev	*(-)*	*(51)*	*(-)*
		NET	*2,376*	*2,797*	*3,225*
Waste Services	Waste Services oversees the delivery of all waste services, waste minimisation, open space maintenance and Urban Agriculture. Key Services: • Waste and recycling services, policy and planning • Waste minimisation • Street cleaning • Open space maintenance	*Exp*	*23,130*	*24,848*	*25,867*
		Rev	*(990)*	*(1,137)*	*(230)*
		NET	*22,140*	*23,711*	*25,637*

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Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	• Urban Agriculture policy and planning				
Water Management Services	Water Management plans for Council to be an active participant in whole of water cycle management and seek all available opportunities to reduce the reliance on potable water by working with water corporations to achieve cost efficient access to alternative water including, treated, and re-using stormwater, recycled water and rainwater. Key Services: • Water Management	*Exp*	*34*	*279*	*499*
		Rev	*(-)*	*(-)*	*(119)*
		NET	*34*	*279*	*380*

Initiatives

Strategic Objective	Major Initiatives	Other Initiatives
A sustainable Yarra	**1. Response to Climate Emergency - $100,000** Funding for a permanent role to promote and support community around Climate Emergency; facilitate acceleration of emissions reduction in municipality, in partnership with traditional mechanisms - Sustainability Unit and Yarra Energy Foundation; Firmly integrate Climate Emergency into community engagement, education and behaviour change; and Increase Yarra and YEF partnership programs and outcomes. **2. Urban Forest Strategy - $200,000** Funding to increase tree planting in accordance with Council's Urban Forest Strategy. **3. Water Management - $200,000** Develop a comprehensive and integrated water strategy, including data collection.	**1. Urban Agriculture Strategy projects - $75,000** Funding to implement actions in Council's adopted Urban Agriculture Strategy. **2. Waste Minimisation and Resource Recovery Strategy projects - $113,750** Funding to implement actions in Council's adopted Waste Minimisation and Resource Recovery Strategy. **3. Buildings Optimisation Officer - $93,750** Employment of an energy efficiency expert to provide in-house advice on projects, maintenance and operational issues and initiatives to support Council to reduce greenhouse gas emissions, energy costs and extend asset life. **4. North Carlton Railway Neighbourhood House Community Garden - $30,000** Contribution toward the development of a community garden at North Carlton Railway Neighbourhood House.

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Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Waste collection*	Waste Diversion Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	37.73%	37.73%	37.73%

*refer to table at end of section 2.8 for information on the calculation of Service Performance Outcome Indicators.

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2.4 Strategic Objective 4

A liveable Yarra:
a place where…Development and growth are managed to maintain and enhance the character and heritage of the city

With demand for inner city housing increasing, Council is mindful of the importance of balancing the needs of new and existing residents, and ensuring that development does not encroach on the amenity or heritage of our city.

Council's work to achieve this Strategic Objective includes the following strategies:

4.1 Protect Yarra's heritage and I neighbourhood character

4.2 Actively plan for Yarra's projected growth and development and advocate for an increase in social and affordable housing

4.3 Plan, promote and provide built form, open space and public places that are accessible to all ages and abilities

4.4 Protect Council assets through effective proactive construction management

4.5 Encourage and promote environmentally sustainable building, urban design, place-making and public realm outcomes

4.6 Provide direction and improve decision making on infrastructure projects through the application of the Strategic Community Infrastructure Framework

4.7 Encourage engagement with the community when developments are proposed

Services

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
Statutory Planning	Statutory Planning is responsible for analysing, processing and assessing planning applications to ensure that the use and development of land which gives effect to state and local planning policies, are based on clear procedures, appropriate public participation and coordination with other Branches of Council. Key Services: • Planning Applications • VCAT and Panel Hearings • Advice on planning and specialist heritage and environmental sustainability issues • Subdivision compliance	*Exp*	*5,796*	*5,281*	*4,399*
		Rev	*(7,677)*	*(7,260)*	*(7,121)*
		NET	*(1,881)*	*(1,979)*	*(2,722)*

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
City Strategy	City Strategy provides strategic research, planning policy and urban design advice on sustainable land use and development in the municipality through policy development, strategic plans and the development of appropriate planning controls through the Yarra Planning Scheme. Design and Place Making is responsible for providing designs for improving the quality of the public domain in Yarra's activity centres and undertaking design projects for key public spaces in the municipality. Open Space Planning and Design is responsible for the protection and enhancement of the open space and streetscape network and management of the City's trees. Key Services: • Monitoring and reviewing the Yarra Planning Scheme • Preparing and assessing Planning Scheme Amendments • Improving the public realm in activity centres and key public spaces • Preparing urban design frameworks and master plans • Delivering urban design and place making projects • Open space planning and design	*Exp*	*3,464*	*3,482*	*3,039*
		Rev	*(231)*	*(135)*	*(178)*
		NET	*3,233*	*3,347*	*2,861*
Construction Management	Construction Management is responsible for ensuring that development and construction works being undertaken in the municipality meet agreed statutory and/or permit requirements and that developments have minimum impact on the safety and amenity	*Exp*	*2,944*	*3,513*	*3,195*
		Rev	*(7,080)*	*(8,873)*	*(9,115)*
		NET	*(4,136)*	*(5,360)*	*(5,920)*

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Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	of residents, businesses and Council infrastructure. Key services: • Management of Construction Management Plans • Assessing and issuing permits to occupy Council land • Asset protection permit applications and bond management • Proactive inspections of all permits issued • Management of Utility Consent Notifications process • Managing reactive requests received from the public in relation to building sites and non-compliant activities.				
Heritage Services	Heritage Services covers all aspects of cultural heritage and heritage places and includes sites, buildings (including interiors), landscapes, streets, laneways, objects, collections, documents and records of the City. Heritage planning. Key services: • Providing strategic advice to Council • Managing the Heritage Restoration Fund • Heritage Strategy development and implementation • Coordination of the Heritage Advisory Committee	*Exp* *Rev* *NET*	*54* *(-)* *54*	*124* *(-)* *124*	*281* *(-)* *281*

Attachment 1 - 2019-20 Proposed Annual Budget

Major Initiatives

Strategic Objective	Major Initiatives	Other Initiatives
A liveable Yarra	1. **Bridge Road Streetscape Master Plan – design and implementation - $280,000** Detailed design and works for the Richmond Town Hall and school precinct including Gleadell Street and Griffiths Street as identified and prioritised in the Master Plan. 2. **Swan Street Streetscape Masterplan implementation - $280,750** Upgrade of streetscape furniture and fixtures (seats, bins, hoops), tactiles, kerbs, pavements and additional tree planting to priority areas.	

Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Statutory planning*	Decision making Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)	77.45%	77.45%	77.45%

*refer to table at end of section 2.8 for information on the calculation of Service Performance Outcome Indicators.

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2.5 Strategic Objective 5

A prosperous Yarra
a place where…Local businesses prosper and creative and knowledge industries thrive

Yarra is a great place to do business and to work. Supporting local businesses and creative industries not only contributes to Yarra's economy, but also increases local employment opportunities, enhances street life and fosters community connectedness.

Council's work to achieve this Strategic Objective include the following strategies:

5.1 Maintain and strengthen the vibrancy and local identity of retail and commercial precincts

5.2 Strengthen and monitor land use change and economic growth including new and emerging economic clusters

5.3 Create local employment opportunities by providing targeted and relevant assistance to facilitate business growth, especially for small and medium size enterprises and entrepreneurs through the attraction and retention of businesses

5.4 Develop Innovative Smart City solutions in collaboration with government, industry and community that use technology to embrace a connected, informed and sustainable future

5.5 Facilitate and promote creative endeavour and opportunities for the community to participate in a broad range of arts and cultural activities

5.6 Attract and retain creative and knowledge industries in Yarra

5.7 Ensure libraries and neighbourhood houses, support lifelong learning, wellbeing

Services

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
Economic Development	Economic Development is responsible for developing programs to support Yarra's economy and promoting local businesses and key retail precincts. Key Services: • Providing advice, support and services to local businesses • Undertaking tourism and marketing programs	*Exp*	*841*	*831*	*918*
		Rev	*(1)*	*(2)*	*(-)*
		NET	*840*	*829*	*918*
Library Services	Yarra Libraries develops and maintains integrated, coordinated Library Services comprised of accessible and responsive practices that are connected to, and informed by our community and are delivered by professional staff working within a supportive learning culture.	*Exp*	*5,300*	*5,719*	*5,943*
		Rev	*(740)*	*(692)*	*(659)*
		NET	*4,560*	*5,027*	*5,284*

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	Key Services: • Free core public library services • Authoritative, accessible information services • Collections and services to support individual and collective quality of life • Development and delivery of activities and events to support reader development and social inclusion • Quality service which we develop and evaluate to pursue excellence • Places and spaces for the community to come together – both real and virtual.				
Arts, Culture and Venues	Arts, Culture and Venues comprises two business units: Arts and Cultural Services, and Venues and Events. It is responsible for producing and commissioning of works; facilitating projects between external stakeholders and advocacy and managing the use of Council's civic and community buildings, as well our parks and open spaces. Key services: • Venues bookings • Service delivery for the operation of three civic buildings and community spaces. • Events permits • Parks and open spaces bookings • Arts development • Community arts • Festivals and events • Art and heritage collections • Public Art	*Exp* *Rev* *NET*	*3,804* *(1,027)* *2,777*	*3,415* *(703)* *2,712*	*3,709* *(790)* *2,919*

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Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	• Room to Create (creative spaces support) program				

Initiatives

Strategic Objective	Major Initiatives	Other Initiatives
A prosperous Yarra	**1. The Census of Land Use and Employment - $200,000** The CLUE project is to survey all commercial and industrial rateable properties and non-rateable properties within the Cremorne Precinct (approximate census size is 1780 properties). The project will provide City of Yarra and key stakeholders with information on land use, industry and employment data at street, block and suburb level.	**1. Arts and Cultural Plan 2021-2025 - $20,000** Funding for community consultation to inform the development of a new Arts and Cultural Plan. **2. Redevelop Carlton Library courtyard - $70,000** Redevelop the existing courtyard to a useable space that will enable Yarra Libraries to run outdoor activities and programs that cannot currently be offered. Upgrade to include compliant steps, shade/roof structure, reseal pavement, additional furniture, garden beds and mural).

Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Libraries	Participation Active library members (Percentage of the municipal population that are active library members)	20.72%	20.72%	20.72%

*refer to table at end of section 2.8 for information on the calculation of Service Performance Outcome Indicators.

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2.6 Strategic Objective 6

A connected Yarra:
a place where…Connectivity and travel options are environmentally sustainable, integrated and well-designed

Council is committed to creating a city that is accessible to all irrespective of levels of personal mobility, to support a fulfilling life without the need for a car.

Council's work to achieve this Strategic Objective includes the following strategies:

6.1 Manage traffic movement and promote road safety within local roads

6.2 Work in partnership with Vicroads and influence traffic management and road safety on main roads

6.3 Investigate and implement effective parking management options

6.4 Improve accessibility to public transport for people with mobility needs and older people

6.5 Develop and promote pedestrian and bicycle infrastructure that encourages alternate modes of transport, improves safety and connectedness

6.6 Advocate for increased infrastructure and performance of public transport across Melbourne

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
Parking Services	Parking Services is responsible for a range of statutory enforcement services to maximise the safety, compliance and harmony of the City and for the management of limited parking resources. Key Services: • Parking Enforcement Program • Processing Parking Infringements • Parking Permit Scheme • Prosecutions	*Exp*	*11,145*	*11,042*	*12,055*
		Rev	*(30,137)*	*(30,616)*	*(31,068)*
		NET	*(18,992)*	*(19,574)*	*(19,013)*
Traffic and Civil Engineering	Traffic and Civil Engineering assesses and improves Yarra's Infrastructure to create an efficient, effective and safe traffic environment and ensure best design outcomes for the community related to major projects, developments and utility works. Key Services: • Traffic Management and Improvements	*Exp*	*1,224*	*2,350*	*2,243*
		Rev	*(481)*	*(505)*	*(20)*
		NET	*743*	*1,845*	*2,223*

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	• Local Area Place Making Studies (LAPMS) • Civil Engineering Assessment and Coordination of Major Projects, Developments and Utility Works • Implementation of Road Management Act				
Road Services and Fleet Management	Road Services and Fleet Management manages and maintains Council's road and footpath infrastructure, fleet, plant and equipment. Key Services: • Graffiti Management • Yarra Roads Services • Fleet Management • Emergency Management • Delivering road infrastructure capital works projects	*Exp* *Rev* *NET*	*6,029* *(54)* *5,975*	*7,162* *(89)* *7,073*	*7,116* *(115)* *7,001*
Strategic Transport	Strategic Transport focuses on advocacy and policy and delivers cycling infrastructure projects. Key Services • Advocating for improved public transport services • Improving bicycle infrastructure • Developing initiatives to increase number of cyclists • Delivering road safety projects for cyclists and pedestrians	*Exp* *Rev* *NET*	*509* *(10)* *499*	*576* *(1)* *575*	*619* *(10)* *609*

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Initiatives

Strategic Objective	Major Initiatives	Other Initiatives
A connected Yarra	**1. Local Area Place Making (LAPM) - $1.35 million** Traffic calming and place making treatments will be delivered following studies in 2017/18 and consultation in 2018/19 in the following precincts: • Abbotsford (area bounded by Johnston Street, Hoddle Street, Victoria Street and the Yarra River) • Bendigo (area bounded by Bridge Road, Burnley Street, Swan Street and the Yarra River) • Scotchmer (area bounded by Nicholson Street, Alexandra Parade, Brunswick Street and St Georges Road) **2. Completion of Wellington Street Copenhagen Bicycle Lanes (Gipps Street to Johnston Street) - $350,000** Council will complete construction of Stage 2 separated Copenhagen bicycle lanes on Wellington Street between Gipps and Johnston Street.	**1. Pedestrian Provisions – $110,000** Continue to deliver a range of local area improvement works to pedestrian amenity in accordance with the Encouraging and Increasing Walking Strategy. **2. Road Safety Projects – $245,000** Funding to deliver a range of projects to improve road safety. **3. Bicycle infrastructure – $530,000** Funding for Bicycle Infrastructure projects in line with the Bicycle Strategy Refresh including bicycle lanes, signage, ramps and signal changes. **4. Integrated Transport Strategy and Parking Management Plan - $200,000** Funding to develop an Integrated Transport and Parking Management Plan. **5. Gleadell/Highett Streets threshold treatment - $150,000** Design and construct a raised threshold treatment on Gleadell Street at Highett Street to improve community safety.

Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Roads*	Satisfaction Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	72.20%	72.20%	72.20%

*refer to table at end of section 2.8 for information on the calculation of Service Performance Outcome Indicators.

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2.7 Strategic Objective 7

A leading Yarra:
a place where…Transparency, performance and community participation drive the way we operate

Council is committed to change through an energised, cohesive team of professionals, recognised for our leadership, innovation and service.

Council's work to achieve this Strategic Objective includes the following strategies:

7.1 Ensure Council's assets and financial resources are managed responsibly to deliver financial sustainability

7.2 Continue to develop a culture of continuous improvement and innovation

7.3 Maintain a culture of transparency, governance, ethical practice and management of risks that instils a high level of community respect and confidence in Council decision-making

7.4 Ensure Council services are efficient, well-planned, accessible and meet community needs

7.5 Provide the community with meaningful and genuine opportunities to contribute to and participate in Council planning and decision making processes with a focus on young people, hard to reach and traditionally underrepresented communities

7.6 Enable greater transparency and access to the conduct of Council Meetings

7.7 Develop Innovative Smart City solutions in collaboration with Government, Industry and Community which will use open data technology

7.8 Continue a 'customer centric' approach to all service planning and delivery

Services

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
CEO Office	The CEO Office includes the Governance and Support Office, Office of Mayor and Councillors and the Property Management Unit. It is responsible for a range of professional services to internal and external clients, with an emphasis on governance related issues including compliance, regulation, transparency probity and Internal Audit. It is also responsible for managing Councils property portfolio including leases, licences and management agreements. Internal Audit ensures the organisation has policies and procedures in place to manage its risks and engender confidence in our corporate governance. It is responsible for oversight of the organisation's Internal Audit Program and	*Exp*	*5,699*	*6,389*	*6,612*
		Rev	*(2,138)*	*(1,931)*	*(1,716)*
		NET	*(3,561)*	*4,458*	*4,896*

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Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	provides the Secretariat function for Council's Audit Committee. Key Services: • Council agendas and minutes • Freedom of Information • Internal ombudsman • Mayor and Councillors Office • Place naming • Property Management • Public Registers • Management of Legal Services • Audit Committee • Internal Audit program				
People and Culture	People and Culture promotes accountability and enhances competency, effectiveness and wellbeing as a shared responsibility of the organisation and its people and strives to generate a positive and productive work and learning environment. The Risk and Occupational Health and Safety Unit ensures the organisation has policies and procedures in place to manage its risks and ensure a safe work environment. Key Services: • Culture change and the development of the organisation • Performance planning and assessment • Employee Relations • Workforce planning, recruitment and selection • HR administration • Occupational Health, Safety • Risk Management • Business Continuity • Emergency Management	*Exp* *Rev* *NET*	*4,133* *(57)* *4,076*	*4,086* *(-)* *4,086*	*4,892* *(-)* *4,892*

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	• Insurance				
Communications and Engagement	Communications and Engagement is responsible for communications, issues and media management, consultation and engagement, strategic advocacy, publications, digital communications including website and social media, and civic events. Key Services: • Consultation and engagement • Public relations / public affairs • Media relations, monitoring and advertising • Digital and social media • Civic events, festival presence, speeches • Major Campaigns • Issues Management	*Exp* *Rev* *NET*	*1,751* *(-)* *1,751*	*2,033* *(-)* *2,033*	*2,561* *(-)* *2,561*
Customer Service	Customer Service provides Council with three customer service locations, telephone call centre and corporate records management, Key Services: • Customer Service • Customer Relationship Management system and strategy • Corporate records management	*Exp* *Rev* *NET*	*3,096* *(1)* *3,095*	*3,122* *(-)* *3,122*	*3,098* *(-)* *3,098*
Finance	The Finance Branch delivers financial accounting, management accounting, revenue management, valuations and payroll services to the organisation. It also develops financial strategies that will ensure the City of Yarra is a viable organisation able to continue provision of quality	*Exp* *Rev* *NET*	*4,623* *(2,904)* *1,719*	*4,757* *(3,258)* *1,499*	*4,615* *(2,814)* *1,801*

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	services into the future. The Branch is responsible for Contracts and Procurement ensuring that procurement processes are compliant with Council policies and procedures that all legislative requirements imposed on Council are met; and that probity is observed in tendering and purchasing systems. Key Services: • Management Accounting • Revenue Management • Rates and Valuation Services • Financial Accounting • Payroll • Financial Audit • Contracts and Procurement				
Corporate Planning and Performance	The Corporate Planning and Performance Branch ensures services and projects are strategically aligned, deliver value for money and are accountable to staff, Councillors and the community. Key Services: • Corporate planning and reporting • Branch Plans and service reviews • Project Management Office • Community Infrastructure Planning • Business Improvement • Council Plan development, monitoring and implementation	*Exp* *Rev* *NET*	*744* *(-)* *744*	*913* *(-)* *913*	*932* *(-)* *932*
Building and Asset Management	Building and Asset Management provides policy, strategy, processes, procedures and systems that produce an integrated and multidisciplinary approach to asset management. Council's building and land assets are managed in order to	*Exp* *Rev* *NET*	*9,260* *(626)* *8,634*	*8,930* *(625)* *8,305*	*9,347* *(658)* *8,689*

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Service area	Description of services provided		2017/18 Actual $'000	2018/19 Forecast $'000	2019/20 Budget $'000
	maximise their ability to support delivery of services to the community. Key Services: • Strategic Asset Management • Capital Works planning, development, monitoring and reporting • Assessment of referred development applications • Building Services and Facilities Maintenance • Building Projects delivery				
Information and Communication Technology	Information and Communication Technology facilitates the acquisition, maintenance, retirement and usage of all information systems maintained or used by the operations and staff of the City of Yarra including fixed and mobile hardware, installed and cloud sourced software and telecommunications equipment. Key Services: • Business Analysis • Support of business applications and process improvements • Administration and maintenance of the IS Infrastructure • GIS Administration	*Exp* *Rev* *NET*	*6,473* *(7)* *6,466*	*6,928* *(13)* *6,915*	*7,248* *(-)* *7,248*

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Initiatives

Strategic Objective	Major Initiatives	Other Initiatives
A leading Yarra	1. **Council meeting live streaming - $60,000** Install fixed equipment to enable live streaming of Council meetings.	

Attachment 1 - 2019-20 Proposed Annual Budget

Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Governance*	Satisfaction Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	66.80	66.80	66.80

*refer to table at end of section 2.8 for information on the calculation of Service Performance Outcome Indicators.

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Attachment 1 - 2019-20 Proposed Annual Budget

2.8 Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance outcome notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

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Attachment 1 - 2019-20 Proposed Annual Budget

2.9 Reconciliation with budgeted operating result

	Net Cost (Revenue)	Expenditure	Revenue
	$'000	$'000	$'000
A healthy Yarra	14,396	44,226	(29,830)
An inclusive Yarra	4,138	4,138	(-)
A sustainable Yarra	29,242	29,591	(349)
A liveable Yarra	(5,500)	10,914	(16,414)
A prosperous Yarra	9,121	10,570	(1,449)
A connected Yarra	(9,180)	22,033	(31,213)
A leading Yarra	34,117	39,305	(5,188)
Total	**76,334**	**160,777**	**(84,443)**
Expenses added in:			
Depreciation	22,800		
Finance costs	2,035		
Other expenses	3,301		
Deficit before funding sources	**104,470**		
Funding sources added in:			
Rates and charges revenue	(112,465)		
Capital Grants	(2,433)		
Other Income	(1,079)		
Total funding sources	**(115,977)**		
Operating (surplus)/deficit for the year	(11,507)		

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3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2019/20 has been supplemented with projections to 2022/23 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Comprehensive Income Statement
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Statement of Capital Works
Statement of Human Resources

Pending Accounting Standards

The 2019-20 budget has been prepared based on the accounting standards applicable at the date of preparation. This means that pending accounting standards that will be in effect from the 2019-20 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2019-20 financial statements, not considered in the preparation of the budget include:

- AASB 16 Leases
- AASB 15 Revenue from Contracts with Customers, and
- AASB 1058 Income of Not for Profit Entities.

While it is not possible to determine the precise impact of these standards at this time, the broad impact on Council is estimated to be as follows:

- AASB 16 Leases – Introduces a single lessee accounting model whereby the Council will be required to recognise a right of use asset and associated liability for leases longer than 12 months, except those considered to be of low value.

- AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not for Profit Entities – Changes the way that Councils recognise income and also address matters such as grant funding, contribution of assets and volunteer services. A key change is replacement for some transactions of the criteria of control as a determinant of the timing of income recognition, with the criteria of satisfying performance obligations in an enforceable agreement. These new standards have the potential to impact the timing of how the Council recognises income.

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Attachment 1 - 2019-20 Proposed Annual Budget

Comprehensive Income Statement

For the four years ending 30 June 2023

		Forecast Actual	Budget	Strategic Resource Plan Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23
	NOTES	$'000	$'000	$'000	$'000	$'000
Income						
Rates and charges	4.1.1	108,531	**112,465**	116,373	120,581	124,793
Statutory fees and fines	4.1.2	32,521	**32,935**	33,435	33,935	34,435
User fees	4.1.3	31,030	**32,330**	33,330	34,330	35,330
Grants - Operating	4.1.4	12,796	**12,541**	12,422	12,733	13,051
Grants - Capital	4.1.4	20,340	**2,432**	2,860	7,070	580
Contributions – monetary - open space	4.1.5	4,500	**4,300**	4,300	4,300	4,300
Contributions – monetary - other	4.1.5	418	**397**	400	400	400
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		205	**180**	160	190	210
Fair value adjustments for investment property			**-**	-	-	-
Share of net profits/(losses) of associates and joint ventures		-	**-**	-	-	-
Other income	4.1.6	3,775	**2,836**	3,336	3,836	4,336
Total income		214,116	**200,416**	206,616	217,375	217,435
Expenses						
Employee costs	4.1.7	82,211	**87,115**	89,375	91,663	93,996
Materials and services	4.1.8	73,904	**72,959**	75,283	77,743	80,187
Depreciation and amortisation	4.1.9	22,696	**22,800**	23,300	23,800	24,300
Bad and doubtful debts		4,000	**4,000**	4,000	4,000	4,000
Borrowing costs		1,963	**2,035**	1,980	1,876	1,692
Other expenses	4.1.10	-	**-**	-	-	-
Total expenses		184,774	**188,909**	193,938	199,082	204,175
Surplus/(deficit) for the year		29,342	**11,507**	12,678	18,293	13,260
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment /(decrement)		-	**52,204**	-	52,465	-
Share of other comprehensive income of associates and joint ventures		-	**-**	-	-	-
Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)		-	**-**	-	-	-
Total comprehensive result		29,342	63,711	12,678	70,758	13,260

Attachment 1 - 2019-20 Proposed Annual Budget

Balance Sheet

For the four years ending 30 June 2023

	NOTES	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Strategic Resource Plan Projections 2020/21 $'000	2021/22 $'000	2022/23 $'000
Assets						
Current assets						
Cash and cash equivalents	4.2.1	75,575	**78,531**	71,028	58,144	53,820
Trade and other receivables		14,568	**13,340**	12,176	11,078	10,048
Inventories		107	**107**	107	107	107
Other assets	4.2.1	1,014	**1,014**	1,014	1,014	1,014
Total current assets		91,264	**92,992**	84,325	70,343	64,989
Non-current assets						
Trade and other receivables		235	**235**	235	235	235
Property, infrastructure, plant & equipment	4.2.1	1,915,281	**1,975,669**	1,995,364	2,075,779	2,089,883
Total non-current assets		1,915,516	**1,975,904**	1,995,599	2,076,014	2,090,118
Total assets		2,006,780	2,068,896	2,079,924	2,146,357	2,155,107
Liabilities						
Current liabilities						
Trade and other payables		9,283	**9,283**	9,283	9,283	9,283
Trust funds and deposits		10,906	**10,906**	10,906	10,906	10,906
Provisions		13,209	**13,209**	13,209	13,209	13,209
Interest-bearing liabilities		1,176	**1,250**	33,808	4,110	4,303
Total current liabilities	4.2.2	34,574	**34,648**	67,206	37,508	37,701
Non-current liabilities						
Provisions		1,398	**1,398**	1,398	1,398	1,398
Other liabilities		3,630	**3,230**	2,830	2,430	2,030
Interest-bearing liabilities	4.2.3	42,549	**41,280**	7,472	33,245	28,942
Total non-current liabilities		47,577	**45,908**	11,700	37,073	32,370
Total liabilities		82,151	80,556	78,906	74,581	70,071
Net assets		1,924,629	**1,988,340**	2,001,018	2,071,776	2,085,036
Equity						
Accumulated surplus		652,209	**660,506**	670,056	685,321	695,575
Reserves		1,272,420	**1,327,834**	1,330,962	1,386,455	1,389,461
Total equity		**1,924,629**	**1,988,340**	**2,001,018**	**2,071,776**	**2,085,036**

Attachment 1 - 2019-20 Proposed Annual Budget

Statement of Changes in Equity

For the four years ending 30 June 2023

	NOTES	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2019 Forecast Actual					
Balance at beginning of the financial year		1,895,287	624,716	1,246,875	23,696
Surplus/(deficit) for the year		29,342	29,342	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(4,500)	-	4,500
Transfers from other reserves		-	2,651	-	(2,651)
Balance at end of the financial year		**1,924,629**	**652,209**	**1,246,875**	**25,545**
2020 Budget					
Balance at beginning of the financial year		1,924,629	652,209	1,246,875	25,545
Surplus/(deficit) for the year		11,507	11,507	-	-
Net asset revaluation increment/(decrement)		52,204	-	52,204	-
Transfers to other reserves	4.3.1	-	(4,300)	-	4,300
Transfers from other reserves	4.3.1	-	1,090	-	(1,090)
Balance at end of the financial year	4.3.2	**1,988,340**	**660,506**	**1,299,079**	**28,755**
2021					
Balance at beginning of the financial year		1,988,340	660,506	1,299,079	28,755
Surplus/(deficit) for the year		12,678	12,678	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(4,300)	-	4,300
Transfers from other reserves		-	1,172	-	(1,172)
Balance at end of the financial year		**2,001,018**	**670,056**	**1,299,079**	**31,883**
2022					
Balance at beginning of the financial year		2,001,018	670,056	1,299,079	31,883
Surplus/(deficit) for the year		18,293	18,293	-	-
Net asset revaluation increment/(decrement)		52,465	-	52,465	-
Transfers to other reserves		-	(4,300)	-	4,300
Transfers from other reserves		-	1,272	-	(1,272)
Balance at end of the financial year		**2,071,776**	**685,321**	**1,351,544**	**34,911**
2023					
Balance at beginning of the financial year		2,071,776	685,321	1,351,544	34,911
Surplus/(deficit) for the year		13,260	13,260	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(4,300)	-	4,300
Transfers from other reserves		-	1,294	-	(1,294)
Balance at end of the financial year		**2,085,036**	**695,575**	**1,351,544**	**37,917**

Attachment 1 - 2019-20 Proposed Annual Budget

Statement of Cash Flows

For the four years ending 30 June 2023

	Notes	Forecast Actual 2018/19 $'000 Inflows (Outflows)	Budget 2019/20 $'000 **Inflows (Outflows)**	Strategic Resource Plan Projections 2020/21 $'000 Inflows (Outflows)	2021/22 $'000 Inflows (Outflows)	2022/23 $'000 Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		107,446	**111,340**	115,209	119,376	123,545
Statutory fees and fines		30,895	**31,288**	31,763	32,238	32,713
User fees		31,030	**32,330**	33,330	34,330	35,330
Grants - operating		12,796	**12,541**	12,422	12,733	13,051
Grants - capital		20,340	**2,432**	2,860	7,070	580
Contributions - monetary		4,918	**4,697**	4,700	4,700	4,700
Interest received		-	**-**	-	-	-
Dividends received		-	**-**	-	-	-
Trust funds and deposits taken		-	**-**	-	-	-
Other receipts		3,775	**2,836**	3,336	3,836	4,336
Net GST refund / payment		-	**-**	-	-	-
Employee costs		(82,211)	**(87,115)**	(89,375)	(91,663)	(93,996)
Materials and services		(70,504)	**(73,359)**	(75,683)	(78,143)	(80,587)
Trust funds and deposits repaid		-	**-**	-	-	-
Other payments		-	**-**	-	-	-
Net cash provided by/(used in) operating activities	4.4.1	58,485	**36,990**	38,562	44,477	39,672
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(31,296)	**(31,334)**	(43,345)	(52,100)	(38,754)
Proceeds from sale of property, infrastructure, plant and equipment		405	**530**	510	540	560
Payments for investments		-	**-**	-	-	-
Proceeds from sale of investments		-	**-**	-	-	-
Loan and advances made		-	**-**	-	-	-
Payments of loans and advances		-	**-**	-	-	-
Net cash provided by/ (used in) investing activities	4.4.2	(30,891)	**(30,804)**	(42,835)	(51,560)	(38,194)
Cash flows from financing activities						
Finance costs		(1,963)	**(2,035)**	(1,980)	(1,876)	(1,692)
Proceeds from borrowings		-	**-**	-	32,500	-
Repayment of borrowings		(1,142)	**(1,195)**	(1,250)	(36,425)	(4,110)
Net cash provided by/(used in) financing activities	4.4.3	(3,105)	**(3,230)**	(3,230)	(5,801)	(5,802)
Net increase/(decrease) in cash & cash equivalents		24,489	2,956	(7,503)	(12,884)	(4,324)
Cash and cash equivalents at the beginning of the financial year		51,086	**75,575**	78,531	71,028	58,144
Cash and cash equivalents at the end of the financial year		**75,575**	**78,531**	**71,028**	**58,144**	**53,820**

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Statement of Capital Works
For the four years ending 30 June 2023

		Forecast Actual	Budget	Strategic Resource Plan Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23
	NOTES	$'000	$'000	$'000	$'000	$'000
Property						
Land		-	-	-	-	-
Land improvements		-	-	-	-	-
Total land		-	-	-	-	-
Buildings		8,350	9,485	22,135	30,809	14,347
Heritage buildings		-	-	-	-	-
Building improvements		-	-	-	-	-
Leasehold improvements		-	-	-	-	-
Total buildings		8,350	9,485	22,135	30,809	14,347
Total property		8,350	9,485	22,135	30,809	14,347
Plant and equipment						
Heritage plant and equipment		-	-	-	-	-
Plant, machinery and equipment		1,279	2,702	2,347	2,392	2,791
Fixtures, fittings and furniture		-	-	-	-	-
Computers and telecommunications		2,060	1,709	1,367	1,047	1,029
Library books		-	-	-	-	-
Total plant and equipment		3,339	4,411	3,714	3,439	3,820
Infrastructure						
Roads		10,128	9,163	8,762	8,906	10,297
Bridges		100	20	430	-	-
Lanes		705	1,099	1,050	1,068	1,045
Transport		1,793	2,059	961	1,044	1,246
Recreational, leisure and community facilities		-	-	-	-	-
Waste management		220	70	75	90	100
Parks, open space and streetscapes		4,402	3,731	4,629	5,144	5,737
Street Furniture		55	535	535	360	360
Retail Strips		200	761	1,054	1,240	1,803
Priority Projects		1,404				
Library Resources		600	-	-	-	-
Total infrastructure		19,607	17,438	17,496	17,852	20,588
Total capital works expenditure	4.5.1	**31,296**	**31,334**	**43,345**	**52,100**	**38,755**
Represented by:						
New asset expenditure		2,221	**1,153**	10,593	10,584	3,456
Asset renewal expenditure		24,671	**23,895**	27,959	27,581	24,144
Asset expansion expenditure		-	-	-	-	-
Asset upgrade expenditure		4,404	**6,286**	4,793	13,935	11,155
Total capital works expenditure	4.5.1	**31,296**	**31,334**	**43,345**	**52,100**	**38,755**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

		Forecast Actual	Budget	Strategic Resource Plan Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23
		NOTES	$'000	$'000	$'000	$'000
Funding sources represented by:						
Grants		2,840	**2,432**	2,860	7,070	580
Contributions		2,653	**1,090**	1,172	1,272	1,294
Council cash		25,803	**27,812**	39,313	43,758	36,881
Borrowings		-	**-**	-	-	-
Total capital works expenditure	4.5.1	**31,296**	**31,334**	**43,345**	**52,100**	**38,755**

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Attachment 1 - 2019-20 Proposed Annual Budget

Statement of Human Resources

For the four years ending 30 June 2023

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018/19	2019/20	2020/21	2021/22	2022/23
	$'000	$'000	$'000	$'000	$'000
Staff expenditure					
Employee costs - operating	81,171	**86,178**	88,412	90,674	92,982
Employee costs - capital	1,040	**939**	963	988	1,014
Total staff expenditure	82,211	87,117	89,375	91,662	93,996
	FTE	**FTE**	FTE	FTE	FTE
Staff numbers					
Employees	847.3	**854.3**	859.3	864.3	869.3
Total staff numbers	**847.3**	**854.3**	**859.3**	**864.3**	**869.3**

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Budget	Comprises			
		Permanent		Casual	Temporary
	2019/20	Full Time	Part time		
	$'000	$'000	$'000	$'000	$'000
CEO Division	**7,368**	5,135	1,529	288	416
Corporate, Business and Financial Services	**17,473**	13,391	2,161	986	935
Community Wellbeing	**26,587**	15,235	8,757	1,782	813
Planning and Placemaking	**10,198**	8,616	1,442	36	104
City Works and Assets	**24,552**	16,667	4,674	877	2,334
Total permanent staff expenditure	86,178	59,044	18,563	3,969	4,602
Casuals, temporary and other expenditure	-				
Capitalised labour costs	**939**				
Total expenditure	**87,117**				

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Budget	Comprises			
		Permanent		Casual	Temporary
	2019/20	Full Time	Part time		
CEO Division	**58.4**	40.0	9.9	3.2	5.4
Corporate, Business and Financial Services	**165.7**	133.0	22.5	10.2	-
Community Wellbeing	**291.7**	185.7	82.3	20.6	3.1
Planning and Placemaking	**88.8**	77.8	8.0	0.2	2.8
City Works and Assets	**240.7**	183.0	35.7	18.4	3.6
Total permanent staff expenditure	**845.3**	619.5	158.4	52.5	15.0
Casuals, temporary and other expenditure	-				
Capitalised labour costs	**9.0**				
Total staff	**854.3**				

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2019/20 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community. To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.5% in line with the rate cap.

Total rates and charges for 2019/20 will be $112,465,000.

Council will also continue to offer an additional pensioner rate rebate which for the 2019/20 year will be $187.10 (2018-19 $182.50).

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	2018-19 Forecast Actual	2019/20 Budget	Change	%
	$'000	$'000	$'000	
General rates*	107,422	**111,235**	3,813	**3.55%**
Municipal charge*	-	-	-	0.00%
Waste management charge	-	-	-	0.00%
Service rates and charges	53	**53**	-	**0.00%**
Special rates and charges	186	**157**	(29)	**(15.59%)**
Supplementary rates and rate adjustments	940	**1,100**	160	**17.02%**
Interest on rates and charges	350	**350**	-	**0.00%**
Revenue in lieu of rates	35	**35**	-	**0.00%**
Cultural & Recreation & EPUs	(60)	**(15)**	45	**75.00%**
Additional City of Yarra Pensioner Rate Rebate	(395)	**(450)**	(55)	**(13.92%)**
Total rates and charges	**108,531**	**112,465**	**3,934**	**3.62%**

*These items are subject to the rate cap established under the FGRS. Please refer to section 4.1.1(l) for the reconciliation of compliance with the FGRS.

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4.1.1(b) The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2018/19 cents/$NAV	2019/20 cents/$NAV*	Change
General rate for rateable residential properties	0.0353100	**0.03619274**	**2.50%**
General rate for rateable commercial properties	0.0353100	**0.03619274**	**2.50%**
General rate for rateable industrial properties	0.0353100	**0.03619274**	**2.50%**

**Subject to final valuations received from the Valuer-General.*

4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2018/19 $'000	2019/20 $'000	Change $'000	Change %
Residential	80,508	**83,494**	2,986	**3.71%**
Commercial	20,395	**20,590**	195	**0.96%**
Industrial	6,519	**7,151**	632	**9.69%**
Total amount to be raised by general rates	107,422	111,235	3,813	**3.55%**

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year.

Type or class of land	2018/19 Number	2019/20 Number	Change Number	Change %
Residential	45,924	**47,155**	1,231	**2.68%**
Commercial	6,183	**5,884**	(299)	**(4.84%)**
Industrial	1,468	**1,483**	15	**1.02%**
Total number of assessments	53,575	54,522	947	**1.77%**

4.1.1(e) The basis of valuation to be used is the Net Annual Value (NAV)

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2018/19 $'000	2019/20 $'000	Change $'000	Change %
Residential	2,275,487	**2,306,923**	31,436	**1.38%**
Commercial	581,560	**568,894**	(12,666)	**(2.18%)**
Industrial	185,208	**197,589**	12,381	**6.68%**
Total value of land	3,042,255	3,073,406	31,151	**1.02%**

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4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year

Council does not have a municipal charge.

Type of Charge	Per Rateable Property 2018/19 $	Per Rateable Property 2019/20 $	Change $	Change %
Municipal	-	-	-	0.00%

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Council does not have a municipal charge.

Type of Charge	2018/19 $	2019/20 $	Change $	Change %
Municipal	-	-	-	0.00%

4.1.1(i) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2018/19 $	Per Rateable Property 2019/20 $	Change $	Change %
Non-rateable garbage charge	373	**383**	10	**2.68%**
Bridge Road Special Charge Side Streets	140	**100**	(40)	**(28.57%)**
Bridge Road Special Charge First Level	216	**200**	(16)	**(7.41%)**
Bridge Road Special Charge Ground Floor	358	**300**	(58)	**(16.20%)**

4.1.1(j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	2018/19 $	2019/20 $	Change $	Change %
Non-rateable garbage charge	53,000	**53,000**	-	**0.00%**
Bridge Road Special Charge Side Streets	10,364	**6,600**	(3,764)	**(36.32%)**
Bridge Road Special Charge First Level	12,729	**11,800**	(929)	**(7.30%)**
Bridge Road Special Charge Ground Floor	163,907	**138,600**	(25,307)	**(15.44%)**
Total	240,000	210,000	(30,000)	**(12.50%)**

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4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2018/19 $'000	2019/20 $'000	Change $'000	Change %
Rates & Charges	108,532	**112,465**	3,933	**3.62%**
Total Rates and charges	**108,532**	**112,465**	3,933	**3.62%**

4.1.1(l) Fair Go Rates System Compliance

Yarra City Council is required to comply with the State Government's Fair Go Rates System (FGRS). The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	2018/19	2019/20*
Total Rates	$ 107,422	$ 111,235
Number of rateable properties	53,575	54,522
Base Average Rate	$ 1,961	$ 1,990
Maximum Rate Increase (set by the State Government)	**2.25%**	**2.50%**
Capped Average Rate	$ 2,005	$ 2,040
Maximum General Rates and Municipal Charges Revenue	$ 107,422	$ 111,235

**Subject to final valuations from the Valuer-General*

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges.

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2019/20: estimated $1.1m and 2018/19: $1.2m)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(n) Differential rates

Council does not have any differential rates.

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4.1.2 Statutory fees and fines

	Forecast Actual 2018/19	Budget 2019/20	Change	
	$'000	$'000	$'000	%
Infringements and costs	26,693	**27,039**	346	**1.30%**
Court recoveries	3,900	**3,996**	96	**2.47%**
Permits	1,928	**1,900**	(28)	**(1.45%)**
Total statutory fees and fines	**32,521**	**32,935**	**414**	**1.27%**

4.1.3 User fees

	Forecast Actual 2018/19	Budget 2019/20	Change	
	$'000	$'000	$'000	%
Aged and health services	246	**480**	234	**95.40%**
Leisure centre and recreation	10,343	**10,978**	635	**6.13%**
Child care/children's programs	3,494	**3,960**	466	**13.33%**
Registration and other permits	2,656	**2,717**	61	**2.30%**
Building Services and Construction Management	8,388	**8,624**	236	**2.82%**
Statutory Planning	2,760	**2,821**	61	**2.19%**
Lease income	1,577	**1,607**	30	**1.90%**
Other fees and charges	1,566	**1,143**	(423)	**(27.01%)**
Total user fees	**31,030**	**32,330**	**1,300**	**4.18%**

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4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's annual budget.

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	9,094	10,013	919	10.10%
State funded grants	24,042	4,960	(19,082)	(79.36%)
Total grants received	**33,136**	**14,973**	(18,163)	(54.81%)
(a) Operating Grants				
Recurrent - Commonwealth Government				
VGC	2,238	2,294	56	2.5%
Financial Assistance Grants	4,926	4,932	6	0.1%
Family services	830	867	37	4.46%
Recurrent - State Government				
Primary care partnerships	800	870	70	8.75%
Aged care	1,827	1,555	(272)	(14.89%)
School crossing supervisors	308	316	8	2.6%
Libraries	615	626	11	1.79%
Maternal and child health	510	547	37	7.25%
Community safety	93	73	(20)	(21.5%)
Health Protection	90	94	4	4.44%
Other	40	20	(20)	(50.00%)
Total recurrent grants	**12,277**	**12,194**	**(83)**	(0.68%)
Non-recurrent - Commonwealth Government				
Environmental planning	355	-	(355)	(100.00%)
Non-recurrent - State Government				
Community health	-	10	10	100.00%
Family and children	164	215	51	31.09%
Other	-	119	119	100.00%
Total non-recurrent grants	**519**	**344**	(175)	(33.72%)
Total operating grants	**12,796**	**12,540**	(258)	(2.01%)

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	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	160	150	(10)	(6.25%)
Victorian Grants Commission	440	400	(40)	(9.09%)
Recurrent - State Government				
Other	-	-	-	0%
Total recurrent grants	**600**	**550**	(50)	(8.33%)
Non-recurrent - Commonwealth Government				
Buildings	-	1,369	1,369	100.00%
Plant and machinery	145	-	(145)	(100.00%)
Non-recurrent - State Government				0%
Road Programs	1,965	400	(1,565)	(79.64%)
Buildings	17,500	-	(17,500)	(100%)
Other	130	113	(17)	(13.08%)
Total non-recurrent grants	**19,740**	**1,882**	(17,858)	(90.47%)
Total capital grants	**20,340**	**2,432**	(17,908)	(88.04%)
Total Grants	**33,136**	**14,973**	**(18,163)**	(54.81%)

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4.1.5 Contributions

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Monetary	4,918	**4,697**	**(221)**	**(4.48%)**
Non-monetary	-	**-**	**-**	**0.00%**
Total contributions	**4,918**	**4,697**	**(221)**	**(4.48%)**

4.1.6 Other income

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Interest	825	**825**	-	**0.00%**
Reimbursements	1,866	**1,056**	(810)	**(43.42%)**
Other	1,084	**956**	(128)	**(11.80%)**
Total other income	**3,775**	**2,836**	**(939)**	**(24.87%)**

4.1.7 Employee costs

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Wages and salaries	67,036	**73,456**	6,420	**9.58%**
WorkCover	714	**400**	(314)	**(43.98%)**
Superannuation	6,847	**7,067**	220	**3.23%**
Other	7,614	**6,192**	(1,422)	**(18.68%)**
Total employee costs	**82,211**	**87,115**	**4,904**	**5.96%**

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4.1.8 Materials and services

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Contract payments	22,469	**24,261**	1,792	**7.97%**
Building maintenance	5,351	**5,481**	130	**2.43%**
General maintenance	2,464	**2,591**	127	**5.15%**
Utilities	3,886	**3,941**	55	**1.42%**
Office administration	3,694	**3,679**	(15)	**(0.38%)**
Information technology	3,693	**3,688**	(5)	**(0.13%)**
Insurance	1,635	**1,720**	85	**5.21%**
Consultants	2,889	**2,545**	(344)	**(11.88%)**
Other materials and services	27,823	**25,053**	(2,770)	**(9.95%)**
Total materials and services	**73,904**	**72,959**	**(945)**	**(1.28%)**

4.1.9 Depreciation and amortisation

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Property	2,884	**2,982**	98	**3.39%**
Plant & equipment	5,583	**5,586**	3	**0.05%**
Infrastructure	14,229	**14,233**	3	**0.03%**
Total depreciation and amortisation	**22,696**	**22,800**	**104**	**0.46%**

4.1.10 Other expenses

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Bad and Doubtful Debts	4,000	**4,000**	-	**0.00%**
Borrowing Costs	1,963	**2,035**	72	**3.68%**
Auditors Remuneration*	207	**215**	8	**4.14%**
Councillor Allowances*	305	**310**	5	**1.61%**
Total other expenses	**6,475**	**6,560**	**85**	**1.32%**

* These figures are included in the materials and services category in the income statement and are listed here for additional disclosure.

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4.1.11 Asset Revaluation

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	Change %
Asset Revaluation Increment	0	**52,204**	52,204	**100.00%**
Total Asset Revaluation	0	52,204	52,204	**100.00%**

Council is required to perform a revaluation of all of its assets every two years, in accordance with the Accounting Standards. 2019/20 is the next financial year that this is required. It is a non-cash entry, however it is required to be recognised in the Income Statement as revenue.

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4.2 Balance Sheet

4.2.1 Assets

Council's cash and cash equivalents will decrease from $78.5m to $53.8m over the four years of the Strategic Resource Plan (SRP) which mainly relates to repayment of loan liability and also substantial capital works programs in these years.

Council's trade and other receivables are anticipated to decrease from $13.3m to $10.1m over the same period.

Non-current assets of property, infrastructure, plant and equipment is expected to increase from $1.975b to $2.089b over the four years of the SRP.

4.2.2 Current Liabilities

Council's current liabilities are expected to increase marginally over the four years of the SRP, increasing from $34.6m to $37.7m.

Council's non-current liabilities are expected to decrease as Council continues to reduce its loan borrowings over the longer term.

4.2.3 Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	2018/19	2019/20
	$	$
Amount borrowed as at 30 June of the prior year	44,867	43,725
Amount proposed to be borrowed	-	-
Amount projected to be redeemed	1,142	1,195
Amount of borrowings as at 30 June	43,725	42,530

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4.3 Statement of changes in Equity

4.3.1 Reserves

Within the equity section of the balance sheet, Council has Asset Revaluation Reserves, Statutory Reserves, and General Reserves.

The asset revaluation reserve reflects movements in the value of Council's property and infrastructure assets. It is a non-cash reserve, backed by the value of Council's non-current property and infrastructure assets.

The statutory reserves comprise funds received from external parties for specific purposes such as parking and open space. They are restricted funds and cash backed.

The general reserve holds the transfer of the acquittal of open space funds up to 2015/16. This reserve is not cash backed, nor does it need to be, as it was an accounting entry made at year end to reflect the acquittal of the statutory funds received to that date.

4.3.2 Equity

Council's equity will increase from $1.988m to $2.085 over the four years of the SRP.

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4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/(used in) operating activities

Council's net cash provided by operating activities will increase from $36.9m to $39.6m over the four years of the SRP.

4.4.2 Net cash flows provided by/(used in) investing activities

Net cash outflows for investing activities is expected to increase from $30.8m to $38.1m over the four years of the SRP. The majority of this outflow is for the Capital Works program each year.

4.4.3 Net cash flows provided by/(used in) financing activities

Net cash used in financing activities is anticipated to increase from $3.2m to $5.8m over the four years of the SRP as Council continues to have a focus on reducing debt.

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4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2018/19 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2018/19 $'000	Budget 2019/20 $'000	Change $'000	%
Property	8,350	**9,485**	1,135	**13.59%**
Plant and equipment	3,339	**4,411**	1,072	**32.10%**
Infrastructure	19,607	**17,438**	(2,169)	**(11.06)**
Total	31,296	31,334	38	**0.12%**

	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property	**9,485**	650	5,169	3,666	-	1,369	-	8,116	-
Plant and equipment	**4,411**	210	4,201	-	-	113	-	4,298	-
Infrastructure	**17,438**	293	14,525	2,620	-	950	1,090	15,398	-
Total	**31,334**	1,153	23,895	6,286	-	2,432	1,090	27,812	-

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4.5.2 Current Budget

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PROPERTY									
Buildings									
Kevin Bartlett Reserve - Toilet Block & Sewer Treatment	**154**	-	154	-	-	-	-	154	-
Curtain Square Public Toilets	**21**	-	21	-	-	-	-	21	-
Condell Street Public Toilets	**31**	-	31	-	-	-	-	31	-
All Buildings - General Regulation Compliance	**25**	-	25	-	-	-	-	25	-
Yarraberg Childcare Centre	**120**	-	120	-	-	-	-	120	-
Victoria Park - Ryder Stand	**125**	-	125	-	-	-	-	125	-
Victoria Park - Sherrin Stand	**125**	-	125	-	-	-	-	125	-
Collingwood Leisure Centre	**221**	-	221	-	-	-	-	221	-
Fitzroy Swimming Pool - Gym and Spa	**331**	-	331	-	-	-	-	331	-
Richmond Recreation Centre	**375**	-	375	-	-	-	-	375	-
Collingwood Library	**125**	-	125	-	-	-	-	125	-
Carlton Library	**44**	-	44	-	-	-	-	44	-
Richmond Library (incl. MCH, Historical Society)	**115**	-	115	-	-	-	-	115	-

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Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Dight Falls Mill Site (incl. Mill deck, Turbines)	20	-	20	-	-	-	-	20	-
Princess Hill's Children's Centre & MCHC	25	-	25	-	-	-	-	25	-
345 Bridge Road	260	-	260	-	-	-	-	260	-
Buildings - Minor urgent works (various Buildings)	370	-	370	-	-	-	-	370	-
Buildings - Signage replacement program	25	-	25	-	-	-	-	25	-
Buildings - Preliminary Investigations	200	-	200	-	-	-	-	200	-
Buildings - Asbestos Removal Program	77	-	77	-	-	-	-	77	-
Victoria Park - Bob Rose pavilion / Social Club	450	-	450	-	-	-	-	450	-
Burnley Golf Course Social Room	5	-	5	-	-	-	-	5	-
Fairfield Pavilion	40	-	40	-	-	-	-	40	-
Air Raid / Jack Dyer Pavilion - Citizens Park	950	-	950	-	-	-	-	950	-
Abbotsford Senior Citizens/Willowview Centre	35	-	35	-	-	-	-	35	-
Richmond Town Hall	900	-	900	-	-	-	-	900	-
Public Toilets Exeloo Carlton	50	50	-	-	-	-	-	50	-
Depot Redevelopment Project	600	600	-	-	-	-	-	600	-
Alphington Bowling Club	130	-	-	130	-	-	-	130	-

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Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carlton Library	**70**	-	-	70	-			70	-
Burnley Park ex-parks Admin Building	**45**	-	-	45	-			45	-
Lord Street Neighbourhood House	**500**	-	-	500	-			500	-
Canoe Club & Residence - Fairfield Park	**485**	-	-	485	-			485	-
Malcolm Graham Pavilion - Kevin Bartlett Reserve	**1,236**	-	-	1,236	-	169		1,067	-
Ryan's Reserve Netball/Tennis Court and Pavilion	**1,200**	-	-	1,200	-	1,200		-	-
TOTAL PROPERTY	**9,485**	**650**	**5,169**	**3,666**	**-**	**1,369**	**-**	**8,116**	**-**
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
FTH Reading Room - Bookshelves Restoration	**29**	-	29	-	-	-	-	29	-
Change over of Mercedes buses to electric (Family Service/Aged Service)	**140**	-	140	-	-	-	-	140	-
Rolling program to replace bicycles	**15**	-	15	-	-	-	-	15	-
Replacement of furniture program in accordance with Asset Management Plan	**150**	-	150	-	-	-	-	150	-
Wet/dry equipment replacement	**33**	-	33	-	-	-	-	33	-

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Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Purchase of books, CDs, DVDs and other equipment across all libraries	**610**	-	610	-	-	113	-	497	-
Replace wacker plates, rollers, mixers, jack hammers, saws	**45**	-	45	-	-	-	-	45	-
Ad Hoc replacement of minor plant	**15**	-	15	-	-	-	-	15	-
Replace 35 cars - based on 3 years turnaround	**1,160**	-	1,160	-	-	-	-	1,160	-
Replace 1 truck and 1 Flocon	**480**	-	480	-	-	-	-	480	-
Rolling program - replacement of whitegoods	**25**	-	25	-	-	-	-	25	-
Computers and Telecommunications									
Mobile devices - Field data entry	**42**	-	42	-	-	-	-	42	-
Plotter refresh program	**55**	-	55	-	-	-	-	55	-
Expansion of storage/archiving facilities	**50**	-	50	-	-	-	-	50	-
Replacement of ageing mobile phone stock	**102**	-	102	-	-	-	-	102	-
Replace network/systems equipment	**300**	-	300	-	-	-	-	300	-
Venues booking system	**160**	-	160	-	-	-	-	160	-
Renew portion of end-user computing assets	**510**	-	510	-	-	-	-	510	-
Complete renewal software - Installation T1 CI anywhere	**280**	-	280	-	-	-	-	280	-

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Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Meeting room technology upgrades	150	150	-	-	-	-	-	150	-
Council meeting live streaming	60	60	-	-	-	-	-	60	-
TOTAL PLANT AND EQUIPMENT	**4,411**	**210**	**4,201**	**-**	**-**	**113**	**-**	**4,298**	**-**
INFRASTRUCTURE									
Lanes									
Station Street Carlton - Resheet asphalt laneway	22	-	22	-	-	-	-	22	-
McKean Street Fitzroy North (127-129) - Fix drainage of bluestone laneway	80	-	80	-	-	-	-	80	-
McKean Street Fitzroy North (129-135) - Fix drainage of bluestone laneway	70	-	70	-	-	-	-	70	-
Alfred Street Fitzroy North - Rehabilitate sections of bluestone laneway	80	-	80	-	-	-	-	80	-
Michael Street Fitzroy North - Reconstruct bluestone laneway	270	-	270	-	-	-	-	270	-
Noone Street Clifton Hill (24) - Rehabilitate Laneway	10	-	10	-	-	-	-	10	-
Noone Street Clifton Hill (18-24) - Rehabilitate Laneway	35	-	35	-	-	-	-	35	-
Park Street Fitzroy North - Rehabilitate lane, northern end	67	-	67	-	-	-	-	67	-
Thomas Street Richmond - Resheet lane	40	-	40	-	-	-	-	40	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bridge Road Richmond - Resheet asphalt lane	15	-	15	-	-	-	-	15	-
Gardner Street Richmond - Rehabilitate asphalt laneway	70	-	70	-	-	-	-	70	-
Murphy Street Richmond - Full resheet of asphalt pavement	80	-	80	-	-	-	-	80	-
Rowena Parade Richmond - Resurface lane	25	-	25	-	-	-	-	25	-
Caroline Street Clifton Hill (13-21 Fenwick Street) - Reconstruct lane	60	-	60	-	-	-	-	60	-
Caroline Street Clifton Hill (4) - Reconstruct lane	70	-	70	-	-	-	-	70	-
Berry Street Richmond - Rehabilitate lane	65	-	65	-	-	-	-	65	-
Elm Grove Richmond - Asphalt works	40	-	40	-	-	-	-	40	-
Roads									
Amess Street (Macpherson Street to Fenwick Street) - Resheet footpath	80	-	80	-	-	-	-	80	-
Amsterdam Street (Brighton Street to Mary Street) - Resheet footpath	60	-	60	-	-	-	-	60	-
Barkly Street (Pilkington Street to St Georges Road) - Reconstruct north kerb and footpath	30	-	30	-	-	-	-	30	-
Bedford Street (Otter Street to End of Street) - Reconstruct west kerb and channel	60	-	60	-	-	-	-	60	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bennett Street (Park Street to Scotchmer Street) - Repair Footpath, kerb	30	-	30	-	-	-	-	30	-
Botherambo Street (Tanner Street to Montgomery Street) - Resheet east footpath	15	-	15	-	-	-	-	15	-
Brighton Street (Barkly Avenue to Albert Street) - Footpath resheet	70	-	70	-	-	-	-	70	-
Brighton Street (Cotter Street to Albert Street) - Footpath resheet	50	-	50	-	-	-	-	50	-
Burnley Street (Buckingham Street to Victoria Street) - Repair kerb and footpath	80	-	80	-	-	-	-	80	-
Burnley Street (Bridge Road to Stillman Street) - Planning and design	20	-	20	-	-	-	-	20	-
Butler Street (Jonas Street to Shelley Street) - Road resheet	40	-	40	-	-	-	-	40	-
Butler Street (Shelley Street to Lennox Street) - Road resheet and threshold treatment	110	-	110	-	-	-	-	110	-
Campbell Street (Vere Street to Gipps Street) - footpath resheet	50	-	50	-	-	-	-	50	-
Campbell Street (Vere Street to Gipps Street) - Road resheet and traffic management work	136	-	136	-	-	-	-	136	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Chapel Street (Young Street to Napier Street) - Road resheet	40	-	40	-	-	-	-	40	-
Chapel Street (Green Street to Walnut Street) - Road resheet	40	-	40	-	-	-	-	40	-
Chestnut Street (Adelaide Street to Balmain Street) - Kerb and channel works	30	-	30	-	-	-	-	30	-
Chestnut Street (Adelaide Street to Balmain Street) - Road resheet, remove/reinstall parking sensors	57	-	57	-	-	-	-	57	-
Chestnut Street (Chapel Street to Adelaide Street) - Reconstruct concrete kerb and channel sections	65	-	65	-	-	-	-	65	-
Chestnut Street (Chapel Street to Adelaide Street) - Road resheet, remove/reinstall 12 parking sensors	58	-	58	-	-	-	-	58	-
Coate Avenue (Rex Avenue to Heidelberg Road) - Construct west concrete footpath	40	-	40	-	-	-	-	40	-
Condell Street (Napier Street to George Street) - Footpath resheet	35	-	35	-	-	-	-	35	-
Condell Street (Napier Street to George Street) - Road resheet	35	-	35	-	-	-	-	35	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Coppin Street (Abinger Street to Wall Street) - Footpath resheet	50	-	50	-	-	-	-	50	-
Coppin Street (Madden Grove to Rose Street) - Resheet footpath	30	-	30	-	-	-	-	30	-
Coppin Street (Rose Street to Barkly Avenue) - Resheet footpath	30	-	30	-	-	-	-	30	-
Corsair Street (Fraser Street to Burnley Street) - Reconstruct kerb and channel sections	40	-	40	-	-	-	-	40	-
Corsair Street (Fraser Street to Burnley Street) - Road resheet, reconstruct road cushions	70	-	70	-	-	-	-	70	-
Darlington Parade (Waltham Street to Church Street) - Resheet footpath	35	-	35	-	-	-	-	35	-
Docker Street (Swan Street to Gipps Street) - Fix collapsed pipe and realign	70	-	70	-	-	-	-	70	-
Dunn Street (Stephenson Street to Green Street) - Road resheet	80	-	80	-	-	-	-	80	-
Easey Street (Gold Street to Hoddle Street) - South kerb and channel sections	50	-	50	-	-	-	-	50	-
Fenwick Street (Wright Street to Spensley Street) - Footpath sections resheet	50	-	50	-	-	-	-	50	-
Gardner Street (Highett Street to Kent Street) - Road	90	-	90	-	-	-	-	90	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
resheet, bike lanes/roundabouts sharrows									
Gardner Street (Highett Street to Kent Street) - Realigning of cracked pipes	70	-	70	-	-	-	-	70	-
Gardner Street (Kent Street to Bennett Street) - Road resheet	60	-	60	-	-	-	-	60	-
George Street (Cecil Street to Westgarth Street) - Reconstruct east side kerb and channel sections	70	-	70	-	-	-	-	70	-
George Street (Leicester Street to Rose Street) - Reconstruct bluestone kerb and channel	70	-	70	-	-	-	-	70	-
George Street (Westgarth Street to Leicester Street) - Reconstruct bluestone kerb and channel	80	-	80	-	-	-	-	80	-
George Street (Alexandra Parade to Cecil Street) - Reconstruct east kerb and channel	70	-	70	-	-	-	-	70	-
George Street (Park Street to Nicholson Street) - Reconstruct/realign underground drainage and pits at the intersection	100	-	100	-	-	-	-	100	-
Gipps Street (Rupert Street to Hoddle Street) - Road resheet, deep lift sections	180	-	180	-	-	150	-	30	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gipps Street (Wellington Street to Rupert Street) - Road resheet, reconfigure bike lanes	40	-	40	-	-	-	-	40	-
Glasgow Street (Wellington Street to Rokeby Street) - Road resheet, centre sections only	40	-	40	-	-	-	-	40	-
Glass Street (Beissel Street to Newry Street) - Multiple pipe replacement and pit construction	200	-	200	-	-	-	-	200	-
Gold Street (Sackville Street to Keele Street) - Realign concrete kerb	25	-	25	-	-	-	-	25	-
Gold Street (Sackville Street to Keele Street) - Repair tree root damage	25	-	25	-	-	-	-	25	-
Gold Street (Hodgkinson Street to Queens Parade) - Road resheet	80	-	80	-	-	-	-	80	-
Gold Street (Noone Street to Page Street) - Footpath resheet	50	-	50	-	-	-	-	50	-
Gold Street (Noone Street to Page Street) - Road resheet	100	-	100	-	-	-	-	100	-
Gold Street (Page Street to Hodgkinson) - East footpath resheet, West footpath and kerb section	120	-	120	-	-	-	-	120	-
Gold Street (Page Street to Hodgkinson) - Line and bike lane	120	-	120	-	-	-	-	120	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gold Street (Page Street to Hodgkinson) - Replace damage failed culverts	140	-	140	-	-	-	-	140	-
Highett Street (Davison Street to Gardner Street) - reconstruct kerb & channel sections	30	-	30	-	-	-	-	30	-
Hughes Street (Lygon Street to Drummond Street) - Road resheet	40	-	40	-	-	-	-	40	-
Ivan Street (Park Street to End of Street) - Resheet east footpath and bluestone kerb sections	70	-	70	-	-	-	-	70	-
Johnston Street (Clarke Street to River) - Footpath resheet	80	-	80	-	-	-	-	80	-
Leslie Street (Victoria Street to Buckingham Street) - Footpath resheet	70	-	70	-	-	-	-	70	-
Lygon Street (Holtom Street East to Pigdon Street) - Reconstruct east bluestone kerb and channel	50	-	50	-	-	-	-	50	-
Lygon Street (Holtom Street East to Pigdon Street) - Road resheet, west side, line marking	56	-	56	-	-	56	-	-	-
Lygon Street (Park Street to Holtom Street East) - Road resheet	56	-	56	-	-	56	-	-	-
Lygon Street (Paterson Street to Richardson Street) -	56	-	56	-	-	56	-	-	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Road resheet, west side, line marking									
Lygon Street (Pigdon Street to Paterson Street) - Road resheet, west side, line marking	**56**	-	56	-	-	56	-	-	-
Lygon Street (Richardson Street to Macpherson Street) - Road resheet, west side, line marking	**56**	-	56	-	-	56	-	-	-
Mary Street (McNamara Street to Swan Street) - Road resheet, Bitek treatment of concrete joints	**75**	-	75	-	-	-	-	75	-
Moorhouse Street (Bridge Road to Erin Street) - Road resheet, remove/reinstall 15 existing parking sensors	**53**	-	53	-	-	-	-	53	-
Murphy Street (Coppin Street to Gardner Street) - Rehabilitate footpath and kerb and channel sections	**70**	-	70	-	-	-	-	70	-
Napier Street (Argyle Street to Johnston Street) - Road resheet (VicRoads bike lane/line marking)	**70**	-	70	-	-	-	-	70	-
Napier Street (Kerr Street to Argyle Street) - Road resheet (VicRoads bike lane/line marking)	**70**	-	70	-	-	-	-	70	-
Napier Street (Moor Street to Condell Street) - Rehabilitate Moor/Napier Roundabout	**30**	-	30	-	-	-	-	30	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Napier Street (Johnston Street to Chapel Street) - Road resheet	20	-	20	-	-	-	-	20	-
Newry Street (Nicholson Street to St Georges Road) - Reconstruct north kerb & channel	40	-	40	-	-	-	-	40	-
Nicholson Street (Gipps Street to Mollison Street) - Repair tree root damage to kerbs	100	-	100	-	-	-	-	100	-
Palmer Street (Johnston Street to Perry Street) - Footpath resheet, at-grade intersections	55	-	55	-	-	-	-	55	-
Palmer Street (Johnston Street to Perry Street) - Reconstruct bluestone kerb and channel	90	-	90	-	-	-	-	90	-
Palmer Street (Johnston Street to Perry Street) - Road resheet	35	-	35	-	-	-	-	35	-
Palmer Street (Johnston Street to Perry Street) - Renew drainage	35	-	35	-	-	-	-	35	-
Peel Street (Oxford Street to Wellington Street) - Risk mitigation response job	10	-	10	-	-	-	-	10	-
Perry Street (Heidelberg Road to Margaret Grove) - Strip resheet road	180	-	180	-	-	-	-	180	-
Porter Street (Railway Street to End of Street) - Footpath resheet	30	-	30	-	-	-	-	30	-

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		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Queen Street (Swan Street to End of Street) - Footpath resheet	20	-	20	-	-	-	-	20	-
Rae Street (Annand Street to Watkins Street) - Resheet footpath	15	-	15	-	-	-	-	15	-
Rae Street (Annand Street to Watkins Street) - Repair tree root damage to kerbs	25	-	25	-	-	-	-	25	-
Rae Street (Reid Street to Annard Street) - Resheet footpath	15	-	15	-	-	-	-	15	-
Rae Street (Reid Street to Annard Street) - Repair tree root damage to kerbs	25	-	25	-	-	-	-	25	-
Rae Street (Watkins Street to Church Street) - Resheet footpath	30	-	30	-	-	-	-	30	-
Rae Street (Watkins Street to Church Street) - Repair tree root damage to kerbs	70	-	70	-	-	-	-	70	-
Rose Street (Brighton Street to Mary Street) - Road resheet	60	-	60	-	-	-	-	60	-
Sackville Street (Wellington Street to Gold Street) - North footpath resheet	50	-	50	-	-	-	-	50	-
Sackville Street (Wellington Street to Gold Street) - Reconstruct kerb and channel	80	-	80	-	-	-	-	80	-
Somerset Street (Davison Street to Burnley Street) - replacement of VC pipe	100	-	100	-	-	-	-	100	-

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	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
South Terrace (Gold Street to Hoddle Street) - Road resheet, line markings and bike lanes	**180**	-	180	-	-	-	-	180	-
Stafford Street (Park Street to Nicholson Street) - Resheet footpath	**40**	-	40	-	-	-	-	40	-
Stanley Street (Gipps Street to Richmond Terrace) - Road, line/bike lane markings resheet	**84**	-	84	-	-	-	-	84	-
Stanley Street (Swan Street to Gipps Street) - Repair tree root damage to footpath and kerbs	**60**	-	60	-	-	-	-	60	-
Station Street (Park Crescent to End of Street) - Drainage outfall renewal	**300**	-	300	-	-	-	-	300	-
Station Street (Curtain Street to Newry Street) - Road, line/bike lane markings resheet	**75**	-	75	-	-	-	-	75	-
Station Street (Fenwick Street to Curtain Street) - Road, line/bike lane markings resheet	**100**	-	100	-	-	-	-	100	-
Station Street (Macpherson Street to Fenwick Street) - Resheet footpath	**40**	-	40	-	-	-	-	40	-
Station Street (Macpherson Street to Fenwick Street) - Road resheet	**120**	-	120	-	-	120	-	-	-

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	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Station Street (Richardson Street to Macpherson Street) - Road resheet, line/bike lane symbols/marking, road humps	120	-	120	-	-	-	-	120	-
Sutton Gr (Tyson Street to End of Street) - Road resheet	80	-	80	-	-	-	-	80	-
Swan Street (Stawell Street to Bendigo Street) - Footpath resheet	45	-	45	-	-	-	-	45	-
Swan Street (Burnley Street to Stawell Street) - North footpath resheet	65	-	65	-	-	-	-	65	-
Sydney Street (Perry Street to Johnston Street) - Resheet footpath	40	-	40	-	-	-	-	40	-
Sydney Street (Perry Street to Johnston Street) - Reconstruct kerb and channel	80	-	80	-	-	-	-	80	-
Sydney Street (Perry Street to Johnston Street) - Road resheet	60	-	60	-	-	-	-	60	-
Vere Street (Dight Street to Harmsworth Street) - Resheet south footpath	50	-	50	-	-	-	-	50	-
Vere Street (Dight Street to Harmsworth Street) - Reconstruct kerb and channel sections	70	-	70	-	-	-	-	70	-
Vere Street (Dight Street to Harmsworth Street) - Road resheet	80	-	80	-	-	-	-	80	-

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	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Vere Street (Wellington Street to Dight Street) - Resheet south footpath	50	-	50	-	-	-	-	50	-
Vere Street (Wellington Street to Dight Street) - Reconstruct south bluestone kerb and channel	70	-	70	-	-	-	-	70	-
Vere Street (Wellington Street to Dight Street) - Road resheet	80	-	80	-	-	-	-	80	-
Victoria Place (Church Street to End of street) - Road resheet	60	-	60	-	-	-	-	60	-
Wellington Street (Perry Street to Johnston Street) - Resurfacing pavement	350	-	350	-	-	-	-	350	-
York Street (Lennox Street to New Street) - Road resheet	90	-	90	-	-	-	-	90	-
York Street (New Street to Hoddle Street) - Road resheet	60	-	60	-	-	-	-	60	-
* These figures are included in the user fees & charges category in the income statement	30	-	30	-	-	-	-	30	-
DDA Projects - Compliance works at various locations	100	-	100	-	-	-	-	100	-
DDA Projects -Making disabled parking bays compliant	50	-	50	-	-	-	-	50	-
Designs for further works - Prepare road designs	85	-	85	-	-	-	-	85	-

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	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Designs for further works - Investigations, planning and research	**105**	-	105	-	-	-	-	105	-
Pavement Bicycle Lanes - Repaint existing bicycle lane markings	**35**	-	35	-	-	-	-	35	-
Risk Mitigation Works - Emergency works as identified	**200**	-	200	-	-	-	-	200	
Risk Mitigation Works - Emergency or priority works	**150**	-	150	-	-	-	-	150	-
Miscellaneous Development works	**225**	-	225	-	-	-	-	225	-
Gleadell Street / Highett Street threshold treatment	**150**	150	-	-	-	-	-	150	-
Heritage street signs/plaques	**15**	15	-	-	-	-	-	15	-
DDA upgrade of Council owned signalised intersections	**30**	30	-	-	-	-	-	30	-
Bridges									
Rust removal treatment and repairing - Clifton Hill	**20**	-	20	-	-	-	-	20	-
Waste Management									
Street Bins	**70**	-	70	-	-	-	-	70	-
Parks, Open Space and Streetscapes									
Alphington Park Wetland - Renew path and steps to River	**80**	-	80	-	-		-	80	-

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Alphington Park - Renew Playground	150	-	150	-	-		150	-	-
Merri Creek Parklands (Hall Reserve) - Merri Creek trail pat works)	49	-	49	-	-		-	49	-
Edinburgh Gardens - Investigation into operations of Rain Garden	30	-	30	-	-		-	30	-
Edinburgh Gardens - Renew drinking fountains	25	-	25	-	-		-	25	-
Edinburgh Gardens - Renewal of path lighting	165	-	165	-	-		-	165	-
Edinburgh Gardens - Design and consult on skate park expansion	30	-	30	-	-		30	-	-
Alphington Park Oval - Lighting Poles	120	-	120	-	-		120	-	-
Burnley Park Oval - Sports lights	120	-	120	-	-		120	-	-
Citizens Park Oval - Renew Cricket Nets Carpet	41	-	41	-	-		-	41	-
Citizens Park Oval - Strip/renew turf surface	540	-	540	-	-		-	540	-
K Bartlett Reserve, Fletcher Soccer 1 - Renew soccer field fence	48	-	48	-	-		-	48	-
Walker Street Soccer - Turf renovation	78	-	78	-	-		-	78	-
Linear Park Reserve - Renewal of path sections	318	-	318	-	-		-	318	-
Browns Reserve - Renew playground design /construct	75	-	75	-	-		75	-	-

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cairns Reserve - Design and construct for playground renewal	10	-	10	-	-		10	-	-
Condell Street Reserve - Renew playground (including shade)	175	-	175	-	-		175	-	-
Inner Circle - Holden Bryne Reserve - Renew timber fence	37	-	37	-	-		-	37	-
McConchie Reserve - Boundary bollards	15	-	15	-	-		-	15	-
Smith Reserve - Renewal of turf surface	10	-	10	-	-		-	10	-
Curtain Square - Renew path lighting	71	-	71	-	-		-	71	-
Gahan Reserve - Renewal of path lighting	100	-	100	-	-		-	100	-
Gahan Reserve - Renew playground and BBQ picnic area	360	-	360	-	-		360	-	-
Open Space Children Services - Playground renewals	30	-	30	-	-		-	30	-
Minor Works Assets	347	-	347	-	-		-	347	-
Open Space Signage Renewal Program	110	-	110	-	-		-	110	-
Fairfield Park - Renewal of northern pathway	90	-	90	-	-		-	90	-
Merri Creek Parklands Quarries Park - Minor repairs to playground	40	-	40	-	-		-	40	-
Burnley Golf Course - Path Works	84	-	84	-	-		-	84	-

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Burnley Golf Course - Renewal of 11 bunkers	**73**	-	73	-	-		-	73	-
Burnley Golf Course - Fence refurbishment	**120**	-	120	-	-		-	120	-
Kevin Bartlett Reserve, Bastow Soccer 1 - Renew soccer field fence	**42**	-	42	-	-		-	42	-
Egan Place Reserve - Design/construct playground	**50**	-	50	-	-		50	-	-
Alphington Park new irrigation - Northcote Obedience dog club lawn	**23**	23	-	-	-	-	-	23	-
Cremorne public realm minor upgrades	**55**	55	-	-	-	-	-	55	-
Design Works - Implementation of Open Space Strategy	**20**	20	-	-	-	-	-	20	-
Street Furniture									
Rolling program to replace road furniture	**30**	-	30	-	-	-	-	30	-
Rolling program to replace traffic related signs	**25**	-	25	-	-	-	-	25	-
Renewal of street lights on main roads	**200**	-	200	-	-	-	-	200	-
Renewal program for ticket programs	**280**	-	280	-	-	-	-	280	-
Transport									
Various bicycle strategy work, lanes in Elizabeth street, plus bike signage	**530**	-	-	530	-	-	-	530	-
Delivery of LAPM treatments	**358**	-	-	358	-	134	-	224	-

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Delivery of LAPM treatments	**358**	-	-	358	-	133	-	225	-
Delivery of LAPM treatments	**358**	-	-	358	-	133	-	225	-
Improve pedestrian amenity	**210**	-	-	210	-	-	-	210	-
Targeted projects at/or near schools	**65**	-	-	65	-	-	-	65	-
Annual rolling program on road safety issues	**180**	-	-	180	-	-	-	180	-
Urban Design/Retain Strips									
Urban Design / Retail Strip Program	**200**	-	200	-	-	-	-	200	-
Urban Design / Retail Strip Program - UD-Bridge Road Activity Centre	**280**	-	-	280	-	-	-	280	-
Urban Design / Retail Strip Program - UD-Swan Street Activity Centre	**281**	-	-	281	-	-	-	281	-
	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE	**17,438**	293	14,525	2,620	-	950	1,090	15,398	-
TOTAL NEW CAPITAL WORKS	**31,334**	**1,153**	**24,065**	**6,116**	**-**	**2,319**	**1,090**	**27,925**	**-**

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Attachment 1 - 2019-20 Proposed Annual Budget

4.5.3 Works carried forward from the 2018/19 year

Capital Works Area	Project Cost	Asset expenditure types	Summary of Funding Sources						
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
4.5.3 Works carried forward from the 2018/19 year									
PROPERTY									
Land	-	-	-	-	-	-	-	-	-
Land Improvements	-	-	-	-	-	-	-	-	-
Buildings									
Malcolm Graham Pavillion	135	-	135	-	-	135	-	-	-
Richmond Recreation Reserve	423		423	-				423	
Richmond Town Hall – Main Entrance	450		450	-				450	
Building Improvements	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-
TOTAL PROPERTY	1,008	-	1,008	-	-	135	-	873	-
PLANT AND EQUIPMENT									

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

	Project Cost	Asset expenditure types	Summary of Funding Sources						
Capital Works Area		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Plant, Machinery and Equipment	-	-	-	-	-	-	-	-	-
Fixtures, Fittings and Furniture	-	-	-	-	-	-	-	-	-
Computers and Telecommunications									
IS - Property and Rating	-	-	579	-	-	-	-	579	-
Heritage Plant and Equipment	-	-	-	-	-	-	-	-	-
Library books	-	-	-	-	-	-	-	-	-
TOTAL PLANT AND EQUIPMENT	**579**	-	579	-	-	-	-	579	-
INFRASTRUCTURE									
Roads									
UD – Bridge Road Activity Centre	**200**	-	-	200	-	-	-	200	-
Bridges	-	-	-	-	-	-	-	-	-
Transport									
Wellington street Copenhagen	**1,500**	-	-	1,500	-	1,500			

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

	Project Cost	Asset expenditure types	Summary of Funding Sources						
Capital Works Area		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Footpaths and Cycleways	-	-	-	-	-	-	-	-	-
Drainage	-	-	-	-	-	-	-	-	-
Recreational, Leisure & Community Facilities	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Parks, Open Space and Streetscapes	-	-	-	-	-	-	-	-	-
Aerodromes	-	-	-	-	-	-	-	-	-
Off Street Car Parks	-	-	-	-	-	-	-	-	-
Other Infrastructure	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE	1,700	-	-	1,700	-	1,500	-	1,200	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2018/19	3,287	-	1,587	1,700	-	1,635	-	1,652	-

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5. Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives.

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+/o/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	8%	2.4%	2.5%	2.8%	3.4%	3.9%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	1.97	2.64	2.68	1.25	1.88	1.72	-
Unrestricted cash	Unrestricted cash / current liabilities	3	0.97	1.18	1.21	0.58	0.86	0.67	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	43%	40%	38%	37%	32%	28%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3%	3%	3%	3%	32%	5%	o
Indebtedness	Non-current liabilities / own source revenue		26%	26%	24%	6%	19%	15%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	1.02	1.03	1.05	1.20	1.16	1.14	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	56%	56%	57%	57%	57%	58%	o
Rates effort	Rate revenue / NAV of rateable properties in the municipality		0.21%	0.24%	0.24%	0.25%	0.26%	0.26%	o

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+/o/-
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		$3,197	$3,389	$3,403	$3,431	$3,460	$3,487	o
Revenue level	Residential rate revenue / no. of residential property assessments		$1,674	$1,749	$1,756	$1,763	$1,771	$1,780	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		16.05%	16.04%	16.04%	16.04%	16.04%	16.04%	o

Key to Forecast Trend:
+ Forecasts improvement in Council's financial performance/financial position indicator
o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Notes to indicators

1. **Adjusted underlying result**
   Council's adjusted underlying result is expected to improve and trend favourably over the period of the Strategic Resource Plan (SRP).

2. **Working Capital**
   Liquidity is forecast to decline, in order to achieve higher spending on capital replacement. The decrease in 2020/21 is the result of Council's $32.5m interest only loan becoming a current liability in that year (as it is due to be repaid in 2021/22). This has an impact on the ratio only, as Council will be refinancing the loan.

3. **Unrestricted Cash**
   Unrestricted cash is forecast to decline, in order to achieve higher spending on capital replacement, and in order to ensure statutory open space reserves are cash backed.

4. **Debt compared to rates**
   Debt is expected to reduce over the period of the SRP with loan principal repayments being made and rate revenue increasing.

5. **Asset renewal**
   Forecast asset renewal expenditure is expected to meet the requirements of Council's assets.

6. **Rates concentration**
   Council's rates concentration is expected to remain consistent over the period of the SRP. Rate revenue continues to be an important source of revenue for Council to be able to deliver services and renew its assets.

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra
2019/20 Draft Budget
Proposed Fees and Charges

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This colour shading reflects the fee is a statutory fee, which means the fee is set by another agency, not by Council

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
PROPERTY & RATING FEES						
Land information certificates	Y	GST Free	$26.30	**$26.30**	**$0.00**	**0.00%**
Land information certificates - 24 hour turnaround (online application only)	N	GST Free	$68.50	**$70.20**	**$1.70**	**2.48%**
Garbage Charge - Properties exempt from Rates	N	GST Free	$373.20	**$382.55**	**$9.35**	**2.51%**
Valuation Certificate	N	Taxable	$25.00	**$25.60**	**$0.60**	**2.40%**
Retrospective Valuation Certificate	N	Taxable	$100.00	**$102.50**	**$2.50**	**2.50%**
Payment Arrangement fee (Rates – Referred for Legal Action)	N	Taxable	$5.75 per month	**$5.90 per month**	**$0.15**	**2.61%**
Rate Notice reproduction	N	GST Free	$26.30	**$26.95**	**$0.65**	**2.47%**
Debt Recovery Field Call	N	GST Free	$60.00	**$60.00**	**$0.00**	**0.00%**
Debt Recovery Administration	N	GST Free	$45.00	**$45.00**	**$0.00**	**0.00%**
Debt Recovery Administration Summons Trace successful	N	GST Free	$150.00	**$150.00**	**$0.00**	**0.00%**
Debt Recovery Administration Summons Trace unsuccessful	N	GST Free	$100.00	**$100.00**	**$0.00**	**0.00%**
Debt Recovery Title Search	N	GST Free	$25.00	**$25.60**	**$0.60**	**2.40%**
Debt Recovery Company Search	N	GST Free		**$25.60**	**$25.60**	**100.00%**

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
GOVERNANCE SUPPORT						
Freedom of information requests	Y	GST Free	Adoption of statutory fee	**Adoption of statutory fee**		
LIBRARIES						
Overdue Items	N	GST Free	$0.20 per day	**$0.20 per day**	**$0.00**	**0.00%**
Damaged Books	N	Taxable	Cost + $11.80	**Cost + $12.50**	**$0.30**	**2.54%**
Damaged Magazines	N	Taxable	Cost + $3.60	**Cost + $3.70**	**$0.10**	**2.78%**
Lost Card	N	Taxable	$3.90	**$4.00**	**$0.10**	**2.56%**
Inter Library Loans	N	Taxable	$18.00	**$18.50**	**$0.50**	**2.78%**
Reservations	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Word Processing	N	Taxable	No Charge	**No Charge**	**$0.00**	**0.00%**
Internet Access	N	Taxable	No Charge	**No Charge**	**$0.00**	**0.00%**
Printing from Computers	N	Taxable	$0.20 per page	**$0.20 per page**	**$0.00**	**0.00%**
Library Bags	N	Taxable	$2.80	**$3.00**	**$0.20**	**7.14%**
Photocopies						
Photocopies A4	N	Taxable	$0.20	**$0.20**	**$0.00**	**0.00%**
Photocopies A3	N	Taxable	$0.40	**$0.40**	**$0.00**	**0.00%**
Photocopies A4 (colour)	N	Taxable	$1.00	**$1.10**	**$0.10**	**10.00%**
Photocopies A3 (colour)	N	Taxable	$2.00	**$2.10**	**$0.10**	**5.00%**
Book Sales						
Hardbacks	N	Taxable	$2.60	**$3.00**	**$0.40**	**15.38%**
Paperbacks	N	Taxable	$1.60	**$1.50**	**-$0.10**	**-6.25%**
Magazines	N	Taxable	$0.60	**$0.50**	**-$0.10**	**-16.67%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
FINANCE						
Credit Card Surcharge (moved from start of sheet to Finance section)	N	Taxable	0.5% to payments made via Credit Card	**0.5% to payments made via Credit Card**	**$0.00**	**$0.00**
Dishonoured Cheque Administration Fee	N	Taxable	$34.85	**$35.70**	**$0.85**	**2.44%**
Dishonoured Direct Debt Administration Fee	N	Taxable	$34.85	**$35.70**	**$0.85**	**2.44%**
AGED & DISABILITY SERVICES						
Home Care, Personal Care and Respite Care						
Home Care General Low Fee Range						
Home Care General Low fee range - Single Up to $26,933	N	GST Free	$4.05	**$4.15**	**$0.10**	**2.47%**
Home Care General Low fee range - Single $26,933 to $36,972	N	GST Free	$6.25	**$6.40**	**$0.15**	**2.40%**
Home Care General Low fee range - Couple Up to $56,589	N	GST Free	$6.30	**$6.45**	**$0.15**	**2.38%**
Home Care General Low fee range - Family Up to $62,693	N	GST Free	$6.30	**$6.45**	**$0.15**	**2.38%**
Home Care General Medium Fee Range						
Home Care General Medium fee range - Single $36,972 to $51,712	N	GST Free	$8.95	**$9.15**	**$0.20**	**2.23%**
Home Care General Medium fee range - Single $51,712 to $66,452	N	GST Free	$11.55	**$11.85**	**$0.30**	**2.60%**
Home Care General Medium fee range - Single $66,452 to $81,192	N	GST Free	$14.15	**$14.50**	**$0.35**	**2.47%**
Home Care General Medium fee range - Couple $56,589 to $73,907	N	GST Free	$10.50	**$10.75**	**$0.25**	**2.38%**
Home Care General Medium fee range - Couple $73,907 to $91,225	N	GST Free	$13.30	**$13.65**	**$0.35**	**2.63%**
Home Care General Medium fee range - Couple $91,225 to $108,543	N	GST Free	$15.75	**$16.15**	**$0.40**	**2.54%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Home Care General Medium fee range - Family $62,693 to $79,109	N	GST Free	$10.50	**$10.75**	**$0.25**	**2.38%**
Home Care General Medium fee range - Family $79,109 to $95,525	N	GST Free	$13.30	**$13.65**	**$0.35**	**2.63%**
Home Care General Medium fee range - Family $95,525 to $111,941	N	GST Free	$15.75	**$16.15**	**$0.40**	**2.54%**
Home Care General High Fee Range						
Home Care General High Range - Single Above $81,194	N	GST Free	$34.35	**$35.20**	**$0.85**	**2.47%**
Home Care General High Range - Couple Above $108,543	N	GST Free	$34.35	**$35.20**	**$0.85**	**2.47%**
Home Care General High Range - Family Above $111,941	N	GST Free	$34.35	**$35.20**	**$0.85**	**2.47%**
Personal Care						
Personal Care Low Fee Range						
Personal Care Low fee range - Single Up to $26,933	N	GST Free	$3.95	**$4.05**	**$0.10**	**2.53%**
Personal Care Low fee range - Single $26,933 to $36,972	N	GST Free	$4.70	**$4.80**	**$0.10**	**2.13%**
Personal Care Low fee range - Couple Up to $41,730	N	GST Free	$3.95	**$4.05**	**$0.10**	**2.53%**
Personal Care Low fee range - Couple $41,730 to $56,589	N	GST Free	$4.70	**$4.80**	**$0.10**	**2.13%**
Personal Care Low fee range - Family Up to $47,844	N	GST Free	$3.95	**$4.05**	**$0.10**	**2.53%**
Personal Care Low fee range - Family $47,844 to $62,693	N	GST Free	$4.70	**$4.80**	**$0.10**	**2.13%**
Personal Care Medium Fee Range						
Personal Care General Medium fee range - Single $36,972 to $51,712	N	GST Free	$7.35	**$7.55**	**$0.20**	**2.72%**
Personal Care General Medium fee range - Single $51,712 to $66,452	N	GST Free	$7.75	**$7.95**	**$0.20**	**2.58%**
Personal Care General Medium fee range - Single $66,452 to $81,192	N	GST Free	$8.50	**$8.70**	**$0.20**	**2.35%**

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Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Personal Care General Medium fee range - Couple $56,589 to $73,907	N	GST Free	$7.35	**$7.55**	**$0.20**	**2.72%**
Personal Care General Medium fee range - Couple $73,907 to $91,225	N	GST Free	$7.75	**$7.95**	**$0.20**	**2.58%**
Personal Care General Medium fee range - Couple $91,225 to $108,543	N	GST Free	$8.50	**$8.70**	**$0.20**	**2.35%**
Personal Care General Medium fee range - Family $62,693 to $79,109	N	GST Free	$7.35	**$7.55**	**$0.20**	**2.72%**
Personal Care General Medium fee range - Family $79,109 to $95,525	N	GST Free	$7.75	**$7.95**	**$0.20**	**2.58%**
Personal Care General Medium fee range - Family $95,525 to $111,941	N	GST Free	$8.50	**$8.70**	**$0.20**	**2.35%**
Personal Care High Fee Range						
Personal Care General High Range - Single Above $81,194	N	GST Free	$38.45	**$39.40**	**$0.95**	**2.47%**
Personal Care General High Range - Couple Above $108,543	N	GST Free	$38.45	**$39.40**	**$0.95**	**2.47%**
Personal Care General High Range - Family Above $111,941	N	GST Free	$38.45	**$39.40**	**$0.95**	**2.47%**
Respite Care						
Respite Care Low Fee Range						
Respite Care Low fee range - Single Up to $26,933	N	GST Free	$2.70	**$2.75**	**$0.05**	**1.85%**
Respite Care Low fee range - Single $26,933 to $36,972	N	GST Free	$3.15	**$3.25**	**$0.10**	**3.17%**
Respite Care Low fee range - Couple Up to $41,740	N	GST Free	$2.70	**$2.75**	**$0.05**	**1.85%**
Respite Care Low fee range - Couple $41,740 to $56,589	N	GST Free	$3.15	**$3.25**	**$0.10**	**3.17%**
Respite Care Low fee range - Family Up to $47,844	N	GST Free	$2.70	**$2.75**	**$0.05**	**1.85%**
Respite Care Low fee range - Family $47,844 to $62,693	N	GST Free	$3.15	**$3.25**	**$0.10**	**3.17%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Respite Care Medium Fee Range						
Respite Care General Medium fee range - Single $36,972 to $51,712	N	GST Free	$3.65	**$3.75**	**$0.10**	**2.74%**
Respite Care General Medium fee range - Single $51,712 to $66,452	N	GST Free	$4.50	**$4.60**	**$0.10**	**2.22%**
Respite Care General Medium fee range - Single $66,452 to $81,192	N	GST Free	$4.60	**$4.70**	**$0.10**	**2.17%**
Respite Care General Medium fee range - Couple $56,589 to $73,907	N	GST Free	$3.65	**$3.75**	**$0.10**	**2.74%**
Respite Care General Medium fee range - Couple $73,907 to $91,225	N	GST Free	$4.50	**$4.60**	**$0.10**	**2.22%**
Respite Care General Medium fee range - Couple $91,225 to $108,543	N	GST Free	$4.60	**$4.70**	**$0.10**	**2.17%**
Respite Care General Medium fee range - Family $62,693 to $79,109	N	GST Free	$3.65	**$3.75**	**$0.10**	**2.74%**
Respite Care General Medium fee range - Family $79,109 to $95,525	N	GST Free	$4.50	**$4.60**	**$0.10**	**2.22%**
Respite Care General Medium fee range - Family $95,525 to $111,941	N	GST Free	$4.60	**$4.70**	**$0.10**	**2.17%**
Respite Care High Fee Range						
Respite Care General High Range - Single Above $81,192	N	GST Free	$35.45	**$36.35**	**$0.90**	**2.54%**
Respite Care General High Range - Couple Above $108,543	N	GST Free	$35.45	**$36.35**	**$0.90**	**2.54%**
Respite Care General High Range - Family Above $111,941	N	GST Free	$35.45	**$36.35**	**$0.90**	**2.54%**
Home Maintenance						
Home Maintenance Low Fee Range						
Home Maintenance Low fee range - Single Up to $26,933	N	GST Free	$4.45	**$4.55**	**$0.10**	**2.25%**
Home Maintenance Low fee range - Single $26,933 to $36,972	N	GST Free	$6.95	**$7.10**	**$0.15**	**2.16%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Home Maintenance Low fee range - Couple Up to $41,740	N	GST Free	$4.45	**$4.55**	**$0.10**	**2.25%**
Home Maintenance Low fee range - Couple $41,740 to $56,589	N	GST Free	$8.20	**$8.40**	**$0.20**	**2.44%**
Home Maintenance Low fee range - Family Up to $47,844	N	GST Free	$4.45	**$4.55**	**$0.10**	**2.25%**
Home Maintenance Low fee range - Family $47,844 to $62,693	N	GST Free	$8.20	**$8.40**	**$0.20**	**2.44%**
Home Maintenance - Medium Fee Range						
Home Maintenance Medium Fee Range Single - $36,972 to $81,194	N	GST Free	$17.20	**$17.65**	**$0.45**	**2.62%**
Home Maintenance Medium Fee Range Couple - $56,589 to $108,543	N	GST Free	$17.20	**$17.65**	**$0.45**	**2.62%**
Home Maintenance Medium Fee Range Family - $62,693 to $111,941	N	GST Free	$17.20	**$17.65**	**$0.45**	**2.62%**
Home Maintenance - High Fee Range						
Home Maintenance High Range - Single Above $81,192	N	GST Free	$49.60	**$50.85**	**$1.25**	**2.52%**
Home Maintenance High Range - Couple Above $108,543	N	GST Free	$49.60	**$50.85**	**$1.25**	**2.52%**
Home Maintenance - Family Above $111,941	N	GST Free	$49.60	**$50.85**	**$1.25**	**2.52%**
Delivered / Centre Meals **Delivered / Centre Meals -Low Fee Range**						
Delivered / Centre Meals Single up to $36,972	N	GST Free	$6.50	**$6.65**	**$0.15**	**2.31%**
Delivered / Centre Meals Couple Up to $56,589	N	GST Free	$6.50	**$6.65**	**$0.15**	**2.31%**
Delivered / Centre Meals Family Up to $62,693	N	GST Free	$6.50	**$6.65**	**$0.15**	**2.31%**
Delivered / Centre Meals - Medium Fee Range						
Delivered / Centre Meals Single - $36,438 to $81,192	N	GST Free	$8.40	**$8.60**	**$0.20**	**2.38%**
Delivered / Centre Meals Couple - $56,589 to $108,543	N	GST Free	$8.40	**$8.60**	**$0.20**	**2.38%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Delivered / Centre Meals Family - $62,693 to $111,941	N	GST Free	$8.40	**$8.60**	**$0.20**	**2.38%**
Delivered / Centre Meals - High Fee Range						
Delivered / Centre Meals- Single Above $81,192	N	GST Free	$21.90	**$22.45**	**$0.55**	**2.51%**
Delivered / Centre Meals - Couple Above $108,543	N	GST Free	$21.90	**$22.45**	**$0.55**	**2.51%**
Delivered / Centre Meals - Family Above $111,941	N	GST Free	$21.90	**$22.45**	**$0.55**	**2.51%**
Willowview **Willowview - High Care** **Willowview - Outing Group**						
Willowview - Low Fee Range Single up to $36,972	N	GST Free	$8.10	**$8.30**	**$0.20**	**2.47%**
Willowview - Low Fee Range Couple Up to $56,589	N	GST Free	$8.10	**$8.30**	**$0.20**	**2.47%**
Willowview - Low Fee Range Family Up to $62,693	N	GST Free	$8.10	**$8.30**	**$0.20**	**2.47%**
Willowview - Medium Fee Range Single - $36,972 to $81,194	N	GST Free	$8.10	**$8.30**	**$0.20**	**2.47%**
Willowview - Medium Fee Range Couple - $56,589 to $105,543	N	GST Free	$8.10	**$8.30**	**$0.20**	**2.47%**
Willowview - Medium Fee Range Family - $62,693 to $111,941	N	GST Free	$8.10	**$8.30**	**$0.20**	**2.47%**
Willowview - High Fee Range - Single Above $81,192	N	GST Free	$20.40	**$20.90**	**$0.50**	**2.45%**
Willowview - High Fee Range - Couple Above $108,543	N	GST Free	$20.40	**$20.90**	**$0.50**	**2.45%**
Willowview - High Fee Range - Family Above $111,941	N	GST Free	$20.40	**$20.90**	**$0.50**	**2.45%**
Additional charge applies to Willowview Outing Group only if meal provided by the service	N	GST Free	$5.00	**$5.15**	**$0.15**	**3.00%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Social Support – Group (Community Transport)						
Weekly fee charged for Community transport service - shopping	N	GST Free	$0.00	**$1.00**	**$1.00**	**100%**
Home Care Packages (HCP)						
**Rates negotiable in special circumstances. Refer Aged & Disability Services - Home Care Packages Policy						
Linkage Program- Monthly Case Management Fee	N	Taxable	$0 - $258	**$0 - $258**	**0**	**0.00%**
**Based upon HACC services used and other services as negotiated						
All Meals	N	Taxable	$20.30	**$20.80**	**$0.50**	**2.46%**
Home/Personal/Respite Care (8.00am to 6.00pm Monday to Friday)	N	Taxable	$47.20	**$48.40**	**$1.20**	**2.54%**
Home/Personal/Respite Care (6.00pm to 8.00am Monday to Friday)	N	Taxable	$100.20	**$102.70**	**$2.50**	**2.50%**
Home/Personal/Respite Care (6.00pm Friday to 8.00am Monday)	N	Taxable	$100.20	**$102.70**	**$2.50**	**2.50%**
Adult Day Care	N	Taxable	$34.80	**$35.65**	**$0.85**	**2.44%**
PARKING SERVICES						
Parking Fees - meters/ticket machines (per hour) spread from 0.00 to $4.00 max	N	Taxable	$4.00	**$4.00**	**$0.00**	**0.00%**
All Day Parking (various locations)	N	Taxable	$12.00	**$12.00**	**$0.00**	**0.00%**
Night parking rate	N	Taxable	$12.00	**$12.00**	**$0.00**	**0.00%**
Occupation of parking bays - parking meter/first day- Non Commercial Street	N	Taxable	$62.00	**$64.00**	**$2.00**	**3.23%**
Occupation of parking bays - parking meter/subsequent day- Non Commercial Street	N	Taxable	$31.00	**$32.00**	**$1.00**	**3.23%**
Occupation of parking bays - parking meter/first day- Commercial Street	N	Taxable	$103.00	**$106.00**	**$3.00**	**2.91%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Occupation of parking bays - parking meter/subsequent day- Commercial street	N	Taxable	$52.00	**$55.00**	**$3.00**	**5.77%**
Parking Permits - 1st Resident permit	N	GST Free	$38.00	**$40.00**	**$2.00**	**5.26%**
Parking Permits - 2nd Resident permits	N	GST Free	$95.00	**$98.00**	**$3.00**	**3.16%**
Parking Permits - 3rd Resident permits	N	GST Free	$179.00	**$184.00**	**$5.00**	**2.79%**
Parking Permits - Business - 1st permit	N	Taxable	$130.00	**$134.00**	**$4.00**	**3.08%**
Parking Permits - Business - 2nd and subsequent permits	N	Taxable	$241.50	**$248.00**	**$6.50**	**2.69%**
Parking Permits - Disabled	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Parking Permits - 1st Visitor permit	N	GST Free	$38.00	**$40.00**	**$2.00**	**5.26%**
Parking Permits - 2nd Visitor permits	N	GST Free	$95.00	**$98.00**	**$3.00**	**3.16%**
Parking Permits - 3rd Visitor permits	N	GST Free	$179.00	**$184.00**	**$5.00**	**2.79%**
Vehicle tow-away - impounding fee	N	Taxable	$425.00	**$435.00**	**$10.00**	**2.35%**
Derelict vehicles/pound fee - abandoned/unregistered vehicle	N	Taxable	$425.00	**$435.00**	**$10.00**	**2.35%**
Installation of Loading Zone	N	Taxable	$205.00	**$210.00**	**$5.00**	**2.44%**
LOCAL LAWS/LEGISLATIVE SERVICES						
Footpath Trading -Application/ Inspection fee (Non-refundable)	N	GST free	$53.00	**$55.00**	**$2.00**	**3.77%**
Footpath heaters	N	GST free	$105.00	**$108.00**	**$3.00**	**2.86%**
Footpath awning fee	N	GST free	$210.00	**$215.00**	**$5.00**	**2.38%**
Local laws Permit refund fee	N	GST free	$105.00	**$108.00**	**$3.00**	**2.86%**
Planter Box/Tubs (Excludes Tables & Chairs) Footpath trading only	N	GST free	$53.00	**$55.00**	**$2.00**	**3.77%**
Additional miscellaneous item Footpath trading	N	GST free	$53.00	**$55.00**	**$2.00**	**3.77%**
Mobile Food Vans - Normal Rate	N	GST free	$2,515.00	**$2,578.00**	**$63.00**	**2.50%**
Mobile Food Vans - Concession Rate (Yarra Resident Only)	N	GST free	$1,784.00	**$1,829.00**	**$45.00**	**2.52%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Mobile food van - small private events permit 1 day or less	N	GST Free	$103.00	**$106.00**	**$3.00**	**2.91%**
Mobile food van- Charity or Non for profit event.	N	GST Free	$0.00	**$0.00**	**$0.00**	**0.00%**
Significant tree Application fee(Non-refundable)	N	GST free	$145.00	**$150.00**	**$5.00**	**3.45%**
Significant Tree Permit- Removal	N	GST free	$210.00	**$215.00**	**$5.00**	**2.38%**
Significant Tree Permit- Pruning only	N	GST free	$105.00	**$108.00**	**$3.00**	**2.86%**
Excess Animal Permit- Application Fee (Non Refundable)	N	GST free	$53.00	**$55.00**	**$2.00**	**3.77%**
Cat trap- rental per week	N	GST free	$21.50	**$22.00**	**$0.50**	**2.33%**
Commercial dog walking permit (annual permit)	N	GST free	$105.00	**$108.00**	**$3.00**	**2.86%**
Excess Animal Permit-Fee	N	GST free	$53.00	**$55.00**	**$2.00**	**3.77%**
Temporary Public Space Licence (prescribed event area) multi max 5 stalls/promotional activities Charity or Non for profit	N	New Fee		**$0.00**		
Temporary Public Space Licence (prescribed event area) multi max 5 stalls/promotional activities	N	New Fee		**$100.00**		
Temporary Public Space Licence (prescribed event area) each additional stall/promotional activity over 5 for Charity or Non for profit	N	New Fee		**$0.00**		
Temporary Public Space Licence (prescribed event area) each additional stall/promotional activity over 5	N	New Fee		**$30.00**		
Temporary Public Space Licences up to 7 days	N	GST free	$65.50	**$68.00**	**$2.50**	**3.82%**
Local law permit application fee(As required)	N	GST free	$53.00	**$55.00**	**$2.00**	**3.77%**
Busking Permit (Monthly charge)	N	GST free	$14.00	**$14.50**	**$0.50**	**3.57%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Planter box/tubs- Laneway garden permit fee	N	GST free	$53.00	**$55.00**	**$2.00**	**3.77%**
General Local Law Permit	N	GST free	$330.00	**$338.00**	**$8.00**	**2.42%**
Temporary Public space permit- Promotional Short Term (1) 0- 3 days	N	GST free	$105.50	**$108.00**	**$2.50**	**2.37%**
Temporary Public space permit- Promotional Short Term (2) 3- 7 days where admin/detailed review required	N	GST free	$169.00	**$173.00**	**$4.00**	**2.37%**
Local Laws permit Inspection fee- After hours	N	GST free	$155.00	**$160.00**	**$5.00**	**3.23%**
Miscellaneous / Impound release Fee	N	GST free	$107.50	**$110.00**	**$2.50**	**2.33%**
Shopping Trolley Release fees	N	GST free	$63.00	**$65.00**	**$2.00**	**3.17%**
Public Space Licences						
Items on Footpath:						
Advertising Sign - per sign (licensed)	N	GST Free	$174.00	**$178.00**	**$4.00**	**2.30%**
Advertising Sign - per sign (unlicensed)	N	GST Free	$118.00	**$121.00**	**$3.00**	**2.54%**
Goods Display	N	GST Free	$404.00	**$414.00**	**$10.00**	**2.48%**
Tables & Chairs:						
Licenced premises - per table over 800mm(Including benches)	N	GST free	$89.00	**$91.00**	**$2.00**	**2.25%**
Licensed Premises - per table up to 800mm	N	GST Free	$78.00	**$80.00**	**$2.00**	**2.56%**
Licensed Premises - per chair (600mm =1 Chair)	N	GST Free	$72.00	**$74.00**	**$2.00**	**2.78%**
Unlicensed Premises - per table over 800mm (including benches)	N	GST Free	$89.00	**$91.00**	**$2.00**	**2.25%**
Unlicensed Premises - per table up to 800mm	N	GST Free	$78.00	**$80.00**	**$2.00**	**2.56%**
Unlicensed Premises - per chair (600mm = 1 Chair)	N	GST Free	$21.50	**$22.00**	**$0.50**	**2.33%**
Real Estate Sign License	N	GST Free	$777.00	**$796.00**	**$19.00**	**2.45%**

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Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Mobile Food Van (prescribed event area) multi max. 5 vans	N	GST Free	$330.00	**$338.00**	**$8.00**	**2.42%**
Mobile Food Van (prescribed event area) each additional food van/stall over 5 vans	N	GST Free	$330.00	**$338.00**	**$8.00**	**2.42%**
Mobile Food Van public land (once-off day rate)	N	GST Free	$330.00	**$338.00**	**$8.00**	**2.42%**
Kerb Market						
Gleadell Street Market (per stall)	N	Taxable	$86.00	**$90.00**	**$4.00**	**4.65%**
Other						
Miscellaneous / Impound Fee	N	Taxable	$107.50	**$110.00**	**$2.50**	**2.33%**
Planning Enforcement						
Liquor Licensing Advice Requests	N	Taxable	$158.50	**$162.00**	**$3.50**	**2.21%**
ANIMAL CONTROL						
COMMUNITY AMENITY - (Local Laws and Animal Control)						
Dog Registration						
Standard Maximum Fee	N	GST Free	$198.00	**$204.00**	**$6.00**	**3.03%**
Standard Reduced Fee	N	GST Free	$63.50	**$68.00**	**$4.50**	**7.09%**
Concessional Maximum Fee	N	GST Free	$99.00	**$102.00**	**$3.00**	**3.03%**
Dogs & cats currently registered at another Council- transfer and 1st registration.	New Fee			**No charge-1st year only**		
Dogs & Cats under 6mths of age	New Fee			**No charge-1st year only**		
Concessional Reduced Fee	N	GST Free	$18.50	**$20.00**	**$1.50**	**8.11%**
Registration – Declared menacing, dangerous & restricted breed dogs	N	GST Free	$337.50	**$400.00**	**$62.50**	**18.52%**
Cat Registration						
Standard Maximum Fee	N	GST Free	$110.50	**$117.00**	**$6.50**	**5.88%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Standard Reduced Fee	N	GST Free	$37.00	**$39.00**	**$2.00**	**5.41%**
Concessional Maximum Fee	N	GST Free	$55.00	**$58.00**	**$3.00**	**5.45%**
Concessional Reduced Fee	N	GST Free	$13.50	**$14.50**	**$1.00**	**7.41%**
Animal Registration refund			50% refund on above Cat registration fees until 1 Oct. After that date no refunds			
Replacement Animal Registration tag	N	Taxable	$5.20	**$5.50**	**$0.30**	**5.77%**
Animal Pound Release fees						
Release fee - Dog	N	Taxable	$97.50	**$150.00**	**$52.50**	**53.85%**
Release fee - Cat	N	Taxable	$37.00	**$100.00**	**$63.00**	**170.27%**
Livestock (small)	N	Taxable	$60.00	**$180.00**	**$120.00**	**200.00%**
Livestock (large)	N	Taxable	$210.00	**$220.00**	**$10.00**	**4.76%**
Registration of Domestic Animal Business						
Annual Registration Fee	N	Taxable	$399.00	**$410.00**	**$11.00**	**2.76%**
Domestic Animal Business registration refund	N	Taxable	50% refund ($199.50) on the fee above until 1 Oct. After that date no refunds			
Transfer Fee	N	Taxable	$29.00	**$30.00**	**$1.00**	**3.45%**
Request for copy of dog/cat registration certificate (per entry)	N	Taxable	$102.00	**$105.00**	**$3.00**	**2.94%**
Service Requests - Animal Control	N	Taxable	$76.00	**$78.00**	**$2.00**	**2.63%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Inspection of Dog/Cat register (per entry)	N	GST Free	$22.00	**$23.00**	**$1.00**	**4.55%**
Deposit Cat trap(Refundable)	N	GST Free	$105.00	**$108.00**	**$3.00**	**2.86%**
FOOD PREMISES						
Class 1 or Class 2 Premises						
Renewals	N	GST Free	$576.00	**$592.00**	**$16.00**	**2.78%**
Additional fee for each employee over 10.	N	GST Free	$29.00	**$30.00**	**$1.00**	**3.45%**
New Registrations	N					
Application fee	N	GST Free	$288.00	**$296.00**	**$8.00**	**2.78%**
Registration fee	N	GST Free	Pro-rata of renewal fee	**Pro-rata of renewal fee**		
Transfer Fee	N	GST Free	$288.00	**$296.00**	**$8.00**	**2.78%**
Re-inspection Fee	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Additional Assessment Fee (Section 19H)	N		$288.00	**$295.00**	**$7.00**	**2.43%**
Class 3 and Not for Profit Class 1 and 2 Food Premises						
Renewals	N	GST Free	$288.00	**$296.00**	**$8.00**	**2.78%**
Additional fee for each employee over 10.	N	GST Free	$14.50	**$15.00**	**$0.50**	**3.45%**
New Registrations	N	GST Free				
Application fee	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Registration fee	N	GST Free	Pro-rata of renewal fee	**Pro-rata of renewal fee**		
Transfer Fee	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Re-inspection Fee	N	GST Free	$72.00	**$74.00**	**$2.00**	**2.78%**
Additional Inspection Fee Under 19(H)	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Not for Profit Class 3 Food Premises						
Renewals	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Additional fee for each employee over 10.	N	GST Free	$7.00	**$8.00**	**$1.00**	**14.29%**
New Registrations						
Application fee	N	GST Free	$72.00	**$74.00**	**$2.00**	**2.78%**
Registration fee	N	GST Free	Pro-rata of renewal fee	**Pro-rata of renewal fee**		
Transfer Fee	N	GST Free	$72.00	**$74.00**	**$2.00**	**2.78%**
Re-inspection Fee	N	GST Free	$72.00	**$74.00**	**$2.00**	**2.78%**
Additional Inspection Fee Under 19(H)	N		$144.00	**$148.00**	**$4.00**	**2.78%**
TEMPORARY AND MOBILE FOOD PREMISES (registered via "Streatrader") and SHORT TERM REGISTRATIONS OF FOOD PREMISES (on request of proprietor).						
Once-off events (no more than two consecutive days operation) and component/s (per component) attached to a fixed registered (not Class 4) premises.						
Class 1 and 2.	N		$72.00	**$74.00**	**$2.00**	**2.78%**
Class 3.	N		$36.00	**$37.00**	**$1.00**	**2.78%**
Not for profit organisations - all classes.	N		No Charge	**No Charge**	**$0.00**	**0.00%**
Short term registrations (less than 12 months - Note new approval fee does not apply), temporary and mobile food premises that are not "once off" events or components of a fixed registered premises, components of notified (Class 4) premises.						
Registrations for a period of up to 3 months.	N		1/4 annual renewal fee	**1/4 annual renewal fee**		
Registrations for a period of 3 to 6 months.	N		1/2 annual renewal fee	**1/2 annual renewal fee**		

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Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Registrations for a period of more than 6 months will be treated as a 12 month registration.	N		Full annual renewal fee	**Full annual renewal fee**		
Re-inspection Fee (temp and mobile food premises).	N		$72.00	**$74.00**	**$2.00**	**2.78%**
PRESCRIBED ACCOMMODATION PREMISES						
Commercial						
Renewals						
Premises accommodating not more than 5 persons	N	GST Free	$288.00	**$296.00**	**$8.00**	**2.78%**
Additional fee for each additional person than can be accommodated in excess of 5	N	GST Free	$14.50	**$15.00**	**$0.50**	**3.45%**
New Registrations						
Application fee	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Registration fee	N	GST Free	Pro-rata of renewal fee	**Pro-rata of renewal fee**		
Transfers	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Not For Profit						
Renewals						
Premises accommodating not more than 5 persons	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Additional fee for each additional person than can be accommodated in excess of 5	N	GST Free	$7.50	**$8.00**	**$0.50**	**6.67%**
New Registrations						
Application fee	N	GST Free	$72.00	**$74.00**	**$2.00**	**2.78%**
Registration fee	N	GST Free	Pro-rata of renewal fee	**Pro-rata of renewal fee**		
Transfers	N	GST Free	$72.00	**$74.00**	**$2.00**	**2.78%**

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Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
PREMISES PROVIDING PERSONAL SERVICES (Hairdressers, Beauty Salons, Ear Piercing, Tattooing, Skin Penetration)						
Renewals	N	GST Free	$187.00	**$192.00**	**$5.00**	**2.67%**
New Registrations						
Application fee	N	GST Free	$94.00	**$96.00**	**$2.00**	**2.13%**
Registration fee	N	GST Free	Pro-rata of renewal fee excluding low risk premises where the full renewal fee applies as registration is not subject to renewal.	**Pro-rata of renewal fee* excluding low risk premises where the full renewal fee applies as registration is not subject to renewal.**		
Transfer Fee	N	GST Free	$94.00	**$96.00**	**$2.00**	**2.13%**
Pro rata of renewal fee - Registration in Q1 = full renewal fee, Q2 = 3/4 of renewal fee, Q3 = 1/2 renewal fee, Q4 = 1/4 renewal fee						
If proprietor is a not for profit/charitable organisations above will be discounted by 50%. No current applicant are NFP						
OTHER FEES						
Overdue Registration Renewal Fee	N	GST Free	$144.00	**$148.00**	**$4.00**	**2.78%**
Waste Water System Approval	N	GST Free	$288.00	**$296.00**	**$8.00**	**2.78%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Refund of annual renewal of registration fee for registered premises that closes before expiry date	N		Business closes Q1 refund 3/4 renewal fee, Q2 refund 1/2 renewal fee, Q3 refund 1/4 renewal fee, Q4 no refund	**Business closes Q1 refund 3/4 renewal fee, Q2 refund 1/2 renewal fee, Q3 refund 1/4 renewal fee, Q4 no refund**		
Information/Service Fees						
Copy of Certificate of Analysis for person from whom sample obtained	N	Taxable	No Charge	**No Charge**	**$0.00**	**0.00%**
Copy of Registration Certificate - Only available to current proprietor	N	Taxable	$ 51.00	**$52.00**	**$1.00**	**1.96%**
Extract of premises register	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Professional services (EHO) as requested						
Rate per hour	N	Taxable	$ 144.00	**$148.00**	**$4.00**	**2.78%**
RECREATION						
Multi-purpose Sporting Facilities - Casual Fees						
Victoria Park	N					
Commercial per hour	N	Taxable	$276.05	**$282.95**	**$6.90**	**2.50%**
Concession 1 per hour	N	Taxable	$81.80	**$83.85**	**$2.05**	**2.51%**
Concession 2 per hour	N	Taxable	$37.85	**$38.80**	**$0.95**	**2.51%**
Concession 3 per hour	N	Taxable	No Charge	**No Charge**	**$0.00**	**0.00%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Victoria Park Sherrin Stand Change Rooms (per session 3 hr maximum)						
Commercial	N	Taxable	$274.05	**$280.90**	**$6.85**	**2.50%**
Concession 1	N	Taxable	$85.90	**$88.05**	**$2.15**	**2.50%**
Concession 2	N	Taxable	$37.85	**$38.80**	**$0.95**	**2.51%**
Concession 3	N	Taxable	No Charge	**No Charge**	**$0.00**	**0.00%**
Casual Sports Ground A Hire - Bastow Reserve 1, Fletcher Reserve 1, Yambla Reserve, Ramsden Street Reserve, Fairfield Park Reserve, Burnley Oval, W.T. Peterson, Loughnan Oval, Citizens Park Oval, Alphington Park Oval - per 3 hour session (pro-rata hour fee available)						
Commercial	N	Taxable	$332.30	**$340.60**	**$8.30**	**2.50%**
Concession 1	N	Taxable	$81.80	**$83.85**	**$2.05**	**2.51%**
Concession 2	N	Taxable	$29.65	**$30.40**	**$0.75**	**2.53%**
Concession 3	N	Taxable	No Charge	**No Charge**	**$0.00**	**0.00%**
Casual Sports Ground B Hire - Bastow Reserve 2, Fletcher Reserve 2, Coulson Reserve, Alfred Crescent Oval, Walker Street, Alain Bain Reserve, Atherton Reserve- per 3 hour session (pro-rata hour fee available)						
Commercial	N	Taxable	$168.70	**$172.90**	**$4.20**	**2.49%**
Concession 1	N	Taxable	$47.05	**$48.25**	**$1.20**	**2.55%**
Concession 2	N	Taxable	$15.85	**$16.25**	**$0.40**	**2.52%**
Concession 3	N	Taxable	No Charge	**No Charge**	**$0.00**	**0.00%**

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Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Casual Pavilion Hire - Alfred Crescent, Alphington, Burnley, Coulson, Fairfield, Gillon, Graham, Johnson, Ramsden, Ryans Reserve						
Commercial fee - per hour	N	Taxable	$110.45	**$113.20**	**$2.75**	**2.49%**
Concession 1 - per hour	N	Taxable	$32.70	**$33.50**	**$0.80**	**2.45%**
Concession 2 - per hour	N	Taxable	$26.20	**$26.85**	**$0.65**	**2.48%**
Concession 3 - per hour	N	Taxable	$19.95	**$20.45**	**$0.50**	**2.51%**
Casual Hire - Stanton Street Hall (Table Tennis)						
Commercial fee - per hour	N	Taxable	$110.45	**$113.20**	**$2.75**	**2.49%**
Concession 1 - per hour	N	Taxable	$32.70	**$33.50**	**$0.80**	**2.45%**
Concession 2 - per hour	N	Taxable	$26.20	**$26.85**	**$0.65**	**2.48%**
Concession 3 - per hour	N	Taxable	$19.95	**$20.45**	**$0.50**	**2.51%**
Key Bond for all sporting facilities - Casual	N	GST Free	$102.25	**$104.80**	**$2.55**	**2.49%**
Key Bond for all sporting facilities - Seasonal	N	GST Free	$445.80	**$456.95**	**$11.15**	**2.50%**
Casual Hire - Tennis, Netball,Basketball Court - New Fee						
Commercial Per hour			$29.30	**$30.05**	**$0.75**	**2.56%**
Concession 1			$14.65	**$15.00**	**$0.35**	**2.39%**
Concession 2			$5.86	**$6.00**	**$0.14**	**2.39%**
Concession 3			No charge	**No charge**	**No charge**	**No charge**
Note: Concession 1 = Non Yarra Based - Not For Profit Community Organisations & Yarra Based Private Schools						

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Concession 2 = Registered Not for profit Yarra Community Groups and sporting clubs						
Concession 3 = Yarra based State and Catholic primary schools						
Pavilions - Seasonal Fee Per Team						
Category A: Graham, Johnson, Coulson, Ramsden, Fairfield, Burnley, Alfred Cres, Fitzroy Grandstand, and Gillon						
Senior Team	N	Taxable	$435.60	**$446.50**	**$10.90**	**2.50%**
Junior Team	N	Taxable	$322.10	**$330.15**	**$8.05**	**2.50%**
Category B: Yambla, Citizens, Bain and Alphington, George Knott						
Senior Team	N	Taxable	$218.80	**$224.25**	**$5.45**	**2.49%**
Junior Team	N	Taxable	$161.55	**$165.60**	**$4.05**	**2.51%**
Sportsgrounds - Seasonal Fee Per Team						
Turf Cricket: Loughnan, Citizens (Summer Turf Wicket)						
Senior Team	N	Taxable	$3,312.90	**$3,395.70**	**$82.80**	**2.50%**
Cricket Synthetic						
Senior Team	N	Taxable	$1,329.25	**$1,362.50**	**$33.25**	**2.50%**
Junior Team	N	Taxable	$353.80	**$362.65**	**$8.85**	**2.50%**
Football						
Senior Team	N	Taxable	$1,120.65	**$1,148.65**	**$28.00**	**2.50%**
Junior Team	N	Taxable	$609.40	**$624.65**	**$15.25**	**2.50%**
Soccer						
Senior Professional Team SeniorNPL/ FV Senior State League 1 (fenced facility)	N	Taxable	$4,386.50	**$4,496.15**	**$109.65**	**2.50%**
Senior Team FV NPL & State 1 Reserves, State League 2, and below/ VicSoccer	N	Taxable	$783.25	**$802.85**	**$19.60**	**2.50%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Junior Team	N	Taxable	$304.70	**$312.30**	**$7.60**	**2.49%**
Registered Yarra Sports Clubs out of season hire - New Fee						
Pre & Post Season Training (per session booked)	N			**$25.00**		
Practice Game	N			**$90.20**		
Permit to hire Park for Commercial Fitness Trainers						
Annual Licence Fee	N	GST Free	$302.65	**$310.20**	**$7.55**	**2.49%**
CONSTRUCTION MANAGEMENT SUPPORT UNIT						
Counter Fast Track Assessment Fee	N	GST Free	$100.00	**$120.00**	**$20.00**	**20.00%**
Permit Inspections - New Fee						
Inspection - per inspection	N	Taxable	$147.85	**$151.55**	**$3.70**	**2.50%**
Private single dwelling and local shop traders.	N	Taxable	$263.30	**$269.90**	**$6.60**	**2.51%**
Inspection - per inspection Commercial – includes house modules.	N	Taxable	$449.10	**$460.35**	**$11.25**	**2.51%**
Inspection - per inspection Out of hours - Minimum	N	Taxable	$175.75	**$180.20**	**$4.45**	**2.53%**
Out of Hours Permit	N	GST Free	$175.75	**$180.20**	**$4.45**	**2.53%**
Asset Protection Permit						
Permit - Works up to $10k			no fee	**no fee**		
Permit - Works between $10,001 and $500K Application Fee	N	Taxable	$241.00	**$247.00**	**$6.00**	**2.49%**
Permit - Works more than $501K Application Fee	N	Taxable	$725.15	**$743.30**	**$18.15**	**2.50%**
*Additional drainage inspection charges may apply						

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Vehicle Crossing Permit						
Permit - Private Single Dwelling Vehicle Crossing	N	GST Free	$449.10	**$460.35**	**$11.25**	**2.51%**
Permit - Commercial/Industrial Vehicle Crossing	N	GST Free	$663.50	**$680.10**	**$16.60**	**2.50%**
Profile Design Service	N	Taxable	$351.75	**$360.55**	**$8.80**	**2.50%**
Road / Footpath Occupation Permit						
Permit - work area / public protection occupation	N	GST Free	$81.10	**$83.15**	**$2.05**	**2.53%**
Occupancy Fee - per sq. metre per week Private single dwelling and local shop trader	N	Taxable	$4.90	**$5.00**	**$0.10**	**2.04%**
Occupancy Fee - per sq. metre per week Commercial License/ Occupancy	N	Taxable	$8.95	**$9.15**	**$0.20**	**2.23%**
Permit - Plant and Equipment - per day Private single dwelling and local shop traders.	N	GST Free	$155.50	**$159.40**	**$3.90**	**$0.03**
Permit - Plant and Equipment - per day Commercial No road closure	N	Taxable	$263.30	**$269.90**	**$6.60**	**$0.03**
Plant and Equipment Permit - Commercial – Local road Full road closure	N	Taxable	$400.00	**$410.00**	**$10.00**	**$0.03**
Skip Bin Permit						
Permit - Skip placement - per day unmetered	N	GST Free	$23.00	**$23.55**	**$0.55**	**2.39%**
Permit - Skip placement - per day metered	N	GST Free	$62.35	**$63.90**	**$1.55**	**2.49%**
Permit - Container placement - per day	N	GST Free	$133.65	**$137.00**	**$3.35**	**2.51%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Filming & Commercial Still Photography Permit						
Application fee - Commercial Profit Making (non refundable)	N	Taxable	$100.00	**$102.50**	**$2.50**	**2.50%**
Commercial Profit Making-Film/Ad Producers-Major impact: Permit	N	Taxable	$1,220.25	**$1,250.75**	**$30.50**	**2.50%**
Filming (incl ads/still photography) inspection (Mon to Fri)	N	Taxable	$117.20	**$120.15**	**$2.95**	**2.52%**
Filming inspection (incl ads/still photography) - per inspection Out of hours	N	Taxable	$449.50	**$460.75**	**$11.25**	**2.50%**
Permit - Commercial Profit Making - Minor impact/ small budget productions (incl films & ads)	N	Taxable	$408.50	**$418.70**	**$10.20**	**2.50%**
Permit - Student Filming (including still photography)	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Permit - Non Profit Making Filming (including still photography)	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Road / Footpath Openings						
Consent (RMA 2004) *^						
Consent fee - minimum*	Y	GST Free	Adopt Statutory fee	**Adopt Statutory fee**	**$0.00**	**0.00%**
Inspection - per inspection	N	Taxable	$147.85	**$151.55**	**$3.70**	**2.50%**
Inspection - per inspection Out of hours - Minimum	N	Taxable	$449.10	**$460.35**	**$11.25**	**2.51%**
Road reinstatement (See notes)						
Road - deep lift asphalt/concrete/bluestone (per square metre) (minimum charge $800)	N	GST Free	$306.75	**$314.40**	**$7.65**	**2.49%**
Road - asphalt/concrete <100mm (per square metre) (minimum charge $500)	N	GST Free	$204.50	**$209.60**	**$5.10**	**$0.02**
Footpath - residential - asphalt (as per YSD33 RAF)	N	GST Free	$184.05	**$188.65**	**$4.60**	**$0.02**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
less than 60mm (per square metre) (minimum charge $500)						
Footpath - industrial - asphalt / concrete (as per YSD33 IAF & CF) greater than 60mm & less than equal to 100mm (per square metre) (minimum charge $800)	N	GST Free	$255.65	**$262.05**	**$6.40**	**2.50%**
Footpath - industrial - concrete with asphalt surface (as per YSD33 ICAF) <=170mm (per square metre) (minimum charge $800)	N	GST Free	$286.30	**$293.45**	**$7.15**	**2.50%**
Traffic Management	N	GST Free	$511.25	**$524.05**	**$12.80**	**2.50%**
Parking sensor removal/reinstatement (up to 10)	N	Taxable	$1,022.50	**$1,048.06**	**$25.56**	**2.50%**
Additional sensors greater than 10	N	Taxable	$102.25 per sensor	**$102.25 per sensor**	**$0.00**	**0.00%**
Notes:						
** Areas greater than 40m² or greater than 30 lineal metres Council may consider a reduced charge*						
**^ In accordance with the Road Management Act 2004*						
CHILD CARE						
Late Fee- Children's Services						
Late Fee for Vac Care, ASC, LDC, Kinder.	N	GST Free	$25.55	**$26.20**	**$0.65**	**2.54%**
			1.33 per minute	1.33 per minute	**0**	**0.00%**
Outside School Hours Care						
After School Care Fee - Regular	N		$17.40	**$17.85**	**$0.45**	**2.59%**
After School Care Fee - Regular	N		18.40	**$18.85**	**$0.45**	**2.45%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
After School Care Fee - Casual	N		20.45	**$20.95**	**$0.50**	**2.44%**
After School Care Fee - Casual	N		20.95	**$21.45**	**$0.50**	**2.39%**
After School Care Fee - Curriculum Day	N		48.05	**$49.25**	**$1.20**	**2.50%**
After School Care Fee - Curriculum Day	N		49.30	**$50.55**	**$1.25**	**2.54%**
After School Care Fee - Curriculum Half Day	N		27.60	**$28.30**	**$0.70**	**2.54%**
After School Care Fee - Curriculum Half Day	N		28.30	**$29.00**	**$0.70**	**2.47%**
After School Care Fee - End of Term	N		23.50	**$24.10**	**$0.60**	**2.55%**
After School Care Fee - End of Term	N		24.15	**$24.75**	**$0.60**	**2.48%**
After School Care Fee - End of Year	N		26.60	**$27.25**	**$0.65**	**2.44%**
After School Care Fee - End of Year	N		27.30	**$28.00**	**$0.70**	**2.56%**
Vacation Care Fee - All Day	N		53.15	**$54.50**	**$1.35**	**2.54%**
Vacation Care Fee - All Day	N		54.7	**$56.05**	**$1.35**	**2.47%**
Vacation Care Excursion Fee - All Day	N		63.9	**$65.50**	**$1.60**	**2.50%**
Vacation Care Excursion Fee - All Day	N		67.5	**$69.20**	**$1.70**	**2.52%**
Long Day Care						
One to Four Days (per Day)	N	GST Free	$116.05	**$118.95**	**$2.90**	**2.50%**
One to Four Days (per Day)	N	GST Free	119.1	**$122.10**	**$3.00**	**2.52%**
Pre School 3 Year Olds						
1 Session per Term	N	GST Free	$255.10	**$261.50**	**$6.40**	**2.51%**
1 Session per Term	N	GST Free	403.06	**$413.15**	**$10.09**	**2.50%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Health Care Card Holders						
Health Care 1 session per term	N	GST Free	$188.65	**$193.35**	**$4.70**	**2.49%**
Pre School 4 Year Olds						
July to December	N	GST Free				**0.00%**
January to June	N	GST Free	$390.10	**$399.85**	**$9.75**	**2.50%**
Occasional child care						
OCC Casual	N	GST Free	$11.25	**$11.55**	**$0.30**	**2.67%**
OCC Member	N	GST Free	$7.15	**$7.35**	**$0.20**	**2.80%**
Concession	N	GST Free	$4.30	**$4.40**	**$0.10**	**2.33%**
10 OCC sessions	N	GST Free	$77.70	**$79.65**	**$1.95**	**2.51%**
25 OCC sessions	N	GST Free	$194.30	**$199.15**	**$4.85**	**2.50%**
Occasional Care Connie Benn	N	GST Free	$28.65	**$29.35**	**$0.70**	**2.44%**
Occasional Care Connie Benn Concession	N	GST Free	$10.20	**$10.45**	**$0.25**	**2.45%**
Youth Services						
Teenage Holiday Programs	N	Taxable	$19.95	**$20.45**	**$0.50**	**2.51%**
Teenage Holiday Programs - Concession	N	Taxable	$3.60	**$3.70**	**$0.10**	**2.78%**
Hire of Meeting Rooms - Connie Benn Centre						
Concessional Rate Half Day	N	Taxable	$31.45	**$32.25**	**$0.80**	**2.54%**
Concessional Rate Full Day	N	Taxable	$52.40	**$53.70**	**$1.30**	**2.48%**
Commercial Rate Half Day	N	Taxable	$104.80	**$107.40**	**$2.60**	**2.48%**
Commercial Rate Full Day	N	Taxable	$188.65	**$193.35**	**$4.70**	**2.49%**
Community Kitchen						
Concessional Rate Half Day	N	Taxable	$41.90	**$42.95**	**$1.05**	**2.51%**
Concessional Rate Full Day	N	Taxable	$73.35	**$75.20**	**$1.85**	**2.52%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Commercial Rate Half Day	N	Taxable	$104.80	**$107.40**	**$2.60**	**2.48%**
Commercial Rate Full Day	N	Taxable	$188.65	**$193.35**	**$4.70**	**2.49%**
Training Room						
Concessional Rate Half Day	N	Taxable	$52.40	**$53.70**	**$1.30**	**2.48%**
Concessional Rate Full Day	N	Taxable	$104.80	**$107.40**	**$2.60**	**2.48%**
Commercial Rate Half Day	N	Taxable	$104.80	**$107.40**	**$2.60**	**2.48%**
Commercial Rate Full Day	N	Taxable	$188.65	**$193.35**	**$4.70**	**2.49%**
Consultation Room						
Concessional Rate per hour	N	Taxable	$31.45	**$32.25**	**$0.80**	**2.54%**
Concessional Rate Full Day	N	Taxable	$83.85	**$85.95**	**$2.10**	**2.50%**
Commercial Rate per hour	N	Taxable	$41.90	**$42.95**	**$1.05**	**2.51%**
Commercial Rate Full Day	N	Taxable	$157.20	**$161.15**	**$3.95**	**2.51%**
Playgroup Room 2						
Concessional Rate per 2 hour session	N	Taxable	$41.90	**$42.95**	**$1.05**	**2.51%**
Commercial Rate per hour	N	Taxable	$31.45	**$32.25**	**$0.80**	**2.54%**
Commercial Rate Full Day	N	Taxable	$157.20	**$161.15**	**$3.95**	**2.51%**
Front Room						
Concessional Rate Half Day	N	Taxable	$20.95	**$21.45**	**$0.50**	**2.39%**
Concessional Rate Full Day	N	Taxable	$52.40	**$53.70**	**$1.30**	**2.48%**
Commercial Rate Half Day	N	Taxable	$31.45	**$32.25**	**$0.80**	**2.54%**
Commercial Rate Full Day	N	Taxable	$104.80	**$107.40**	**$2.60**	**2.48%**
Foyer Room (evening and weekend hire only)						
Concessional Rate Half Day	N	Taxable	$62.90	**$64.45**	**$1.55**	**2.46%**
Concessional Rate Full Day	N	Taxable	$104.80	**$107.40**	**$2.60**	**2.48%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Commercial Rate Half Day	N	Taxable	$83.85	**$85.95**	**$2.10**	**2.50%**
Commercial Rate Full Day	N	Taxable	$157.20	**$161.15**	**$3.95**	**2.51%**
Groups auspiced by Council business units	N	GST Free	No charge	**No charge**	**$0.00**	**0.00%**
MATERNAL & CHILD HEALTH						
Vaccine						
Immunisation - vaccinations	N	GST Free	Fee varies with Vaccine	**Fee varies with Vaccine**	**$0.00**	**0.00%**
Vaccine						
Immunisation - alternative vaccinations	N	GST Free	Fee varies with Vaccine	**Fee varies with Vaccine**	**$0.00**	**0.00%**
Vaccine						
Infant screening program 0 to 4 years	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
New/Existing Mothers Screening program (Infants 0 to 4 years)	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
General parenting advice & support	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Assessment & referral service	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Outreach for geographically isolated young mothers	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**
Outreach for young mothers of Koori/different ethnic backgrounds	N	GST Free	No Charge	**No Charge**	**$0.00**	**0.00%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
PLANNING/SUBDIVISION						
Amendments to Planning Scheme						
Request to amend planning scheme - a) considering a request to amend a planning scheme; and b) taking action required by Division 1 of Part 3 of the Act; and c) considering any submissions which do not seek a change to the amendment; and d) if applicable, abandoning the amendment	Y	GST Free	$2,871.60	**$2,871.60**	**$0.00**	**0.00%**
Consideration of submissions to Amendment and reference to panel*:	Y	GST Free				
a) up to and including 10 submissions which seek a change to an amendment and where necessary referring the submissions to a panel;	Y	GST Free	$14,232.70	**$14,232.70**	**$0.00**	**0.00%**
b) 11 to (and including) 20 submissions which seek a change to an amendment and where necessary referring the submissions to a panel	Y	GST Free	$28,437.60	**$28,437.60**	**$0.00**	**0.00%**
c) Submissions that exceed 20 submissions which seek a change to an amendment, and where necessary referring the submissions to a panel	Y	GST Free	$38,014.40	**$38,014.40**	**$0.00**	**0.00%**
Adoption of an Amendment	Y	GST Free	$453.10	**$453.10**	**$0.00**	**0.00%**
Approval of an Amendment	Y	GST Free	$453.10	**$453.10**	**$0.00**	**0.00%**
Amendments under 20A	Y	GST Free	$906.10	**$906.10**	**$0.00**	**0.00%**
Amendments under 20(4)	Y	GST Free	$3,763.80	**$3,763.80**	**$0.00**	**0.00%**

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Under section 96A(4)(a) of the Act: The sum of the highest of the fees which would have applied if separate applications were made and 50% of each of the other fees which would have applied if separate applications	Y					
For an agreement to a proposal to amend or end an agreement under section 173 of the Act	Y		$620.30	**$620.30**	**$0.00**	**0.00%**
For the first 12 months from commencement of the regulations (13 October 2016), the fees for planning scheme amendments will be charged at 50% of the fees set out in regulations	Y					
Applications for permits Reg 9 Type of Permit Application						
Class 1 Use only/reduction of car parking/loading bay requirements/liquor licence	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Reg 9 SINGLE DWELLINGS To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 7 or 8 permit or a permit to subdivide or consolidate land) if the cost of development is:						
Class 2≤ $10,000	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**
Class 3 >$10,001 - $100,000	Y	GST Free	$614.10	**$614.10**	**$0.00**	**0.00%**
Class 4 >$100,001 - $500,00	Y	GST Free	$1,257.20	**$1,257.20**	**$0.00**	**0.00%**
Class 5 >$500,001 - $1,000,000	Y	GST Free	$1,358.30	**$1,358.30**	**$0.00**	**0.00%**
Class 6> $1,000,001 - $2,000,000	Y	GST Free	$1,459.50	**$1,459.50**	**$0.00**	**0.00%**
Reg 9 VICSMART Applications						
Class 7 ≤ $10,000	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Class 8 >$10,000	Y	GST Free	$419.10	**$419.10**	**$0.00**	**0.00%**
Class 9 VICSMART application to subdivide or consolidate land	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**
Class 10 VICSMART A permit that is a VicSmart Application (other than a Class 7, 8 or 9)	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**
Reg 9 Other Development						
Class 11 < $100,000	Y	GST Free	$1,119.90	**$1,119.90**	**$0.00**	**0.00%**
Class 12 >$100,001 - $1,000,000	Y	GST Free	$1,510.00	**$1,510.00**	**$0.00**	**0.00%**
Class 13 > $1,000,001 - $5,000,000	Y	GST Free	$3,330.70	**$3,330.70**	**$0.00**	**0.00%**
Class 14 > $5,000,001 - $15,000,000	Y	GST Free	$8,489.40	**$8,489.40**	**$0.00**	**0.00%**
Class 15 > $15,000,001 - $50,000,000	Y	GST Free	$25,034.60	**$25,034.60**	**$0.00**	**0.00%**
Class 16 >$50,000,001		GST Free	$56,268.30	**$56,268.30**	**$0.00**	**0.00%**
Reg 9 Subdivision						
Class 17 Subdivide an existing building	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Class 18 Subdivide land into 2 lots	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Class 19 To effect a realignment of a common boundary between lots or to consolidate two or more lots	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Class 20 Subdivide land (per 100 lots created)	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Class 21 To: a) create, vary a restriction within the meaning or the Subdivision Act 1988, or b) Create or remove a right of way; or c) Create, vary or remove an easement other than a right of way; or d) Vary or remove a condition in the nature of	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
an easement (other than right of way) in a Crown grant						
Class 22 A permit not otherwise provided for in the regulation	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Certification						
Reg 6 Certification of a plan of subdivision	Y	GST Free	$170.50	**$170.50**	**$0.00**	**0.00%**
Reg 7 Alteration of a plan under section 10 (2) of the Act (Any instance where Council requires a change to the plan to make it suitable for certification whether it be conditioned on the permit or prior)	Y	GST Free	$108.40	**$108.40**	**$0.00**	**0.00%**
Revised Plans Amend an application for a permit after notice has been given - Reg 12						
Reg 12 a) Under section 57A(3)(a) of the Act the fee to amend an application for a permit after notice is given is 40% of the application fee for that class of permit set out in the Table at regulation 9 c) If an application to amend an application for a permit or amend an application to amend a permit has the effect of changing the class of that permit to a new class, having a higher application fee set out in the Table to regulation 9, the applicant must pay an additional fee being the difference the original class of application and the amended class of permit	Y	GST Free	40% of application fee for that class of application	**$0.00**	**$0.00**	**0.00%**
Other Applicable Statutory Fees						
Reg 15 Application for Certificate of Compliance	Y	GST Free	$317.90	**$317.90**	**$0.00**	**0.00%**

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Reg 18 Where a planning scheme specifies that a matter must be done to the satisfaction of a responsible authority, Minister, public authority or municipal council Including lodging plans to comply if the first submission to Council was unsatisfactory	Y	GST Free	$317.90	**$317.90**	**$0.00**	**0.00%**
Planning schedule of permit application revision fees under section 57a - Reg 12 Type of Permit Application						
Class 1 Use only/reduction of car parking/loading bay requirements/liquor licence	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Reg 12 SINGLE DWELLINGS To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 7 or 8 permit or a permit to subdivide or consolidate land) if the cost of development is:						
Class 2. Less than $10,000	Y	GST Free	$78.00	**$78.00**	**$0.00**	**0.00%**
Class 3 - More than $10,000 and not more than $100,000	Y	GST Free	$245.60	**$245.60**	**$0.00**	**0.00%**
Class 4 - More than $100,000 and not more than $500,000	Y	GST Free	$502.90	**$502.90**	**$0.00**	**0.00%**
Class 5 - More than $500,000 and not more than $1,000,000	Y	GST Free	$543.30	**$543.30**	**$0.00**	**0.00%**
Class 6 - More than $1,000,000 and not more than $2,000,000	Y	GST Free	$583.80	**$583.80**	**$0.00**	**0.00%**
Reg 12 OTHER DEVELOPMENT To develop land (incl single dwelling per lot) if the estimated cost of development is:						
Class 11. Less than $100,000	Y	GST Free	$448.00	**$448.00**	**$0.00**	**0.00%**

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Class 12 - More than $100,000 and not more than $1,000,000	Y	GST Free	$604.00	**$604.00**	**$0.00**	**0.00%**
Class 13 - More than $1,000,000 and not more than $5,000,000	Y	GST Free	$1,332.30	**$1,332.30**	**$0.00**	**0.00%**
Class 14 - More than $5,000,000 and not more than $15,000,000	Y	GST Free	$3,395.80	**$3,395.80**	**$0.00**	**0.00%**
Class 15 - More than $15,000,000 and not more than $50,000,000	Y	GST Free	$10,013.80	**$10,013.80**	**$0.00**	**0.00%**
Class 16 - More than $50,000,000	Y	GST Free	$22,507.30	**$22,507.30**	**$0.00**	**0.00%**
Reg 12 SUBDIVISION						
Class 17 To subdivide an existing building (other than a class 9 permit)	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 18 To subdivide land into two lots (other than a class 9 or class 17 permit)	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 19 To effect a realignment of a common boundary between lots or to consolidate two or more lots (other than a class 9 permit)	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 20 To subdivide land (other than a class 9, class 17, class 18 or class 19 permit)	Y	GST Free	$514.40 per 100 lots created	$514.40 per 100 lots created	**$0.00**	**0.00%**
Class 21 To: a) create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or b) create or remove a right of way; or c) create, vary or remove an easement other than a right of way; or d) vary or remove a condition in the nature of an easement (other than right of way) in a Crown grant.	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 22 A permit not otherwise provided for in the regulation	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Reg 11 Permit Amendment Fees						
Class 1 Use only/reduction of car parking/loading bay requirements/liquor licence	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Class 2 Application to amend a permit (other than a permit to develop land for a single dwelling per lot, use & develop land for a single dwelling per lot, or to undertake development ancillary to the use of land for a single dwelling per lot) to: To change the statement of what the permit allows or to change any or all of the conditions	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Reg 11 SINGLE DWELLINGS To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 7 or 8 permit or a permit to subdivide or consolidate land) if the estimated cost of any additional development is:						
Class 3 Amendment to a Class 2, 3, 4, 5 or 6 permit - Less than $10,000	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**
Class 4 Amendment to a Class 2, 3, 4, 5 or 6 permit - More than $10,000 and not more than $100,000	Y	GST Free	$614.10	**$614.10**	**$0.00**	**0.00%**
Class 5 Amendment to a Class 2, 3, 4, 5 or 6 permit - More than $100,000 and not more than $500,000	Y	GST Free	$1,257.20	**$1,257.20**	**$0.00**	**0.00%**
Class 6 Amendment to a Class 2, 3, 4, 5 or 6 permit - More than $500,000	Y	GST Free	$1,358.30	**$1,358.30**	**$0.00**	**0.00%**
Reg 11 VICSMART Applications which meet the VicSmart criteria						
Class 7 Amendment to a Class 7 permit - if the estimated cost of any additional development is less than $10,000	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**
Class 8 Amendment to a Class 8 permit - if the estimated cost of any additional development is more than $10,000	Y	GST Free	$419.10	**$419.10**	**$0.00**	**0.00%**
Class 9 Amendment to a Class 9 permit - Subdivide or consolidate land	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Class 10 Amendment to a Class 10 permit (other than a class 7, class 8 or class 9 permit)	Y	GST Free	$195.10	**$195.10**	**$0.00**	**0.00%**
Reg 11 Other Development						
Amendment to a Class 11, 12, 13, 14, 15 or 16 permit - Less than $100,000	Y	GST Free	$1,119.90	**$1,119.90**	**$0.00**	**0.00%**
Amendment to a Class 11, 12, 13, 14, 15 or 16 permit - More than $100,000 and not more than $1,000,000	Y	GST Free	$1,510.00	**$1,510.00**	**$0.00**	**0.00%**
Amendment to a Class 11, 12, 13, 14, 15 or 16 permit - More than $1,000,000	Y	GST Free	$3,330.70	**$3,330.70**	**$0.00**	**0.00%**
Reg 11 Subdivision						
Class 14 - Class 19 Amendments	Y	GST Free	$1,286.10	**$1,286.10**	**$0.00**	**0.00%**
Reg 8 Recertification						
Reg 8 Recertification of a plan of subdivision	Y	GST Free	$135.10	**$135.10**	**$0.00**	**0.00%**
Reg 12 Revised Plans Amend an application for an amendment to a permit after notice has been given						
a) Under section 57A(3)(a) of the Act the fee to amend an application for a permit after notice is given is 40% of the application fee for that class of permit set out in the Table at regulation 9 c) If an application to amend an application for a permit or amend an application to amend a permit has the effect of changing the class of that permit to a new class, having a higher application fee set out in the Table to regulation 9, the applicant must pay an additional fee being the difference the original class of application and the amended d class of permit	Y	GST Free	40% of application fee for that class of application	**$0.00**	**$0.00**	**0.00%**

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City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
OTHER APPLICABLE STATUTORY FEES						
Reg 16 For an agreement to a proposal to amend or end an agreement under S173 of the Act	Y	GST Free	$643.00	**$643.00**	**$0.00**	**0.00%**
Reg 18 Where a planning scheme specifies that a matter must be done to the satisfaction of a responsible authority, Minister, public authority or municipal council Including lodging plans to comply if the first submission to Council was unsatisfactory	Y	GST Free	$317.90	**$317.90**	**$0.00**	**0.00%**
Reg 12 Planning schedule of permit amendment revision fees under Section 57A Type of Permit Amendment						
Class 1 Use only/reduction of car parking/loading bay requirements/liquor licence	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 2 Application to amend a permit (other than a permit to develop land for a single dwelling per lot, use & develop land for a single dwelling per lot, or to undertake development ancillary to the use of land for a single dwelling per lot) to: To change the statement of what the permit allows or To change any or all of the conditions	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Reg 12 SINGLE DWELLINGS To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 7 or 8 permit or a permit to subdivide or consolidate land) if the estimated cost of any additional development is:						
Class 3 Amendment to a Class 2, 3, 4, 5 or 6 permit - Less than $10,000	Y	GST Free	$78.40	**$78.40**	**$0.00**	**0.00%**

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Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Class 4 Amendment to a Class 2, 3, 4, 5 or 6 permit - More than $10,000 and not more than $100,000	Y	GST Free	$245.60	**$245.60**	**$0.00**	**0.00%**
Class 5 Amendment to a Class 2, 3, 4, 5 or 6 permit - More than $100,000 and not more than $500,000	Y	GST Free	$502.90	**$502.90**	**$0.00**	**0.00%**
Class 6 Amendment to a Class 2, 3, 4, 5 or 6 permit - More than $500,000	Y	GST Free	$543.30	**$543.30**	**$0.00**	**0.00%**
Reg 12 Other Development						
Class 10 Amendment to a Class 11, 12, 13, 14, 15 or 16 permit - Less than $100,000	Y	GST Free	$448.00	**$448.00**	**$0.00**	**0.00%**
Class 11 Amendment to a Class 11, 12, 13, 14, 15 or 16 permit - More than $100,000 and not more than $1,000,000	Y	GST Free	$604.00	**$604.00**	**$0.00**	**0.00%**
Class 12 Amendment to a Class 11, 12, 13, 14, 15 or 16 permit - More than $1,000,000	Y	GST Free	$1,332.30	**$1,332.30**	**$0.00**	**0.00%**
Reg 12 SUBDIVISION						
Class 14 Amendment to a Class 17 permit - To subdivide an existing building (other than a class 9 permit)	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 15 Amendment to a Class 18 permit - To subdivide land into two lots (other than a class 9 or class 17 permit)	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 16 Amendment to a Class 19 permit - To effect a realignment of a common boundary between lots or to consolidate two or more lots (other than a class 9 permit)	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 17 Amendment to a Class 20 permit - To subdivide land (other than a class 9, class 17, class 18 or class 19 permit)	Y	GST Free	$514.4 per 100 lots created	**$514.4 per 100 lots created**	**$0.00**	**0.00%**

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Class 18 Amendment to a Class 21 permit - To: a) create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or b) create or remove a right of way; or c) create, vary or remove an easement other than a right of way; or d) vary or remove a condition in the nature of an easement (other than right of way) in a Crown grant.	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Class 19 Amendment to a Class 22 permit - A permit not otherwise provided for in the regulation	Y	GST Free	$514.40	**$514.40**	**$0.00**	**0.00%**
Other fees						
Application for certificate of compliance	Y	GST Free	$306.70	**$306.70**	**$0.00**	**0.00%**
Application for a planning certificate	Y	GST Free	$20.90 (hard copy) or $7.00 (Electronic)	**$20.90 (hard copy) or $7.00 (Electronic)**	**$0.00**	**0.00%**
Determination whether anything is to Council's satisfaction	Y	GST Free	$306.70	**$306.70**	**$0.00**	**0.00%**
Request to extend expiry date of a permit	N	Taxable	$ 440.00	**$460.00**	**$20.00**	**4.55%**
Request to amend a permit / plans - Secondary Consent (other than under s.72)	N	Taxable	$ 525.00	**$550.00**	**$25.00**	**4.76%**
Property enquiry	N	Taxable	$ 260.00	**$270.00**	**$10.00**	**3.85%**
Advertising Letters and Notices (5 or more notices)	N	Taxable	$5.75	**$6.00**	**$0.25**	**4.35%**
On site notices	N	Taxable	$ 65.00	**$70.00**	**$5.00**	**7.69%**
Notice in a Newspaper	N	Taxable	$1,187.75	**$1,217.45**	**$29.70**	**2.50%**
Plans to comply with Condition 1 of the permit. Second and subsequent assessments.	N	Taxable	$ 185.00	**$200.00**	**$15.00**	**8.11%**
Public Photocopier (per copy)	N	GST Free	Standard Fee	**Standard Fee**		

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Plan photocopying (larger than A3)	N	Taxable	Standard Fee	**Standard Fee**		
BUILDING CONTROL/REGULATION						
Lodgement Fees (building work permit)						
Value $5,000 and greater	Y	GST Free	Adopt Statutory fee	**Adopt Statutory fee**		
Building permit levy for a Building greater than $10,000 (statutory fee) - Residential Only	Y	GST Free	cost x 0.00128	cost x 0.00128		
Certificate S327 (incl. Flood Certificate)	Y	GST Free	Adopt Statutory fee	**Adopt Statutory fee**		
Property information request (incl Solicitor 's request fee) (statutory Fee) (incl inspections owner/builder projects)	Y	GST Free	Adopt Statutory fee	**Adopt Statutory fee**		
BUILDING PERMIT FEES **Class 1 & 10**						
Demolish - detached dwelling	N	Taxable	$700.00	**$717.50**	**$17.50**	**2.50%**
Demolish - attached dwelling	N	Taxable	$800.00	**$820.00**	**$20.00**	**2.50%**
Demolish - commercial building	N	Taxable	$900 min $500	**$900 min $500**	**$0.00**	**0.00%**
Swimming Pools	N	Taxable	$700.00	**$717.50**	**$17.50**	**2.50%**
Fences (Class 10 Structure)	N	Taxable	$500.00	**$512.50**	**$12.50**	**2.50%**
Carports, Garages, Shed etc. (Class 10 Structure)	N	Taxable	$700.00	**$717.50**	**$17.50**	**2.50%**
Alterations & Additions - Up to $10,000	N	Taxable	$700.00	**$717.50**	**$17.50**	**2.50%**
Alterations & Additions - $10,001 - $20,000	N	Taxable	$900.00	**$922.50**	**$22.50**	**2.50%**
Alterations & Additions - $20,001 - $100,000	N	Taxable	$1,200.00	**$1,230.00**	**$30.00**	**2.50%**
Alterations & Additions - $100,001- $300,000	N	Taxable	$1,500.00	**$1,537.50**	**$37.50**	**2.50%**
Alterations & Additions - $300,001- $400,000	N	Taxable	$2,000.00	**$2,050.00**	**$50.00**	**2.50%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
New dwellings : single	N	Taxable	$1,800.00	**$1,845.00**	**$45.00**	**2.50%**
New dwellings : 2 attached	N	Taxable	$2,000.00	**$2,050.00**	**$50.00**	**2.50%**
New Multiple Class 1 developments (Quotation)	N	Taxable	$1800/unit	**$1800/unit**	**$0.00**	**0.00%**
Class 2, 3, 4, 5, 6, 7, 8 and 9						
Miscellaneous commercial work e.g. remove hydrant hose	N	Taxable	$500.00	**$512.50**	**$12.50**	**2.50%**
Up to $30,000	N	Taxable	$800.00	**$820.00**	**$20.00**	**2.50%**
$30,001 - $100,000	N	Taxable	$1,500.00	**$1,537.50**	**$37.50**	**2.50%**
$100,001 - $300,000	N	Taxable	$2,000.00	**$2,050.00**	**$50.00**	**2.50%**
$300,001 - $500,000	N	Taxable	$3,000.00	**$3,075.00**	**$75.00**	**2.50%**
Class 2 (Residential fit outs)	N	Taxable	$1,000.00	**$1,025.00**	**$25.00**	**2.50%**
Over $500,000 (quotation based on consulting building surveyors schedule)	N	Taxable	Quotation + 10%	**Quotation + 10%**		
Extension of permit/application 3 /6/ 12 months	N	Taxable	$400/$500/$600	**$410/$512/$615**	**0**	**2.50%**
Miscellaneous						
Building Record search Class 1 & 10	N	GST Free	$97.55	**$100.00**	**$2.45**	**2.51%**
Building Record search Class 2 - 9	N	GST Free	$164.30	**$168.40**	**$4.10**	**2.50%**
Consent & Report applications (other than demolition)	Y	GST Free	Adopt Statutory fee	**Adopt Statutory fee**		
Report and consent advertising	Y	Taxable	$98.75	**$101.20**	**$2.45**	**2.48%**
Consulting charge out rate p/hr i.e. dilapidation surveys	N	Taxable	$203.70	**$208.80**	**$5.10**	**2.50%**
Variation to Building Permit (change of details)	N	Taxable	$300.00	**$307.50**	**$7.50**	**2.50%**
Variation to Building Permit (amended documentation)	N	Taxable	$500 min	**$512 min**	**-$100.00**	**2.50%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Additional Occupancy Permits	N	Taxable	$140.20	**$154.00**	**$13.80**	**9.84%**
Siting Approval Public Entertainment Fast Track Assessment Fee (<10 business days notice)	N	Taxable	$100.00	**$110.00**	**$10.00**	**10.00%**
Siting Approval Public Entertainment – 1 Structure	N	Taxable	$400.00	**$410.00**	**$10.00**	**2.50%**
Siting Approval Public Entertainment – 2-5 Structures	N	Taxable	$500.00	**$512.50**	**$12.50**	**2.50%**
Siting Approval Public Entertainment – 6-9 Structures	N	Taxable	$600.00	**$615.00**	**$15.00**	**2.50%**
Siting Approval Public Entertainment – 10+ Structures	N	Taxable	$700.00	**$717.50**	**$17.50**	**2.50%**
Public Entertainment Permits Fast Track Fee Assessment Fee (<10 business days notice)	N	Taxable	$200.00	**$205.00**	**$5.00**	**2.50%**
Public Entertainment Permits (temporary) Site up to 1,000m² (Max. 5 structures 200 sq.m ea.)	N	Taxable	$700.00	**$717.50**	**$17.50**	**2.50%**
Public Entertainment Permits (temporary) Site 1,001 m² to 5,000m² (Max. 5 structures 200 sq.m ea.)	N	Taxable	$800.00	**$820.00**	**$20.00**	**2.50%**
Public Entertainment Permits (temporary) Site 5,001 m² to 10,000m² (Max. 5 structures 200 sq.m ea.)	N	Taxable	$1,500.00	**$1,537.50**	**$37.50**	**2.50%**
Public Entertainment Permits (temporary) Site 10,001m²+ (Max.10 structures 200 sq.m ea.)	N	Taxable	$2,000.00	**$2,050.00**	**$50.00**	**2.50%**
Public Entertainment Permits (temporary) additional structures over limit (per additional structure)	N	Taxable	$100.00	**$102.50**	**$2.50**	**2.50%**
Liquor Licence Reports (desktop check from scale drawings supplied by applicant - up to 500m2 of building)	N	Taxable	$843.30	**$864.40**	**$21.10**	**2.50%**
Liquor Licence Reports (site check and measure up to 500m2 of building)	N	Taxable	$1,204.80	**$1,234.90**	**$30.10**	**2.50%**
Change of Use/Combined Allotment Statements	N	Taxable	$755.70	**$774.60**	**$18.90**	**2.50%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
A1 Copies - per copy	N	Taxable	$16.35	**$16.75**	**$0.40**	**2.45%**
A3 Copies - per copy	N	Taxable	$1.90	**$1.95**	**$0.05**	**2.63%**
A4 Copies - per copy	N	Taxable	$0.85	**$0.85**	**$0.00**	**0.00%**
Emergency work/cost recovery	N	Taxable	Cost + 20%	**Cost + 20%**		
Additional Consulting Services re Building Permits	N	Taxable	Quotation + 10%	**Quotation + 10%**		
Final Inspection - (Class 1 & 10) Lapsed Building Permit - No Works	N	Taxable	$389.90	**$399.65**	**$9.75**	**2.50%**
Final Inspection - (Class 2 - 9) Lapsed Building Permit - No Works	N	Taxable	$538.90	**$552.35**	**$13.45**	**2.50%**
Inspection - per inspection	N	Taxable	$196.40	**$201.30**	**$4.90**	**2.49%**
Inspection - per inspection (out of hours)	N	Taxable	$405.50	**$415.65**	**$10.15**	**2.50%**
Computation checking	N	Taxable	Quotation + 10%	**Quotation + 10%**		
Certification fee	N	Taxable	Building Permit fee x 350% with a minimum fee of $3,896.75 - Refer C.O.W	**Building Permit fee x 350% with a minimum fee of $3,896.75 - Refer C.O.W**	**$0.00**	**0.00%**
Adjoining Property Owners Details (3 or more/search)	N	Taxable	$52.65	**$53.95**	**$1.30**	**2.47%**
Alternative Solution/ Dispensation/ Change of Use determination	N	Taxable	$694.30 for first determination + $69.55 per additional item	**$694.30 for first determination + $69.55 per additional item**	**$0.00**	**0.00%**
HIRE OF TOWN HALLS						
Hourly hire - FULL (min 3 hourly hire)	N	Taxable	$250.00	**$256.00**	**$6.00**	**2.40%**
Hourly hire - CONCESSION (min 3 hourly hire)	N	Taxable	$120.00	**$123.00**	**$3.00**	**2.50%**
Kitchen Use Only - per day	N	Taxable	$265.00	**$272.00**	**$7.00**	**2.64%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Balcony	N	Taxable	$420.00	**$430.00**	**$10.00**	**2.38%**
Security Deposit	N	GST Free	minimum of $1000	**minimum of $1000**	**$0.00**	**0.00%**
Town Hall PLI Insurance Community	N	Taxable	$82.00	**$84.00**	**$2.00**	**2.44%**
Late Booking Fee	N	Taxable	$46.00	**$47.00**	**$1.00**	**2.17%**
Late Booking Change Administration Fee	N	Taxable	$20.00	**$21.00**	**$1.00**	**5.00%**
Sound Technician	N	Taxable	$50.00	**$51.00**	**$1.00**	**2.00%**
Hire of Sound System * requires sound technician	N	Taxable	$200.00	**$205.00**	**$5.00**	**2.50%**
Hire of Inbuilt Projector	N	Taxable	$150.00	**$154.00**	**$4.00**	**2.67%**
Hire of Portable Projector	N	Taxable	$50.00	**$51.00**	**$1.00**	**2.00%**
Hire of Piano	N	Taxable	$150.00	**$154.00**	**$4.00**	**2.67%**
Site Induction (additional)	N	Taxable	$0.00	**$80.00**	**$80.00**	**100.00%**
After Hours Call-Out Fee per hour	N	Taxable	$0.00	**$80.00**	**$80.00**	**100.00%**
COMMUNITY HALLS						
Small Community Spaces (library meeting rooms, Williams Reserve Community Room, Hugo Wertheim Room, Radio Room)						
Hourly hire - FULL (min 3 hourly hire)	N	Taxable	$31.00	**$32.00**	**$1.00**	**3.23%**
Hourly hire - CONCESSION (min 3 hourly hire)	N	Taxable	$5.00	**$6.00**	**$1.00**	**20.00%**
Groups auspiced by Council business units	N	Taxable	NO CHARGE	**NO CHARGE**	**$0.00**	**0.00%**
Security Deposit	N	Taxable	minimum of $100	**minimum of $100**	**$0.00**	**0.00%**
Community Hall PLI Insurance Community	N	Taxable	$31.00	**$32.00**	**$1.00**	**3.23%**
After Hours Call-Out Fee per hour	N	Taxable	$0.00	**$80.00**	**$80.00**	**100.00%**

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Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Medium Sized Community Spaces (Loughnan Hall, Mark Street Hall, Richmond Senior Citizens Centre, The Stables)						
Hourly hire - FULL (min 3 hourly hire)	N	Taxable	$58.00	**$60.00**	**$2.00**	**3.45%**
Hourly hire - CONCESSION (min 3 hourly hire)	N	Taxable	$20.00	**$21.00**	**$1.00**	**5.00%**
Groups auspiced by Council business units	N	GST Free	NO CHARGE	**NO CHARGE**	**$0.00**	**0.00%**
Security Deposit	N	GST Free	minimum of $100	**minimum of $100**	**$0.00**	**0.00%**
Community Hall PLI Insurance Community	N	Taxable	$31.00	**$32.00**	**$1.00**	**3.23%**
After Hours Call-Out Fee per hour	N	Taxable	$0.00	**$80.00**	**$80.00**	**100.00%**
Large Community Spaces (Collingwood Senior Citizens Centre, Edinburgh Gardens Community Room, Studio 1, Community Space at Bargoonga Nganjin)						
Hourly hire - FULL (min 3 hourly hire)	N	Taxable	$66.00	**$68.00**	**$2.00**	**3.03%**
Hourly hire - CONCESSION (min 3 hourly hire)	N	Taxable	$23.00	**$24.00**	**$1.00**	**4.35%**
Groups auspiced by Council business units	N	Taxable	NO CHARGE	**NO CHARGE**	**$0.00**	**0.00%**
Security Deposit	N	GST Free	minimum of $100	**minimum of $100**	**$0.00**	**0.00%**
Community Hall PLI Insurance Community	N	Taxable	$31.00	**$32.00**	**$1.00**	**3.23%**
Sound Technician	N	Taxable	$50.00	**$51.00**	**$1.00**	**2.00%**
After Hours Call-Out Fee per hour	N	Taxable	$0.00	**$80.00**	**$80.00**	**100.00%**
Performance Spaces (Richmond Theatrette)						
Per Hour - FULL	N	Taxable				
Per Hour - CONCESSION	N	Taxable				
Day Rate- FULL	N	Taxable	$1,020.00	**$1,045.00**	**$25.00**	**2.45%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Day Rate - CONCESSION	N	Taxable	$561.00	**$575.00**	**$14.00**	**2.50%**
7 Day Rate- FULL	N	Taxable	$5,100.00	**$5,230.00**	**$130.00**	**2.55%**
7 Day Rate - CONCESSION	N	Taxable	$2,550.00	**$2,613.00**	**$63.00**	**2.47%**
Security Deposit	N	GST Free	minimum of $200	**minimum of $200**	**$0.00**	**0.00%**
Community Hall PLI Insurance Community	N	Taxable	$31.00	**$32.00**	**$1.00**	**3.23%**
PARKS AND OPEN SPACE						
SITE FEES, OCCUPATION CHARGES & OTHER USAGE CHARGES						
Site fee for use of Parks, Reserve or Rotunda - Full	N	Taxable	$158.50	**$162.00**	**$3.50**	**2.21%**
Site fee for use of Parks, Reserve or Rotunda - Concession	N	N/A	NO CHARGE	**NO CHARGE**	**$0.00**	**0.00%**
Occupation of public land (roads, footpaths etc) for events - Full	N	Taxable	$3.60 for every 5m2	**$3.70 for every 5m2**	**$0.10**	**2.78%**
Occupation of public land (roads, footpaths etc) for events - Concession	N	Taxable	$0.9 for every 5m2	**$1.00 for every 5m2**	**$0.00**	**0.00%**
Power (per day)	N	Taxable	$102.25	**$105.00**	**$2.75**	**2.69%**
Open Space PLI Insurance Community	N	Taxable	$30.65	**$32.00**	**$1.35**	**4.40%**
Event Inspection Charge	N	Taxable	$0.00	**$240.00**	**$240.00**	**100.00%**
Fairfield Amphitheatre						
Day Rate - Full	N	Taxable	$357.90	**$367.00**	**$9.10**	**2.54%**
Day Rate - Concession	N	Taxable	$112.45	**$115.00**	**$2.55**	**2.27%**
Power	N	Taxable	$102.25	**$105.00**	**$2.75**	**2.69%**
Kiosk	N	Taxable	$92.00	**$94.00**	**$2.00**	**2.17%**
Change Rooms	N	Taxable	$92.00	**$94.00**	**$2.00**	**2.17%**
Bond	N	GST Free	From $100	**From $100**	**$0.00**	**0.00%**
Burnley Circus Site						
Day Rate - Full (performance/event day)	N	Taxable	$971.40	**$996.00**	**$24.60**	**2.53%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Day Rate - Full (non performance/event day)	N	Taxable	$153.40	**$157.00**	**$3.60**	**2.35%**
Day Rate - Concession	N	Taxable	NO CHARGE	**NO CHARGE**	**$0.00**	**0.00%**
Power (per day)	N	Taxable	$102.25	**$105.00**	**$2.75**	**2.69%**
Bond	N	GST Free	UP T0 $4,000	**UP T0 $4,000**	**$0.00**	**0.00%**
PERMITS						
Event Application Fee	N	Taxable	$61.35	**$63.00**	**$1.65**	**2.69%**
Event Permit Application Fee for events of 500 or more persons or with significant structures or risks, as assessed by council officer, less than 12 weeks prior to event	N	Taxable	$0.00	**$250.00**	**$250.00**	**100.00%**
Market Permit (One Off fee) - Full	N	Taxable	$409.00	**$419.00**	**$10.00**	**2.44%**
Market Permit (One Off fee) - CONCESSION	N	Taxable	$163.60	**$168.00**	**$4.40**	**2.69%**
Minor Sound Permit	N	Taxable	$51.15	**$52.50**	**$1.35**	**2.64%**
Event Permit - Up to 100 persons with no structures and minimum risks						
Small Event Permit (per event day) - FULL	N	Taxable	$107.35	**$110.05**	**$2.70**	**2.52%**
Small Event Permit (per event day) - CONCESSION	N	GST Free	NO CHARGE	**NO CHARGE**	**$0.00**	**0.00%**
Event Permit - 100 persons 500 or with minimal structures and risks						
Medium Event Permit (per event day) - FULL	N	Taxable	$265.85	**$272.00**	**$6.15**	**2.31%**
Medium Event Permit (per event day) - CONCESSION	N	Taxable	$107.35	**$110.00**	**$2.65**	**2.47%**
Event Permit -500 or more persons or with significant structures or risks, as assessed by council officer						
Major Event Permit (per event day) - FULL	N	Taxable	$460.15	**$471.00**	**$10.85**	**2.36%**
Major Event Permit (per event day) - CONCESSION	N	Taxable	$112.45	**$115.00**	**$2.55**	**2.27%**

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Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
YARRA LEISURE CENTRES						
Casual Entry						
Adult Swim	N	Taxable	$6.90	**$7.10**	**$0.20**	**2.90%**
Concession Swim	N	Taxable	$3.80	**$4.20**	**$0.41**	**10.67%**
Child Swim	N	Taxable	$3.50	**$3.60**	**$0.10**	**2.86%**
Family Swim	N	Taxable	$15.80	**$16.20**	**$0.40**	**2.53%**
Adult Swim, Spa & Sauna	N	Taxable	$13.10	**$13.50**	**$0.40**	**3.05%**
Swim Upgrade to S/S/S	N	Taxable	$6.20	**$6.40**	**$0.20**	**3.23%**
Swim Upgrade to S/S/S Concession	N	Taxable	$3.40	**$3.90**	**$0.50**	**14.71%**
Swim, Spa & Sauna (concession)	N	Taxable	$7.20	**$8.10**	**$0.90**	**12.58%**
Locker	N	Taxable	$3.00	**$3.00**	**$0.00**	**0.00%**
10 x Locker	N	Taxable	$27.60	**$30.00**	**$2.40**	**8.70%**
City of Yarra Pensioner Swim	N	GST Free				
Spectator	N	GST Free	$2.00	**$2.00**	**$0.00**	**0.00%**
Bulk Tickets						
10 Adult Swims	N	Taxable	$62.10	**$63.90**	**$1.80**	**2.90%**
10 Concession Swim	N	Taxable	$34.20	**$37.80**	**$3.60**	**10.53%**
25 Adult Swims	N	Taxable	$138.00	**$142.00**	**$4.00**	**2.90%**
25 Adult Swims Concession	N	Taxable	$76.00	**$84.00**	**$8.00**	**10.53%**
10 Child Swims	N	Taxable	$31.50	**$32.40**	**$0.90**	**2.86%**
25 Child Swims	N	Taxable	$70.00	**$72.00**	**$2.00**	**2.86%**
10 Swim, Spa, Sauna & Steam	N	Taxable	$117.90	**$121.50**	**$3.60**	**3.05%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
10 Swim, Spa, Sauna & Steam Concession	N	Taxable	$64.80	**$72.90**	**$8.10**	**12.50%**
25 Swim, Spa, Sauna & Steam	N	Taxable	$262.00	**$270.00**	**$8.00**	**3.05%**
25 Swim, Spa, Sauna & Steam Concession	N	Taxable	$144.00	**$162.00**	**$18.00**	**12.50%**
10 Group Fitness	N	Taxable	$151.20	**$154.80**	**$3.60**	**2.38%**
10 Group Fitness Concession	N	Taxable	$82.80	**$92.70**	**$9.90**	**11.96%**
25 Group Fitness	N	Taxable	$336.00	**$344.00**	**$8.00**	**2.38%**
25 Group Fitness Concession	N	Taxable	$184.00	**$206.00**	**$22.00**	**11.96%**
Lane Hire						
Commercial Lane Hire 25 metres	N	Taxable	$48.00	**$49.20**	**$1.20**	**2.50%**
Community Groups Lane Hire 25 Metres	N	Taxable	$38.40	**$39.40**	**$1.00**	**2.60%**
Commercial Lane Hire 50 metres	N	Taxable	$63.40	**$65.00**	**$1.60**	**2.52%**
Community Groups Lane Hire 50 Metres	N	Taxable	$50.70	**$52.00**	**$1.30**	**2.56%**
Commercial Lane Hire Learn to Swim Pool	N	Taxable	$14.60	**$15.00**	**$0.40**	**2.74%**
Community Groups Lane Hire Learn to Swim Pool	N	Taxable	$12.30	**$12.30**	**$0.00**	**0.00%**
Commercial Pool Hire 25 metres	N	Taxable	$218.70	**$224.20**	**$5.50**	**2.51%**
Community Groups Pool Hire 25 Metres	N	Taxable	$175.00	**$179.40**	**$4.40**	**2.51%**
Commercial Pool Hire 50 metres	N	Taxable	$370.80	**$380.10**	**$9.30**	**2.51%**
Community Groups Pool Hire 50 Metres	N	Taxable	$296.70	**$304.10**	**$7.40**	**2.49%**
Commercial Pool Hire Learn to Swim Pool	N	Taxable	$40.00	**$41.00**	**$1.00**	**2.50%**
Community Groups Pool Hire Learn to Swim Pool	N	Taxable	$32.00	**$32.80**	**$0.80**	**2.50%**
Monthly Debit Fees						
Joining Fee	N	Taxable	$99.00	**$99.00**	**$0.00**	**0.00%**
Full (fortnightly)**	N	Taxable	$47.10	**$48.30**	**$1.20**	**2.55%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Full Concession (fortnightly)**	N	Taxable	$25.90	**$29.00**	**$3.11**	**11.99%**
Full Student (fortnightly)**	N	Taxable	$43.80	**$43.80**	**$0.00**	**0.00%**
Off Peak (fortnightly)**	N	Taxable	$42.40	**$43.50**	**$1.10**	**2.59%**
Off Peak Concession (fortnightly)**	N	Taxable	$23.30	**$26.10**	**$2.80**	**12.02%**
Off Peak Student (fortnightly)**	N	Taxable	$38.10	**$39.10**	**$1.00**	**2.62%**
Aquatic (fortnightly)**	N	Taxable	$31.70	**$32.50**	**$0.80**	**2.52%**
Aquatic Concession (fortnightly)**	N	Taxable	$17.40	**$19.50**	**$2.11**	**12.10%**
Aquatic Student (fortnightly)**	N	Taxable	$26.10	**$27.40**	**$1.30**	**4.98%**
Family 2 people (fortnightly)**	N	Taxable	$85.50	**$87.70**	**$2.20**	**2.57%**
Family 3 people (fortnightly)**	N	Taxable	$97.10	**$99.60**	**$2.50**	**2.57%**
Family 4 people (fortnightly)**	N	Taxable	$108.00	**$110.70**	**$2.70**	**2.50%**
Family 2 people Concession (fortnightly)**	N	Taxable	$47.00	**$52.60**	**$5.61**	**11.93%**
Family 3 people Concession (fortnightly)**	N	Taxable	$53.40	**$59.80**	**$6.40**	**12.00%**
Family 4 people Concession (fortnightly)**	N	Taxable	$59.40	**$66.40**	**$7.00**	**11.78%**
50 plus (fortnightly)**	N	Taxable	$42.50	**$43.50**	**$1.00**	**2.35%**
Yarra Triathlon (fortnightly)**	N	Taxable	$56.30	**$57.70**	**$1.40**	**2.49%**
Yarra Triathlon Concession (fortnightly)**	N	Taxable	$31.00	**$34.60**	**$3.61**	**11.63%**
Yarra Triathlon Student (fortnightly)**	N	Taxable	$49.10	**$51.50**	**$2.40**	**4.89%**
Corporate (fortnightly)**	N	Taxable	$42.50	**$43.50**	**$1.00**	**2.35%**
Yarra Youth (fortnightly)**	N	Taxable	$22.70	**$23.30**	**$0.60**	**2.64%**
Two Week Trial	N	Taxable	$67.60	**$69.30**	**$1.70**	**2.51%**
Two Week Trial Concession	N	Taxable	$37.20	**$41.60**	**$4.40**	**11.83%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Two Week Trial Student	N	Taxable	$61.00	**$62.40**	**$1.40**	**2.30%**
Program Classes						
Group Fitness	N	Taxable	$16.80	**$17.20**	**$0.40**	**2.38%**
Group Fitness (Concession)	N	Taxable	$9.20	**$10.30**	**$1.10**	**11.96%**
Group Fitness - 90 minute class	N	Taxable	$23.30	**$24.10**	**$0.80**	**3.43%**
Group Fitness - 90 minute class (Concession)	N	Taxable	$12.80	**$14.40**	**$1.60**	**12.50%**
Gym						
Gym, Swim, Spa, Sauna & Steam	N	Taxable	$25.60	**$25.60**	**$0.00**	**0.00%**
Gym Concession	N	Taxable	$14.10	**$15.40**	**$1.30**	**9.22%**
LLLS Casual Fee	N	Taxable	$8.20	**$8.40**	**$0.20**	**2.44%**
LLLS Casual Fee Concession	N	Taxable	$4.50	**$5.00**	**$0.50**	**11.11%**
10 x LLLS Casual Fee	N	Taxable	$82.00	**$84.00**	**$2.00**	**2.44%**
10 x LLLS Casual Fee Concession	N	Taxable	$45.00	**$50.00**	**$5.00**	**11.11%**
25 x LLLS Casual	N	Taxable	$205.00	**$210.00**	**$5.00**	**2.44%**
25 x LLLS Casual Concession	N	Taxable	$112.50	**$125.00**	**$12.50**	**11.11%**
LLLS Joining Fee	N	Taxable	$45.10	**$46.30**	**$1.20**	**2.66%**
Gym over 60's	N	Taxable	$5.40	**$5.60**	**$0.20**	**3.70%**
Personal Training						
½ hr (Casual)	N	Taxable	$58.90	**$58.90**	**$0.00**	**0.00%**
½ hr (Member)	N	Taxable	$49.60	**$49.60**	**$0.00**	**0.00%**
1 hr (Casual)	N	Taxable	$95.40	**$95.40**	**$0.00**	**0.00%**
1 hr (Member)	N	Taxable	$76.30	**$76.30**	**$0.00**	**0.00%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
10 Visit Pass Casual – ½ Hr	N	Taxable	$530.10	**$530.10**	**$0.00**	**0.00%**
10 Visit Pass Member – ½ Hr	N	Taxable	$446.40	**$446.40**	**$0.00**	**0.00%**
10 Visit Pass Casual – 1 Hr	N	Taxable	$858.60	**$858.60**	**$0.00**	**0.00%**
10 Visit Pass Member – 1 Hr	N	Taxable	$686.70	**$686.70**	**$0.00**	**0.00%**
Tennis Courts (Per Hour)						
Peak	N	Taxable	$29.30	**$30.10**	**$0.80**	**2.73%**
Off Peak	N	Taxable	$24.60	**$25.20**	**$0.60**	**2.44%**
Peak Concession	N	Taxable	$16.10	**$18.10**	**$2.00**	**12.42%**
Off Peak Concession	N	Taxable	$13.50	**$15.10**	**$1.60**	**11.85%**
Member Peak (Member)	N	Taxable	$22.30	**$22.90**	**$0.60**	**2.69%**
Member Off Peak (Member)	N	Taxable	$16.70	**$17.10**	**$0.40**	**2.40%**
Occasional Care (previously titled Crèche)						
Occasional Care - Casual	N	GST Free	$11.25	**$11.55**	**$0.30**	**2.67%**
Occasional Care - Concession Casual	N	GST Free	$4.30	**$4.40**	**$0.10**	**2.33%**
Occasional Care - 10 sessions	N	GST Free	$77.70	**$79.65**	**$1.95**	**2.51%**
Occasional Care - 25 sessions	N	GST Free	$194.30	**$199.15**	**$4.85**	**2.50%**
Swim Lessons						
Start Up Fee (All Aquatic Programs)	N	Taxable	$30.70	**$31.50**	**$0.80**	**2.61%**
Swim Lessons Child - per lesson	N	GST Free	$18.00	**$19.00**	**$1.00**	**5.56%**
Child - Concession per lesson	N	GST Free	$9.90	**$11.40**	**$1.50**	**15.15%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
One on One Lessons	N	Taxable	$51.20	**$52.50**	**$1.30**	**2.54%**
Two on One Lessons	N	Taxable	$92.00	**$94.50**	**$2.50**	**2.72%**
Swim Lesson Child Fortnightly Debit**	N	GST Free	$28.40	**$30.00**	**$1.60**	**5.63%**
Swim Lesson Child - Concession Fortnightly Debit**	N	GST Free	$15.60	**$18.00**	**$2.40**	**15.38%**
School Lessons	N	GST Free	$9.00	**$9.50**	**$0.50**	**5.56%**
School Lessons Concession	N	GST Free	$5.40	**$5.70**	**$0.30**	**5.56%**
District Squad (fortnightly)**	N	GST Free	$29.20	**$30.00**	**$0.80**	**2.74%**
Pre-State Squad (fortnightly)**	N	GST Free	$42.60	**$44.50**	**$1.90**	**4.46%**
State Squad (fortnightly)**	N	GST Free	$54.70	**$57.50**	**$2.80**	**5.12%**
National Squad (fortnightly)**	N	GST Free	$65.50	**$68.80**	**$3.30**	**5.04%**
District Squad Concession (fortnightly)**	N	GST Free	$16.10	**$18.00**	**$1.90**	**11.80%**
Pre-State Squad Concession (fortnightly)**	N	GST Free	$23.40	**$26.70**	**$3.30**	**14.10%**
State Squad Concession (fortnightly)**	N	GST Free	$30.10	**$34.50**	**$4.40**	**14.64%**
Programs - Myotherapy						
½ hr (Member)	N	Taxable	$50.10	**$51.40**	**$1.30**	**2.59%**
½ hr (Casual)	N	Taxable	$59.90	**$61.40**	**$1.50**	**2.50%**
1 hr (Member)	N	Taxable	$90.50	**$92.80**	**$2.30**	**2.54%**
1 hr (Casual)	N	Taxable	$103.60	**$106.20**	**$2.60**	**2.51%**
Yarra Triathlon Programs						
Yarra Triathlon Squads	N	Taxable	$17.40	**$17.90**	**$0.50**	**2.87%**
Yarra Triathlon Squads - Concession	N	Taxable	$9.60	**$10.70**	**$1.10**	**11.46%**
10 x Yarra Triathlon Squads	N	Taxable	$156.60	**$161.10**	**$4.50**	**2.87%**
10 x Yarra Triathlon Squads – Concession	N	Taxable	$86.40	**$96.30**	**$9.90**	**11.46%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
25 x Yarra Triathlon Squads	N	Taxable	$348.00	**$358.00**	**$10.00**	**2.87%**
25 x Yarra Triathlon Squads – Concession	N	Taxable	$192.00	**$214.00**	**$22.00**	**11.46%**
Two Week Trial	N	Taxable	$80.80	**$82.80**	**$2.00**	**2.48%**
Two Week Trial Concession	N	Taxable	$44.40	**$49.70**	**$5.30**	**11.94%**
Two Week Trial Student	N	Taxable	$70.00	**$74.50**	**$4.50**	**6.43%**
Miscellaneous						
Replacement RFID band/key fob (New fee)	N	Taxable	$6.00	**$6.00**	**$0.00**	**0.00%**
Lost Locker RFID key fob	N	Taxable	$10.60	**$10.90**	**$0.30**	**2.83%**
Shower	N	Taxable	$3.70	**$3.80**	**$0.10**	**2.70%**
BURNLEY GOLF COURSE						
9 Holes - Adult	N	Taxable	$20.50	**$21.00**	**$0.50**	**2.44%**
9 Holes - Concession/Junior	N	Taxable	$15.40	**$15.80**	**$0.40**	**2.60%**
18 Holes - Adult	N	Taxable	$26.10	**$26.80**	**$0.70**	**2.68%**
18 Holes - Concession/Junior	N	Taxable	$20.00	**$20.50**	**$0.50**	**2.50%**
9 Holes - Weekend	N	Taxable	$21.50	**$22.10**	**$0.60**	**2.79%**
18 Holes Weekend	N	Taxable	$27.60	**$28.30**	**$0.70**	**2.54%**
1 Hour Lesson	N	Taxable	$118.40	**$121.40**	**$3.00**	**2.53%**
1/2 Hour Lesson	N	Taxable	$58.50	**$60.00**	**$1.50**	**2.56%**
6 Lesson Voucher	N	Taxable	$291.90	**$299.20**	**$7.30**	**2.50%**
Clinic	N	Taxable	$118.40	**$121.40**	**$3.00**	**2.53%**
Mini Clinic	N	Taxable	$21.00	**$21.50**	**$0.50**	**2.38%**
Buggy Hire	N	Taxable	$5.20	**$5.40**	**$0.20**	**3.85%**
9 Hole Cart Hire	N	Taxable	$27.10	**$27.80**	**$0.70**	**2.58%**

DRAFT BUDGET

Attachment 1 - 2019-20 Proposed Annual Budget

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
9 Hole Single Cart Hire	N	Taxable	$18.50	**$18.90**	**$0.40**	**2.16%**
18 Hole Cart Hire	N	Taxable	$45.10	**$46.30**	**$1.20**	**2.66%**
18 Hole Single Cart Hire	N	Taxable	$30.50	**$31.30**	**$0.80**	**2.62%**
Practice Fees	N	Taxable	$3.80	**$3.90**	**$0.10**	**2.63%**
Competition Fees	N	Taxable	$4.20	**$4.30**	**$0.10**	**2.38%**
Hire Set	N	Taxable	$15.00	**$15.40**	**$0.40**	**2.67%**
ENGINEERING PLANNING						
Traffic Surveys (counts) - classified counts	N	GST Free	$255.65	**$262.05**	**$6.40**	**2.50%**
Parking signs - sign changes	N	Taxable	$189.15	**$193.90**	**$4.75**	**2.51%**
Drainage Fees (Levy)						
0 - 400m²	N	GST Free	$12.05	**$12.35**	**$0.30**	**2.49%**
401 - 500m²	N	GST Free	$15.75	**$16.15**	**$0.40**	**2.54%**
501 - 600m²	N	GST Free	$19.95	**$20.45**	**$0.50**	**2.51%**
601 - 700m²	N	GST Free	$21.45	**$22.00**	**$0.55**	**2.56%**
701 - 800m²	N	GST Free	$23.60	**$24.20**	**$0.60**	**2.54%**
801 - 900m²	N	GST Free	$25.15	**$25.80**	**$0.65**	**2.58%**
901 - 1000m²	N	GST Free	$26.20	**$26.85**	**$0.65**	**2.48%**
1001m² + (negotiable fee)	N	GST Free	$26.20	**$26.85**	**$0.65**	**2.48%**
WASTE MANAGEMENT						
Compost Bins 220lt BMW	N	Taxable	$35.80	**$37.00**	**$1.20**	**3.35%**
Hungry Bin	N	Taxable	$286.30	**$294.00**	**$7.70**	**2.69%**
Worm Farms RELN	N	Taxable	$86.90	**$89.00**	**$2.10**	**2.42%**
Garbage 80lt MGB	N	GST Free	$112.45	**$115.50**	**$3.05**	**2.71%**
Garbage 120lt MGB	N	GST Free	$148.25	**$152.00**	**$3.75**	**2.53%**
Garbage 240lt MGB	N	GST Free	$265.85	**$272.50**	**$6.65**	**2.50%**

DRAFT BUDGET

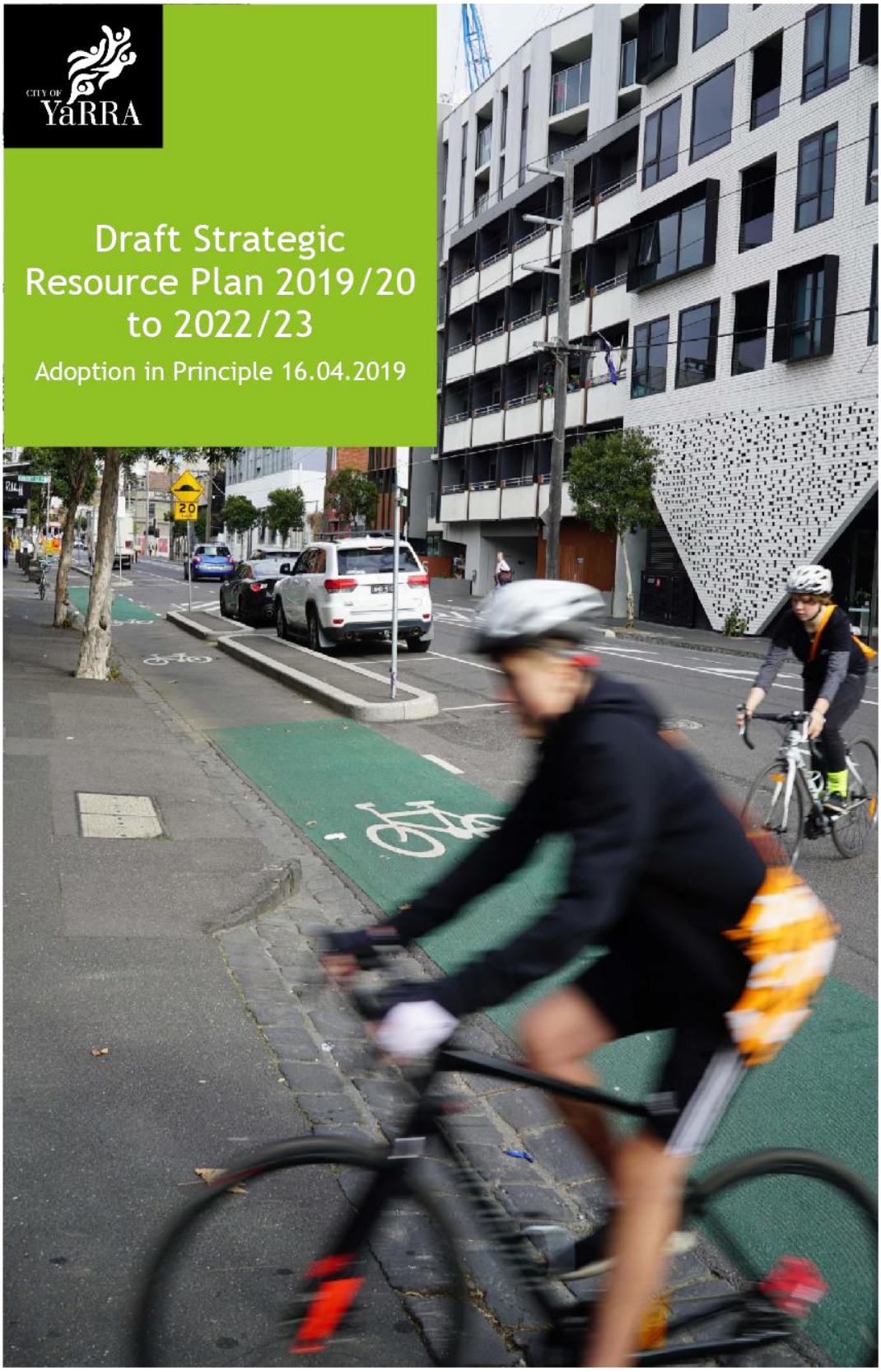
Attachment 1 - 2019-20 Proposed Annual Budget

City of Yarra Draft 2019/20 Budget – Adoption in Principle

Fees and Charges Description	Statutory Fee (Y/N)	GST Status	2018/19 Adopted Fee	2019/20 Proposed Fee	$ Change	% Change
Residential and Commercial (and Multi-Unit Developments per unit/apartment) MRB 120lt plus 80lt MGB	N	GST Free	$184.05	**$189.00**	**$4.95**	**2.69%**
Relocation of Street Litter Bins	N	Taxable	$475.45	**$488.00**	**$12.55**	**2.64%**
Green Mobile Garbage Bin (GMGB)	N	GST Free	$112.45	**$115.25**	**$2.80**	**2.49%**
URBAN AGRICULTURE						
Footpath/nature strip garden permit fee	N	Taxable	$20.00	**$20.00**	**$0.00**	**0.00%**
Footpath/nature strip planter box yearly rental fee	N	Taxable	$55.00	**$55.00**	**$0.00**	**0.00%**
Footpath/nature strip planter box yearly rental fee - concession	N	Taxable	$27.50	**$27.50**	**$0.00**	**0.00%**

DRAFT BUDGET

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan



Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Comprehensive Income Statement
For the four years ended 2022-23

	2019-20	2020-21	2021-22	2022-23
	$'000	$'000	$'000	$'000
Income				
Rates and charges	112,465	116,373	120,581	124,793
Statutory fees and fines	32,935	33,435	33,935	34,435
User fees	32,330	33,330	34,330	35,330
Grants - operating	12,541	12,422	12,733	13,051
Grants - capital	2,432	2,860	7,070	580
Contributions - monetary	4,300	4,300	4,300	4,300
Contributions - other	397	400	400	400
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	180	160	190	210
Other income	2,836	3,336	3,836	4,336
Total income	**200,416**	**206,616**	**217,375**	**217,435**
Expenses				
Employee costs	87,115	89,375	91,663	93,996
Materials and services	72,959	75,283	77,743	80,187
Depreciation and amortisation	22,800	23,300	23,800	24,300
Bad and doubtful debts	4,000	4,000	4,000	4,000
Borrowing costs	2,035	1,980	1,876	1,692
Other expenses	0	0	0	0
Total expenses	**188,909**	**193,938**	**199,082**	**204,174**
Surplus/(deficit) for the year	**11,507**	**12,678**	**18,294**	**13,260**
Other comprehensive income				
Items that will not be reclassified to surplus or deficit in future periods				
Net asset revaluation increment/(decrement)	52,204	0	52,465	0
Share of other comprehensive income of associates and joint ventures	0	0	0	0
Items that may be reclassified to surplus or deficit in future periods				
Nil				
Total comprehensive result	**63,711**	**12,678**	**70,759**	**13,260**

The above comprehensive income statement should be read in conjunction with the accompanying other information.

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Balance Sheet
For the four years ended 2022-23

	2019-20	2020-21	2021-22	2022-23
	$'000	$'000	$'000	$'000
Assets				
Current assets				
Cash and cash equivalents	78,532	71,030	58,146	53,822
Trade and other receivables	13,340	12,175	11,078	10,047
Other financial assets	0	0	0	0
Inventories	107	107	107	107
Non-current assets classified as held for sale	0	0	0	0
Other assets	1,014	1,014	1,014	1,014
Total current assets	**92,992**	**84,326**	**70,345**	**64,990**
Non-current assets				
Trade and other receivables	235	235	235	235
Property, infrastructure, plant and equipment	1,975,669	1,995,364	2,075,779	2,089,883
Intangible assets	0	0	0	0
Total non-current assets	**1,975,904**	**1,995,599**	**2,076,014**	**2,090,118**
Total assets	**2,068,896**	**2,079,925**	**2,146,359**	**2,155,109**
Liabilities				
Current liabilities				
Trade and other payables	9,283	9,283	9,283	9,283
Trust funds and deposits	10,906	10,906	10,906	10,906
Provisions	13,209	13,209	13,209	13,209
Interest-bearing liabilities	1,250	33,808	4,110	4,303
Total current liabilities	**34,648**	**67,206**	**37,508**	**37,701**
Non-current liabilities				
Provisions	1,398	1,398	1,398	1,398
Other Liabilities	3,230	2,830	2,430	2,030
Interest-bearing liabilities	41,280	7,472	33,245	28,942
Total non-current liabilities	**45,908**	**11,700**	**37,073**	**32,370**
Total liabilities	**80,556**	**78,906**	**74,581**	**70,071**
Net assets	**1,988,340**	**2,001,019**	**2,071,778**	**2,085,038**
Equity				
Accumulated surplus	660,506	670,056	685,322	695,576
Reserves	1,327,834	1,330,962	1,386,455	1,389,461
Total Equity	**1,988,340**	**2,001,019**	**2,071,778**	**2,085,038**

The above balance sheet should be read in conjunction with the accompanying other information.

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Statement of Changes in Equity
For the four years ended 2022-23

2019-20	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year	1,924,629	652,209	1,246,875	25,545
Surplus/(deficit) for the year	11,507	11,507	-	-
Net asset revaluation increment/(decrement)	52,204	-	52,204	-
Transfers to other reserves	-	(4,300)	-	4,300
Transfers from other reserves	-	1,090	-	(1,090)
Balance at end of the financial year	**1,988,340**	**660,506**	**1,299,079**	**28,755**

2020-21	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year	1,988,340	660,506	1,299,079	28,755
Surplus/(deficit) for the year	12,678	12,678	-	-
Net asset revaluation increment/(decrement)	0	-	-	-
Transfers to other reserves	0	(4,300)	0	4,300
Transfers from other reserves	0	1,172	-	(1,172)
Balance at end of the financial year	**2,001,018**	**670,056**	**1,299,079**	**31,883**

2021-22	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year	2,001,018	670,056	1,299,079	31,883
Surplus/(deficit) for the year	18,294	18,294	-	-
Net asset revaluation increment/(decrement)	52,465	-	52,465	-
Transfers to other reserves	0	(4,300)	0	4,300
Transfers from other reserves	0	1,272	-	(1,272)
Balance at end of the financial year	**2,071,777**	**685,321**	**1,351,544**	**34,911**

2022-23	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year	2,071,777	685,321	1,351,544	34,911
Surplus/(deficit) for the year	13,260	13,260	0	0
Net asset revaluation increment/(decrement)	0	-	-	0
Transfers to other reserves	0	(4,300)	0	4,300
Transfers from other reserves	0	1,294	0	(1,294)
Balance at end of the financial year	**2,085,037**	**695,576**	**1,351,544**	**37,917**

The above statement of changes in equity should be read with the accompanying other information.

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Statement of Cash Flows
For the four years ended 2022-23

	2019-20 Inflows/ (Outflows) $'000	2020-21 Inflows/ (Outflows) $'000	2021-22 Inflows/ (Outflows) $'000	2022-23 Inflows/ (Outflows) $'000
Cash flows from operating activities				
Rates and charges	111,340	115,209	119,376	123,545
Statutory fees and fines	31,288	31,763	32,238	32,713
User fees	32,330	33,330	34,330	35,330
Grants - operating	12,541	12,422	12,733	13,051
Grants - capital	2,432	2,860	7,070	580
Contributions - monetary	4,300	4,300	4,300	4,300
Contributions - other	397	400	400	400
Other receipts	2,836	3,336	3,836	4,336
Employee costs	(87,115)	(89,375)	(91,663)	(93,996)
Materials and services	(73,359)	(75,683)	(78,143)	(80,587)
Other payments	0	0	0	0
Net cash provided by/(used in) operating activities	**36,991**	**38,562**	**44,477**	**39,673**
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(31,334)	(43,345)	(52,100)	(38,754)
Proceeds from sale of property, infrastructure, plant and equipment	530	510	540	560
Net cash provided by/(used in) investing activities	**(30,804)**	**(42,835)**	**(51,560)**	**(38,194)**
Cash flows from financing activities				
Finance costs	(2,035)	(1,980)	(1,876)	(1,692)
Proceeds from borrowings	0	0	32,500	0
Repayment of borrowings	(1,195)	(1,250)	(36,425)	(4,110)
Net cash provided by/(used in) financing activities	**(3,230)**	**(3,230)**	**(5,801)**	**(5,802)**
Net increase (decrease) in cash and cash equivalents	2,957	(7,503)	(12,884)	(4,324)
Cash and cash equivalents at the beginning of the financial year	75,575	78,532	71,030	58,146
Cash and cash equivalents at the end of the financial year	**78,532**	**71,029**	**58,146**	**53,822**

The above statement of cash flows should be read with the accompanying other information

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Statement of Capital Works
For the four years ended 2022-23

	2019-20 $'000	2020-21 $'000	2021-22 $'000	2022-23 $'000
Property				
Land	0	0	0	0
Land improvements	0	0	0	0
Total land	0	0	0	0
Buildings	9,485	22,135	30,809	14,347
Total buildings	9,485	22,135	30,809	14,347
Total property	**9,485**	**22,135**	**30,809**	**14,347**
Plant and equipment				
Plant, machinery and equipment	2,702	2,347	2,392	2,791
Fixtures, fittings and furniture	0	0	0	0
Computers and telecommunications	1,709	1,367	1,047	1,029
Library books	0	0	0	0
Total plant and equipment	**4,411**	**3,714**	**3,439**	**3,820**
Infrastructure				
Roads	9,163	8,762	8,906	10,297
Bridges	20	430	0	0
Footpaths and cycleways	0	0	0	0
Drainage	0	0	0	0
Recreational, leisure and community facilities	0	0	0	0
Waste management	70	75	90	100
Parks, open space and streetscapes	3,731	4,629	5,144	5,737
Lanes	1,099	1,050	1,068	1,045
Street furniture	535	535	360	360
Urban Design/Retail Strips	761	1,054	1,240	1,803
Transport Management	2,059	962	1,045	1,246
Total infrastructure	**17,438**	**17,496**	**17,852**	**20,588**
Total capital works expenditure	**31,334**	**43,345**	**52,100**	**38,755**
Represented by:				
New asset expenditure	1,153	10,593	10,584	3,456
Asset renewal expenditure	23,895	27,959	27,581	24,143
Asset expansion expenditure	0	0	0	0
Asset upgrade expenditure	6,286	4,793	13,935	11,155
Total capital works expenditure	**31,334**	**43,345**	**52,100**	**38,755**
Funding sources represented by:				
Grants	2,432	2,860	7,070	580
Contributions	1,090	1,172	1,272	1,294
Council cash	27,811	39,313	43,758	36,881
Borrowings	0	0	0	0
Total capital works expenditure	**31,334**	**43,345**	**52,100**	**38,755**

The above statement of capital works should be read with the accompanying other information.

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Statement of Human Resources
For the four years ended 2022-23

	2019-20 $'000	2020-21 $'000	2021-22 $'000	2022-23 $'000
Staff expenditure				
Employee costs - Operating	86,177	88,412	90,675	92,982
Employee costs - Capital	939	963	988	1,014
Total staff expenditure	**87,116**	**89,375**	**91,663**	**93,996**
	FTE	FTE	FTE	FTE
Staff numbers				
Employees	854.3	859.3	864.3	869.3
Total staff numbers	**854.3**	**859.3**	**864.3**	**869.3**

The above statement of human resources should be read with the accompanying other information.

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Other Information
For the four years ended 2022-23

1. Summary of planned capital works expenditure

2019-20	Total	Asset Expenditure Types				Total	Funding Sources			
		New	Renewal	Expansion	Upgrade		Grants	Contributions	Council Cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property										
Land	0	0	0	0	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0	0	0	0	0
Total land	0	0	0	0	0	0	0	0	0	0
Buildings	9,485	650	5,169	0	3,666	9,485	1,369	0	8,116	0
Heritage Buildings	0					0				
Building improvements	0	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0	0
Total buildings	9,485	650	5,169	0	3,666	9,485	1,369	0	8,116	0
Total property	**9,485**	**650**	**5,169**	**0**	**3,666**	**9,485**	**1,369**	**0**	**8,116**	**0**
Plant and equipment										
Heritage plant and equipment	0	0	0	0	0	0	0	0	0	0
Plant, machinery and equipment	2,702	0	2,702	0	0	2,702	0	0	2,702	0
Fixtures, fittings and furniture	0	0	0	0	0	0	0	0	0	0
Computers and telecommunications	1,709	210	1,499	0	0	1,709	0	0	1,709	0
Library books	0	0	0	0	0	0	113	0	-113	0
Total plant and equipment	**4,411**	**210**	**4,201**	**0**	**0**	**4,411**	**113**	**0**	**4,298**	**0**
Infrastructure										
Roads	9,163	195	8,968	0	0	9,163	550	0	8,613	0
Bridges	20	0	20	0	0	20	0	0	20	0
Footpaths and cycleways	0	0	0	0	0	0	0	0	0	0
Drainage	0	0	0	0	0	0	0	0	0	0
Recreational, leisure and community facilities	0	0	0	0	0	0	0	0	0	0
Waste management	70	0	70	0	0	70	0	0	70	0
Parks, open space and streetscapes	3,731	98	3,633	0	0	3,731	0	1,090	2,641	0
Lanes	1,099	0	1,099	0	0	1,099	0	0	1,099	0
Street furniture	535	0	535	0	0	535	0	0	535	0
Urban Design/Retail Strips	761	0	200	0	561	761	0	0	761	0
Transport Management	2,059	0	0	0	2,059	2,059	400	0	1,659	0
Total infrastructure	**17,437**	**293**	**14,525**	**0**	**2,620**	**17,437**	**950**	**1,090**	**15,397**	**0**
Total capital works expenditure	**31,334**	**1,153**	**23,895**	**0**	**6,286**	**31,334**	**2,432**	**1,090**	**27,811**	**0**

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Other Information
For the four years ended 2022-23

1. Summary of planned capital works expenditure

2020-21	Total	Asset Expenditure Types				Total	Funding Sources			
		New	Renewal	Expansion	Upgrade		Grants	Contributions	Council Cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property										
Land	0	0	0	0	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0	0	0	0	0
Total land	0	0	0	0	0	0	0	0	0	0
Buildings	22,135	10,025	8,598	0	3,513	22,135	2,300	0	19,835	0
Heritage Buildings	0					0			0	
Building improvements	0	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0	0
Total buildings	22,135	10,025	8,598	0	3,513	22,135	2,300	0	19,835	0
Total property	**22,135**	**10,025**	**8,598**	**0**	**3,513**	**22,135**	**2,300**	**0**	**19,835**	**0**
Plant and equipment										
Heritage plant and equipment	0	0	0	0	0	0	0	0	0	0
Plant, machinery and equipment	2,347	55	2,292	0	0	2,347	0	0	2,347	0
Fixtures, fittings and furniture	0	0	0	0	0	0	0	0	0	0
Computers and telecommunications	1,367	0	1,367	0	0	1,367	0	0	1,367	0
Library books	0	0	0	0	0	0	0	0	0	0
Total plant and equipment	**3,714**	**55**	**3,659**	**0**	**0**	**3,714**	**0**	**0**	**3,714**	**0**
Infrastructure										
Roads	8,762	30	8,732	0	0	8,762	560	0	8,202	0
Bridges	430	0	430	0	0	430	0	0	430	0
Footpaths and cycleways	0	0	0	0	0	0	0	0	0	0
Drainage	0	0	0	0	0	0	0	0	0	0
Recreational, leisure and community facilities	0	0	0	0	0	0	0	0	0	0
Waste management	75	0	75	0	0	75	0	0	75	0
Parks, open space and streetscapes	4,629	332	4,297	0	0	4,629	0	1,172	3,457	0
Lanes	1,050	0	1,050	0	0	1,050	0	0	1,050	0
Street furniture	535	0	535	0	0	535	0	0	535	0
Urban Design/Retail Strips	1,054	0	584	0	470	1,054	0	0	1,054	0
Transport Management	962	152	0	0	810	962		0	962	0
Total infrastructure	**17,496**	**514**	**15,703**	**0**	**1,280**	**17,496**	**560**	**1,172**	**15,764**	**0**
Total capital works expenditure	**43,345**	**10,593**	**27,959**	**0**	**4,793**	**43,345**	**2,860**	**1,172**	**39,313**	**0**

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Other Information
For the four years ended 2022-23

1. Summary of planned capital works expenditure

2021-22	Total	Asset Expenditure Types				Total	Funding Sources			
		New	Renewal	Expansion	Upgrade		Grants	Contributions	Council Cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property										
Land	0	0	0	0	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0	0	0	0	0
Total land	0	0	0	0	0	0	0	0	0	0
Buildings	30,809	9,182	9,117	0	12,510	30,809	6,500	0	24,309	0
Heritage Buildings	0					0			0	
Building improvements	0	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0	0
Total buildings	30,809	9,182	9,117	0	12,510	30,809	6,500	0	24,309	0
Total property	**30,809**	**9,182**	**9,117**	**0**	**12,510**	**30,809**	**6,500**	**0**	**24,309**	**0**
Plant and equipment										
Heritage plant and equipment	0	0	0	0	0	0	0	0	0	0
Plant, machinery and equipment	2,392	0	2,392	0	0	2,392	0	0	2,392	0
Fixtures, fittings and furniture	0	0	0	0	0	0	0	0	0	0
Computers and telecommunications	1,047	0	1,047	0	0	1,047	0	0	1,047	0
Library books	0	0	0	0	0	0	0	0	0	0
Total plant and equipment	**3,439**	**0**	**3,439**	**0**	**0**	**3,439**	**0**	**0**	**3,439**	**0**
Infrastructure										
Roads	8,906	0	8,906	0	0	8,906	570	0	8,336	0
Bridges	0	0	0	0	0	0	0	0	0	0
Footpaths and cycleways	0	0	0	0	0	0	0	0	0	0
Drainage	0	0	0	0	0	0	0	0	0	0
Recreational, leisure and community facilities	0	0	0	0	0	0	0	0	0	0
Waste management	90	0	90	0	0	90	0	0	90	0
Parks, open space and streetscapes	5,144	1,102	4,042	0	0	5,144	0	1,272	3,872	0
Lanes	1,068	0	1,068	0	0	1,068	0	0	1,068	0
Street furniture	360	0	360	0	0	360	0	0	360	0
Urban Design/Retail Strips	1,240	0	560	0	680	1,240	0	0	1,240	0
Transport Management	1,045	300	0	0	745	1,045	0	0	1,045	0
Total infrastructure	**17,852**	**1,402**	**15,026**	**0**	**1,425**	**17,852**	**570**	**1,272**	**16,010**	**0**
Total capital works expenditure	**52,100**	**10,584**	**27,581**	**0**	**13,935**	**52,100**	**7,070**	**1,272**	**43,758**	**0**

Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Other Information
For the four years ended 2022-23

1. Summary of planned capital works expenditure

2022-23	Total	Asset Expenditure Types				Total	Funding Sources			
		New	Renewal	Expansion	Upgrade		Grants	Contributions	Council Cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property										
Land	0	0	0	0	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0	0	0	0	0
Total land	0	0	0	0	0	0	0	0	0	0
Buildings	14,347	1,087	4,080	0	9,180	14,347	0	0	14,347	0
Heritage Buildings	0					0			0	
Building improvements	0	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0	0
Total buildings	14,347	1,087	4,080	0	9,180	14,347	0	0	14,347	0
Total property	**14,347**	**1,087**	**4,080**	**0**	**9,180**	**14,347**	**0**	**0**	**14,347**	**0**
Plant and equipment										
Heritage plant and equipment	0	0	0	0	0	0	0	0	0	0
Plant, machinery and equipment	2,791	0	2,791	0	0	2,791	0	0	2,791	0
Fixtures, fittings and furniture	0	0	0	0	0	0	0	0	0	0
Computers and telecommunications	1,029	0	1,029	0	0	1,029	0	0	1,029	0
Library books	0	0	0	0	0	0	0	0	0	0
Total plant and equipment	**3,820**	**0**	**3,820**	**0**	**0**	**3,820**	**0**	**0**	**3,820**	**0**
Infrastructure										
Roads	10,297	180	10,117	0	0	10,297	580	0	9,717	0
Bridges	0	0	0	0	0	0	0	0	0	0
Footpaths and cycleways	0	0	0	0	0	0	0	0	0	0
Drainage	0	0	0	0	0	0	0	0	0	0
Recreational, leisure and community facilities	0	0	0	0	0	0	0	0	0	0
Waste management	100	0	100	0	0	100	0	0	100	0
Parks, open space and streetscapes	5,737	1,724	4,013	0	0	5,737	0	1,294	4,443	0
Lanes	1,045	0	1,045	0	0	1,045	0	0	1,045	0
Street furniture	360	0	360	0	0	360	0	0	360	0
Urban Design/Retail Strips	1,803	0	608	0	1,195	1,803	0	0	1,803	0
Transport Management	1,245	465	0	0	780	1,245	0	0	1,245	0
Total infrastructure	**20,587**	**2,369**	**16,243**	**0**	**1,975**	**20,587**	**580**	**1,294**	**18,713**	**0**
Total capital works expenditure	**38,754**	**3,456**	**24,143**	**0**	**11,155**	**38,754**	**580**	**1,294**	**36,880**	**0**

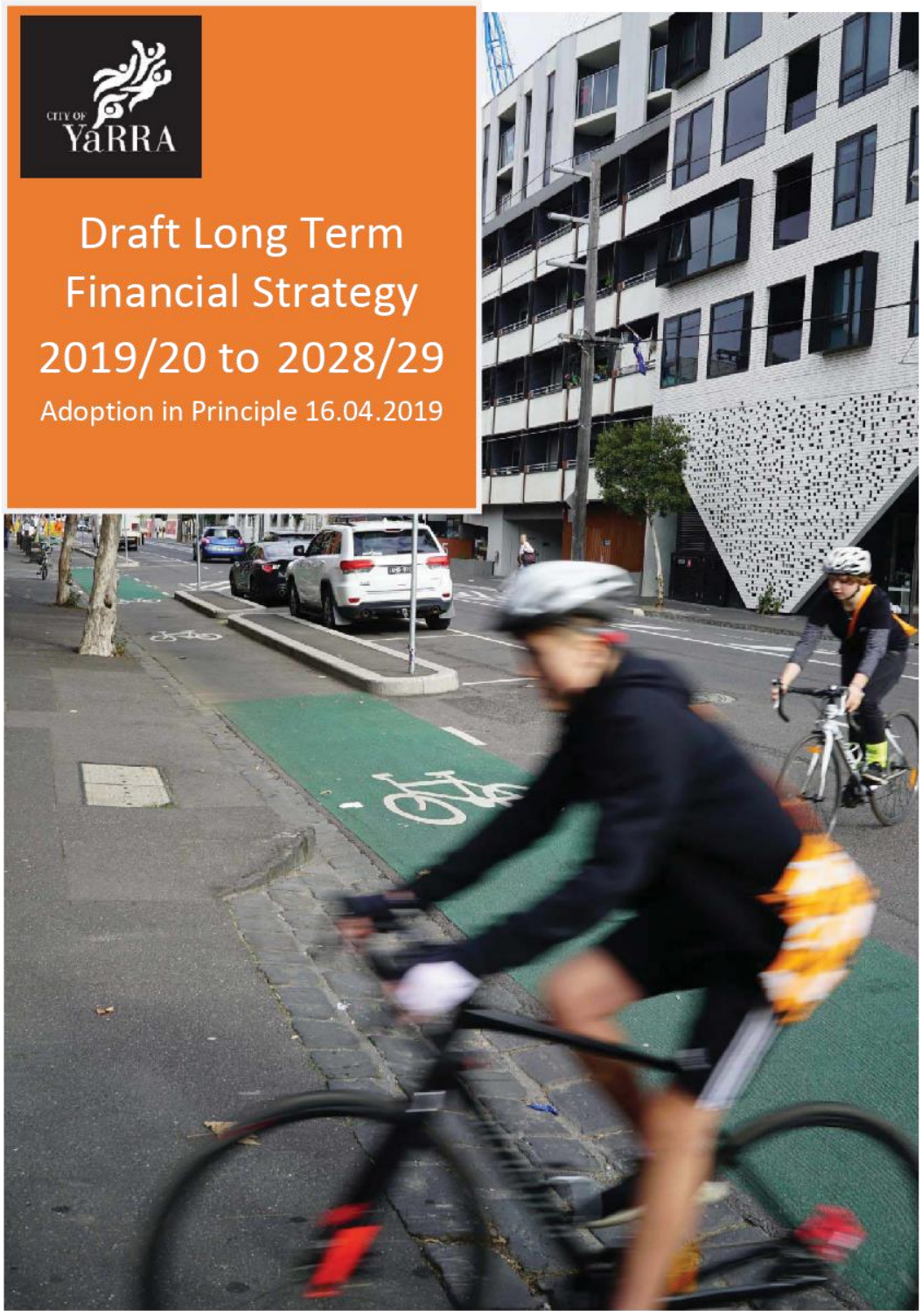
Attachment 2 - 2019-20 to 2022-23 Proposed Strategic Resource Plan

Other Information
For the four years ended 2022-23

2. Summary of planned human resources expenditure

	2019-20 $'000	2020-21 $'000	2021-22 $'000	2022-23 $'000
CEO Division				
Permanent - Full time	5,135	5,267	5,401	5,538
Permanent - Part time	1,529	1,568	1,608	1,649
Casual & Temp	704	722	741	759
Total	7,368	7,557	7,750	7,947
Corporate, Business and Financial Services				
Permanent - Full time	13,406	13,751	14,101	14,459
Permanent - Part time	2,161	2,217	2,273	2,331
Casual & Temp	1,921	1,970	2,021	2,072
Total	17,488	17,937	18,395	18,862
Community Wellbeing				
Permanent - Full time	15,119	15,507	15,903	16,307
Permanent - Part time	8,757	8,982	9,211	9,445
Casual & Temp	2,595	2,662	2,730	2,799
Total	26,471	27,151	27,843	28,551
Planning and Placemaking				
Permanent - Full time	8,616	8,837	9,063	9,293
Permanent - Part time	1,442	1,479	1,517	1,555
Casual & Temp	140	144	147	151
Total	10,198	10,460	10,727	10,999
City Works and Assets				
Permanent - Full time	17,706	18,177	18,641	19,114
Permanent - Part time	4,674	4,794	4,916	5,041
Casual & Temp	3,211	3,294	3,378	3,463
Total	25,591	26,265	26,934	27,619
Total staff expenditure	**87,116**	**89,375**	**91,662**	**93,995**
	FTE	FTE	FTE	FTE
CEO Division				
Permanent - Full time	40.0	41.0	42.0	43.0
Permanent - Part time	9.9	9.9	9.9	9.9
Casual & Temp	8.6	8.6	8.6	8.6
Total	58.4	59.4	60.4	61.4
Corporate, Business and Financial Services				
Permanent - Full time	133.0	134.0	135.0	136.0
Permanent - Part time	22.5	22.5	22.5	22.5
Casual & Temp	10.2	10.2	10.2	10.2
Total	165.7	166.7	167.7	168.7
Community Wellbeing				
Permanent - Full time	185.7	186.7	187.7	188.7
Permanent - Part time	82.3	82.3	82.3	82.3
Casual & Temp	23.7	23.7	23.7	23.7
Total	291.8	292.8	293.8	294.8
Planning and Placemaking				
Permanent - Full time	77.8	78.8	79.8	80.8
Permanent - Part time	8.0	8.0	8.0	8.0
Casual & Temp	3.0	3.0	3.0	3.0
Total	88.8	89.8	90.8	91.8
City Works and Assets				
Permanent - Full time	192.0	193.0	194.0	195.0
Permanent - Part time	35.7	35.7	35.7	35.7
Casual & Temp	22.0	22.0	22.0	22.0
Total	249.7	250.7	251.7	252.7
Total staff numbers	**854.3**	**859.3**	**864.3**	**869.3**

Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy



Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

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Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

1. INTRODUCTION

Council's Long Term Financial Strategy (LTFS) has been reviewed and updates the strategy adopted by Council in 2018-19.

Key parameters of the LTFS are detailed below:

- Annual rates increase at the current Essential Services Commission (ESC) rate cap level (2.50%) for the duration of the LTFS;
- All other revenue is based on 2018-19 forecasts;
- Recurrent expenditure held at 2018-19 levels, excluding contract price adjustments and employee agreement increase;
- Efficiency target of $500k recurrent expenditure savings is built into each year.
- Liquidity ratio is above 1.4, except for Year 2 due to the interest only loan of $32.5m becoming a current liability for one year only.
- Capital replacement ratio is lifted above or equal to 1.5 from Year 2.

The LTFS document is updated annually as part of the budget preparation process. It is subject to ongoing review and may be updated during the budget year if and when required.

2. OBJECTIVE

Council prepares a LTFS over a 10 year period to provide financial management and guidance to support service delivery and the capital works program. This document outlines the key assumptions and provides an overview of each key element of the LTFS.

Strong financial management will allow Council to:

- maintain delivery of Council services to the community;
- allow for timely renewal of Council assets;
- provide a reasonable level of funding for asset upgrades, new assets and new initiatives;
- have sufficient cash liquidity to meet operational requirements and to respond to any unexpected financial pressures; and
- achieve and maintain low risk financial sustainability ratings.

3. MANAGEMENT OF THE LTFS

The LTFS is managed within a framework of key financial indicators together with profiled cash management. These items are drawn together to provide a strategy for the long-term sustainability and solvency of Council's operation.

Each year, the financial assumptions are reviewed, and a number of amendments have been required for new projects happening within Yarra such as the Depot relocation, participation in the Melbourne Renewal Energy Project, and the new proposed school and stadium at North Fitzroy.

Rate capping continues to reduce Council's total potential revenue over the timespan of the LTFS and Council has less control via rates to respond to unexpected financial pressures. Council also has a $32.5m interest only loan due to be repaid in 2020-21, and it is anticipated that Council will need to borrow funds to repay this loan.

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A critical element of the assumptions is the allocated expenditure to the Capital Works Program. The LTFS assumes 100% of the capital program will be delivered in each year.

The LTFS includes a set of financial principles that provide guidance for Council's financial strategy. These are detailed in Appendix 1 – Financial Strategy Principles.

Council also uses a range of financial sustainability ratios provided by the Victorian Auditor-General's Office (VAGO) and by Local Government Victoria (LGV) to ensure the long term financial sustainability of Council.

The key lead indicators are:

- Liquidity Ratio
- Renewal Gap
- Net Result
- Indebtedness

Other indicators are:

- Debt Commitment
- Self-Financing
- Unrestricted Cash
- Capital Replacement

Descriptions of each of these indicators together with the target range sought is provided in Appendix 2 – Key Financial Indicator Definitions.

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4. FINANCIAL POSITION BACKGROUND

Council's current financial position (predicted 30 June 2019) is on track to exceed budget and in general, Council is performing satisfactorily against benchmark ratio levels established by the Auditor General.

In addition to on-going delivery of established Council services and program of Council asset renewals, Council also receives a variety of requests from the community for new services, expanded service delivery, asset upgrades and new community assets. Council currently has a very limited capacity in discretionary funds to respond to these needs.

Council borrowed funds in November 2014 via the Local Government Funding Vehicle (LGFV) bond sponsored by the Municipal Association of Victoria. This seven year loan of $32.5 million provided funding for a call on the defined benefit superannuation liability, purchase of 345 Bridge Rd, purchase of the Connie Benn Centre operations, and an energy performance contract. This loan is an interest only fixed term loan and will require refinancing in 2020-21. An additional loan of $13.5 million was drawn down in 2016-17 to fund the construction of Bargoonga Nganjin, North Fitzroy Library. This loan is funded on a principal and interest basis and will be repaid by the end of the LTFS.

5. 2019-20 BUDGET POSITION

The 2019-20 Operating Budget supports many services to the community and also provides cash that is used to help fund Council's current and future Capital Works Program. The Capital Works Program is critical to Council's ability to maintain, enhance and build assets that meet community needs and underpin the delivery of Council services.

At the adoption of the 2017/18 Budget, Council introduced a liquidity ratio target of 1.4, to be achieved by 30 June 2021 (end of year 2 of this LTFS). The previous LTFS achieved this target by reducing capital spend in the short term. With the interest only loan of $32.5m becoming a current liability in 2020/21m, the 1.4 liquidity ratio is unable to be achieved due to this reclassification. Excluding the reclassification of the loan, the liquidity ratio would be 1.5 (after accounting for restricted cash requirements), and Council exceeds the target in 2019/20.

5.1 CASH HOLDINGS

Council's total cash holding at 30 June 2018 was $51.1 million, of which $11.2 million was restricted for use on commitments such as the open space reserve, grants commission funding received early, and capital works projects carried over into 2019-20.

For the 2018-19 budget year in progress, Council is forecasting for a cash balance at 30 June 2019 of approximately $75.6m, of which around $25.5m will be again restricted for open space reserve and operating and capital grants carried forward. A large portion of this is a $17.5m grant for the relocation of the Fitzroy Depot. This money is anticipated to be received in 2018/19, however the majority of the spend will occur in years 2020/21 and 2020/22. Council will be required to hold onto these funds for that future spend.

For the 2019/20 budget year (the first year of the LTFS), the end of year cash balance at 30 June 2020 is expected to be $78.5 million (assuming 100% capital budget spend), of which $25.9m will be restricted for future projects.

5.1.1 WORKING CAPITAL

Council's working capital, as measured by a liquidity ratio of current assets divided by current liabilities is forecast to be 2.64 at the end of the 2018/19 budget year in progress. This ratio is higher than the previous LTFS budgeted ratio of 1.3, due to the significant grant funding Council is anticipating to receive in 2018/19 for the Fitzroy Depot relocation which it will be required to hold until the project is completed, as well as additional grant funds for the Wellington St Bike Lane works.

Under this LTFS, the liquidity ratio will is budgeted to be 2.68 at the end of 2019-20 (the first year of the LTFS) and again this is high due to the spend of the Depot project not scheduled to be completed until 2020-21 and 2021-22.

The ratio drops to 1.25 in 2020-21 due to Council's $32.5m interest only loan becoming a current liability in that year. It is due to be repaid via refinancing in 2021-22.

Council's restricted cash working capital ratio continues to be tight, as this LTFS achieves additional spend on capital works to lift the capital replacement ratio on VAGO's low risk sustainability indicator to 1.5.

5.1.2 OPEN SPACE RESERVE

An Open Space Reserve exists for the purpose of holding contributions received as Public Open Space Levies triggered by property development. These funds are available to be acquitted on eligible open space capital works projects.

This LTFS includes the forecast balance in the reserve from 2018-19 of approximately $5.3m, and assumes Council will continue to build up funds in the Reserve in order to potentially acquire land for open space. Whilst Council is working with the State Government to identify and create new open spaces in Yarra, no specific Council funded acquisitions are currently proposed. Council will however utilise some of the reserve for eligible open space capital works projects during each year.

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6. STRATEGIC ACTIONS

In drafting this LTFS a number of strategies have been implemented to seek to build a more complete picture of Council's financial position and to provide better alignment with Council's goals.

6.1 IMPROVING COUNCIL'S WORKING CAPITAL

Council's working capital was coming off a very low base and has improved due to strong revenue growth and a disciplined approach to expenditure by Council. A reduced capital works program over the past two years has also assisted with improving Council's working capital and liquidity ratio. Council will be required to keep a close eye on its restricted cash ratio, ensuring that reserve funds continue to be cash backed. Nonetheless, additional revenue opportunities and expenditure savings will continue to be sought, including the recurrent efficiency dividend that applies to each year of the LTFS.

6.2 ACQUISITION OF NEW PUBLIC OPEN SPACE

Council has a stated goal of seeking to acquire land for new public open space. Since 2016-17, the LTFS has aligned the acquisition of strategic open space assets with rationalisation of surplus Council assets and asset sales income. This is still a goal in the medium to long term, and could be achieved through leasing or partnerships with external parties such as the State Government. As per 5.1.2, the open space reserve is beginning to grow in value.

6.3 RATE CAPPING

For the 2016-17 budget year, a rate capping scheme (the Fair Go Rates System) was introduced by the Victorian Government, with the scheme administered by the Essential Services Commission (ESC). Under this scheme the Minister for Local Government will declare the applicable rate cap for each budget year ahead of the period in which Council must prepare and adopt its annual budget.

The Minister for Local Government has declared the rate cap level for 2019-20 at 2.50%. This follows rate caps of 2.25% in 2018-19, and 2% in 2017-18.

In the LTFS, is assumed that the rate capping scheme will remain in place for the duration of the LTFS.

If the rate cap increases are less than predicted and additional revenue sources are not available, Council may be required to cease provision of some services, reduce service levels, reduce the capital works program, or undertake some combination of these actions.

6.4 LOAN BORROWINGS

The introduction of rate capping as well as debt required to be repaid in the short term, has had a significant impact on the LTFS and challenged Council's financial position. Existing debt is serviced by a $32.5 million interest only loan, due to be repaid in 2021-22 and a $13.5 million principal and interest loan due to be repaid by the end of this 10 year LTFS.

The LTFS includes refinancing of the $32.5 million interest only loan when it becomes due in 2021-22, with the refinanced loan to be on a principal and interest basis, which will ultimately allow for the retirement of this debt over 10 years. The $13.5 million loan is to be repaid on a principal and interest term and will be fully redeemed by the end of the LTFS.

The Victorian Auditor-General has indicated through its recommendation on financial ratios that Indebtedness (Non-current liabilities/Own sourced revenue) above 40% places Council in the medium risk category and 60% in the high risk category. The indebtedness ratio is expected to be 26.3% at the end of the current 2018-19 budget year. It will improve to 24.7% at the end of year 1 (2019-20) and will further improve steadily throughout the life to the LTFS to reduce the risk to Council.

In the early years of the LTFS, further borrowing may need to occur to provide Council with contingency funds should the need arise, e.g. a further call on the Defined Benefit Superannuation obligation.

6.5 MOTOR VEHICLE FLEET – OWNERSHIP/LEASING

Council's motor vehicle fleet (comprising passenger cars, utility vehicles and trucks) is currently partially purchased and managed directly by Council, and partially leased. As a result, an annual capital allocation is required to pay for the changeover cost for a portion of the Council owned and managed part of the fleet. For 2019-20 (LTFS year 1), the net capital allocation for all vehicles is approximately $1.3 million.

The overall size of the Council motor vehicle fleet, and the mix of Council owned versus leased vehicles is subject to ongoing review and adjustment, with the guiding principle being providing lowest overall cost to Council whilst maintaining Council service levels at the required standards.

6.6 COUNCIL PROPERTY

Council recently adopted the Property Strategy 2018, which provides a holistic framework for the management of all Council property assets and establishes guiding principles for the alignment of Council's property portfolio with its future community and service delivery requirements.

The strategy includes a classification and assessment framework to guide Council decision making with regards to property.

6.7 FEES AND CHARGES POLICY

It is proposed that Council adopt a Fees and Charges Policy that provides guidance (specific to each fee/charge category and user group) about how fees and charges will be set in the Schedule of Fees and Charges in each annual Council budget. The Fees and Charges Policy will take account of cost of service provision and objectives for the level of subsidy, cost recovery or return on investment for each service and user group as appropriate and aligned with Council objectives. Compliance with competitive neutrality requirements will also be considered where applicable.

It is anticipated a fees and charges policy will be developed in 2019 for implementation in the 2020/21 financial year.

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6.8 NEW POPULATION AND DEVELOPMENT

Yarra is experiencing growth in population and households as outlined in Table 1.

Table 1 – CITY OF YARRA FORECAST POPULATION AND HOUSEHOLDS

	Year			
	2016	2021	2026	2031
Total Population	92,610	103,830	113,705	122,022
Pop. in private dwellings	90,637	101,520	111,047	119,018
Households	42,593	47,486	51,884	56,024
Average household size	2.13	2.14	2.14	2.12
Change in population				
Net change (5 years)		11,220	9,875	8,317
Average annual change		2.3%	1.8%	1.4%
Change in households				
Net change (5 years)		4,894	4,397	4,140
Average annual change		2.2%	1.8%	1.5%

Source: *Victoria in Future 2016*

Growth in number of households is expected to be an average of 2.3% p.a. through to 2021, and then grow at the slightly lower average annual rate of 1.8% for the five years to 2026.

The LTFS provides for some growth in labour costs to accommodate the increased population and dwellings being serviced. Requirements to fulfil statutory obligations or increased customer demand can no longer realistically be delivered within the existing workforce allocation, and some upwards movement will be required.

6.9 ENHANCED DEBTOR MANAGEMENT

A significant task to improve debt management is being undertaken by the organisation, as directed by Council in the adoption of the 2017/18 budget. This involves the review of historical debt across all aspects of Council's operations.

6.10 LEGAL FEES

An allocation has been made within the LTFS to accommodate estimated legal fees required for the normal operations of Council, and in relation to legal services required for specific legal cases involving Council.

6.11 ASSET RENEWAL, NEW AND UPGRADE EXPENDITURE

Information from Council's Asset Management Plans determines Council's capital expenditure priorities.

As part of the preparation of this LTFS the cost of works has been indexed to reflect the future cost of works in years 2-10 of the LTFS.

This LTFS indicates that funds available for new asset and asset upgrade capital expenditure and new initiatives in operations will be approximately $7.5 million in 2019-20 and then increments significantly in future years. Renewal of assets is prioritised to ensure financial sustainability. Council is hoping to introduce a Developer Contribution Plan which will contribute towards capital works projects. If this is approved by the Minister for Planning, the LTFS will be updated to reflect the budgeted contributions and the capital projects associated with the plan.

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7. KNOWN MATTERS TO BE QUANTIFIED

7.1 FUTURE INITIATIVES

A number of other key initiatives have also been identified as having potential for significant impact on the LTFS but are unquantified at this time. These include:

- Fitzroy Town Hall precinct – master planning for future use and associated capital works
- Vere Street, Abbotsford precinct including Soldiers and Sailors Hall – master planning for future use and associated capital works
- Sustainability and Environment initiatives
- Open Space Strategy review (including open space contributions review)
- Development Contributions Plan

For each of these initiatives, there is no provision in the LTFS future years for the program of works that may potentially arise.

7.2 CONTINGENT LIABILITIES

A number of issues have been identified that have the potential to result in a significant financial impact on Council. As these issues are uncertain no specific allowance within the LTFS has been made. These matters include:

- Future calls from the Local Government Defined Benefits Scheme.
- Costs associated with changes arising from the reform of the HACC service and NDIS.

The LTFS will be updated as required to incorporate these matters when additional information is obtained in relation to these or any other matters.

8. OPERATING ACTIVITIES

The LTFS statement of financial performance related to the operating activities of Council is presented in Table 2.

Table 2 - FINANCIAL PERFORMANCE ($'000)

	FC Actual 2018-19 $'000	Budget 2019-20 $'000	Budget 2020-21 $'000	Budget 2021-22 $'000	Budget 2022-23 $'000	Budget 2023-24 $'000	Budget 2024-25 $'000	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000
	FC Actual	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
REVENUES											
Rates - general	108,531	112,465	116,373	120,581	124,793	129,109	133,534	138,069	142,717	147,482	152,366
Statutory fees and fines	32,521	32,935	33,435	33,935	34,435	34,935	35,435	35,935	36,435	36,935	37,435
User fees	31,030	32,330	33,330	34,330	35,330	36,330	37,330	38,330	39,330	40,330	41,330
Grants-Operating	12,798	12,541	12,422	12,733	13,051	13,377	13,712	14,054	14,406	14,766	15,135
Grants-Capital	20,340	2,432	2,860	7,070	580	590	600	610	620	630	640
Contributions - OSR	4,500	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Contributions - Other	418	397	400	400	400	400	400	400	400	400	400
Net gain/(loss) on disposal of PP&E	205	180	180	190	210	720	195	195	190	195	150
Other income	3,775	2,836	3,336	3,836	4,336	4,836	5,336	5,836	6,336	6,836	7,336
TOTAL INCOME	214,116	200,416	206,616	217,375	217,435	224,597	230,841	237,729	244,734	251,874	259,092
EXPENSES											
Employee Costs	82,211	87,115	89,375	91,663	93,996	98,378	98,803	101,279	103,305	105,371	107,478
Materials & services	73,904	72,959	75,283	77,743	80,187	82,691	85,259	87,390	89,575	91,814	94,109
Depreciation & amortisation	22,696	22,800	23,300	23,800	24,300	24,800	25,300	25,800	26,300	26,800	27,300
Bad and doubtful debts	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Borrowing costs	1,963	2,035	1,980	1,876	1,892	1,498	1,296	1,084	862	630	466
Other expenses	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	184,774	188,909	193,938	199,082	204,174	209,365	214,658	219,553	224,042	228,615	233,354
Net (Surplus) /Deficit	29,342	11,507	12,678	18,294	13,260	15,233	16,184	18,176	20,693	23,259	25,738
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	
Net asset reval increment	-	52,204	-	52,465	-	52,727	-	52,991	-	53,256	-
Comprehensive result (surplus)/deficit	29,342	63,711	12,678	70,759	13,260	67,960	16,184	71,167	20,693	76,515	25,738

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OPERATING ACTIVITIES REVENUE

RATE REVENUE

Council no longer has unrestricted control over its rate revenue, as it is limited in future years by the direction imposed by the Minister for Local Government under rate capping. Current estimates of rate revenue are outlined in Table 3.

Table 3 - RATES ESTIMATES ($'000)

	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24	Year 6 2024-25	Year 7 2025-26	Year 8 2026-27	Year 9 2027-28	Year 10 2028-29
General rates raised	111,235	115,143	119,252	123,463	127,780	132,204	136,739	141,388	146,153	151,036
Bridge Rd special rate	157	157	157	157	157	157	157	157	157	157
Supplementary rates	1,100	1,100	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Other rate revenue & offsets	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)
Totals	**112,465**	**116,373**	**120,581**	**124,793**	**129,109**	**133,534**	**138,069**	**142,717**	**147,482**	**152,366**

Supplementary Rates are additional rate income raised as a result of growth in new or extended properties or by change of land use under the planning scheme.

FEES AND CHARGES

Fees and Charges assist Council to offset the cost of some service delivery directly with user payment rather than funding through rates income.

Statutory Charges are not within Council's control and therefore may not in general reflect movements in Council costs. Some statutory costs are indexed at the Consumer Price Index (CPI), whereas others (e.g. statutory planning charges) are not indexed but rather adjusted on an ad hoc basis by the State Government.

PARKING REVENUE

Parking revenue is a reflection of the statutory charges established by the State Government and also reflects the growing pressure on parking space within the City. Parking revenue can be influenced by many external factors such as economic conditions, clearway policy, fuel prices, and other State Government projects such as DDA tram stops, bike lanes etc. A conservative approach to growth in this revenue source has been applied, recognising that it will continue to grow. The LTFS estimates of parking revenue are shown in Table 4.

Table 4 - PARKING REVENUE ESTIMATES ($'000)

	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24	Year 6 2024-25	Year 7 2025-26	Year 8 2026-27	Year 9 2027-28	Year 10 2028-29
Parking Revenue	32,935	33,435	33,935	34,435	34,935	35,435	35,935	36,435	36,935	37,435

Council's total income from parking enforcement, permits and parking meter income is significant at $32.93 million in 2019-20 (year 1 of LTFS), being approximately 16.4% of total Council revenue in 2019-20.

Council is reliant on Fines Victoria to collect its outstanding fine revenue, and they are currently experiencing difficulty in delivering those revenue outcomes to Council. This may have an unfavourable impact on Council's cash position if debts are not collected within statutory timeframes.

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GOVERNMENT GRANTS - OPERATING

These grants are received from Commonwealth and State Governments in support of programs. The largest grant is the Victorian Grants Commission allocation of Commonwealth money. Council's entitlement to the Victorian Grants Commission is an "as of right" entitlement and no significant shift in allocation is expected. Any increase will relate to changes in Yarra's population.

INTEREST INCOME

Interest income is based on predicted cash flow, cash balances and CPI.

GAIN ON SALE OF ASSETS

An amount of $0.2 million has been allowed for gain on sale of assets in 2019-20, largely reflecting that disposal values achieved for Council fleet vehicles generally exceed the written-down value of the vehicles. This amount is not expected to grow over the lifetime of the LTFS, with on-going review and rationalisation of the fleet mix.

OPERATING ACTIVITIES EXPENSES

EMPLOYEE COSTS

Employee benefits include all labour related expenditure, including agency staff. Employee costs are largely governed by Council's Enterprise Bargaining Agreement. For years 2-10 an estimate has been provided that is based on predicted average weekly earnings increases. No allowance has been made been made in the LTFS for possible further contributions to a top-up call from the Local Government Defined Benefits Scheme (Vision Super).

CONTRACTS

Contract costs generally increase in excess of the CPI, reflecting the growth in average weekly wages and material costs.

MATERIALS AND SERVICES

These relate to a range of goods and services including utilities, insurance, consultants, legal fees, telecommunications and maintenance.

A permanent reduction of $500,000 (in real terms) for expenditure on materials and services is included in each year as an efficiency dividend, with the reduction to be maintained in real terms as a recurrent saving throughout the entire duration of the LTFS.

Legal fees are a significant component of material and services, and these costs are often outside Council's control. Increased development pressure is also generating increases in legal costs associated with VCAT appeals, and the need for adjustments to the Yarra Planning Scheme.

Council's contribution to community through its annual and service grants is a component of this cost.

The State Government also imposes a Waste Levy on Council to encourage enhanced environmental practice across the State and historically has been increasing at around 10% per annum.

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DEPRECIATION

Depreciation is forecast to increase by approximately 2% p.a. over the duration of the LTFS.

DOUBTFUL DEBTS

Bad and doubtful debts expenses are being held at the same level across the timeframe of the LTFS.

9. CAPITAL WORKS EXPENDITURE

Council's long term capital works plan incorporated into the LTFS is shown in Table 5.

Table 5 – ESTIMATED CAPITAL EXPENDITURE ($'000)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Renewal	23,895	27,959	27,581	24,143	24,514	26,795	28,987	31,025	31,935	30,668
Upgrade & New	7,439	15,386	24,519	14,611	12,636	11,065	9,611	8,422	8,165	10,586
Total	31,334	43,345	52,100	38,754	37,150	37,860	38,598	39,447	40,100	41,254

Note that Years 2 & 3 includes the Depot relocation project.

Asset renewal includes improvements that bring existing assets to a current equivalent standard or performance capability. For example, replacement of an aged kitchen to current design standards. Upgrade of an asset is restricted to an increase in asset capacity.

Annual review of the classification of expenditure between operating and capital for both budgeting and actual expenditure recording is undertaken.

An asset revaluation is undertaken every two years, in accordance with Accounting Standard requirements.

ASSET RENEWAL CAPITAL WORKS

Asset renewal has been incorporated within the LTFS in accordance with the adopted asset management plans. These include:

- Roads
- Buildings
- Open Space
- Drainage
- Information Systems

Asset renewal expenditure has been indexed accordingly for the asset type.

Renewal expenditure has been reduced to reflect the move to leasing of motor vehicles.

NEW AND UPGRADE CAPITAL WORKS

The new assets and asset upgrade portions of the capital works program have been based on assessments undertaken for the 2019-20 budget preparation.

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10. FINANCIAL POSITION

The LTFS statement of Council's financial position is presented in Table 6.

Table 6 - FINANCIAL POSITION ($'000)

BALANCE SHEET	FC Actual 2018-19 $'000	Budget 2019-20 $'000	Budget 2020-21 $'000	Budget 2021-22 $'000	Budget 2022-23 $'000	Budget 2023-24 $'000	Budget 2024-25 $'000	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000
	FC Actual	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Current Assets											
Cash and cash equivalents	75,575	78,532	71,030	58,146	53,822	53,314	53,275	54,709	58,017	63,854	71,244
Trade and other receivables	14,568	13,340	12,175	11,078	10,047	9,085	8,192	7,370	6,619	5,940	5,336
Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0
Inventories	107	107	107	107	107	107	107	107	107	107	107
Non Current assets classified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Other Assets	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
Total Current Assets	**91,264**	**92,992**	**84,326**	**70,345**	**64,990**	**63,520**	**62,589**	**63,200**	**65,756**	**70,916**	**77,701**
Non -Current Assets											
Trade and other receivables	235	235	235	235	235	235	235	235	235	235	235
Property, plant and equipment ,infrastructure	1,915,281	1,975,669	1,995,364	2,075,779	2,089,883	2,154,610	2,166,821	2,232,259	2,245,057	2,311,263	2,324,866
Intangible assets	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	**1,915,516**	**1,975,904**	**1,995,599**	**2,076,014**	**2,090,118**	**2,154,845**	**2,167,056**	**2,232,494**	**2,245,292**	**2,311,498**	**2,325,101**
Total Assets	**2,006,780**	**2,068,896**	**2,079,925**	**2,146,359**	**2,155,109**	**2,218,366**	**2,229,644**	**2,295,695**	**2,311,048**	**2,382,413**	**2,402,802**
Current Liabilities											
Trade and other payables	9,283	9,283	9,283	9,283	9,283	9,283	9,283	9,283	9,283	9,283	9,283
Trust funds and deposits	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906
Provisions	13,209	13,209	13,209	13,209	13,209	13,209	13,209	13,209	13,209	13,209	13,209
Interest bearing loans and borrowings	1,176	1,250	33,808	4,110	4,303	4,505	4,717	4,939	3,453	3,616	3,787
Other Liab											
Total Current Liabilities	**34,574**	**34,648**	**67,206**	**37,508**	**37,701**	**37,903**	**38,115**	**38,337**	**36,851**	**37,014**	**37,185**
Non-Current Liabilities											
Provisions	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398
Other Liab	3,630	3,230	2,850	2,430	2,030	1,630	1,230	830	430	430	430
Interest bearing loans and borrowings	42,549	41,280	7,472	33,245	28,942	24,437	19,720	14,781	11,328	6,015	495
Total Non-Current Liabilities	**47,577**	**45,908**	**11,700**	**37,073**	**32,370**	**27,465**	**22,348**	**17,009**	**13,156**	**7,843**	**2,323**
Total Liabilities	**82,151**	**80,556**	**78,906**	**74,581**	**70,071**	**65,368**	**60,463**	**55,346**	**50,007**	**44,857**	**39,508**
Net Assets	**1,924,629**	**1,988,340**	**2,001,019**	**2,071,778**	**2,085,038**	**2,152,998**	**2,169,181**	**2,240,349**	**2,261,041**	**2,337,556**	**2,363,294**
Equity											
Accumulated surplus	652,209	660,506	670,056	685,321	695,576	712,558	725,492	742,418	759,861	779,870	802,488
Reserves	1,272,420	1,327,834	1,330,962	1,386,455	1,389,461	1,440,438	1,443,688	1,497,929	1,501,179	1,557,685	1,560,805
Total Equity	**1,924,629**	**1,988,340**	**2,001,019**	**2,071,778**	**2,085,038**	**2,152,998**	**2,169,181**	**2,240,349**	**2,261,041**	**2,337,556**	**2,363,294**

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ASSETS

RECEIVABLES

Current receivables (net) are budgeted to be $13.3 million at the end of 2019-20 (LTFS year 1).

INVENTORIES AND ASSETS HELD FOR SALE

The remaining current asset items have been left at budgeted 2018-19 levels, except for cash which is based on the outcomes of the expected cash flow.

PROPERTY, INFRASTRUCTURE AND PLANT AND EQUIPMENT

Property, infrastructure and plant and equipment is based on estimates for additions and disposals net of depreciation. An escalation factor of 0.5% has been allowed every two years from 2018-19 for the asset revaluation increment.

OTHER RECEIVEABLES

Non-current receivables have been kept at budgeted 2018-19 levels.

Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

LIABILITIES

PAYABLES

Payables are budgeted to be $9.3 million at the end of 2019-20 (LTFS year 1) and remain stable across the LTFS.

TRUST FUNDS

Trust funds are budgeted to be $10.9 million at end 2019-20 and remain stable across the LTFS.

EMPLOYEE PROVISIONS (CURRENT AND NON-CURRENT)

Employee provisions are budgeted to be $10.9 million at end 2019-20 and remain stable across the LTFS.

INTEREST BEARING LOANS AND BORROWINGS

Loans are based on repayment schedules for two loans of $32.5 million and $13.5 million. The $32.5 million interest only loan will be repaid by re-borrowing $32.5 million, with the new loan financed in 2020-21 on a principal and interest basis. The $13.5 million loan will be fully repaid by the end of the LTFS.

OPEN SPACE RESERVE

The open space reserve is forecast to be have some eligible projects funded from the reserve, with the balance remaining in the reserve and being fully cash backed. This will continue through the 10-year period.

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Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

11.CASH FLOW

The LTFS statement of Council's cash flow is presented in Table 7.

Table 7 - CASH FLOWS ($'000)

	FC Actual 2018-19 $'000	Budget 2019-20 $'000	Budget 2020-21 $'000	Budget 2021-22 $'000	Budget 2022-23 $'000	Budget 2023-24 $'000	Budget 2024-25 $'000	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000
	FC Actual	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Cash Flows from operating activities											
Receipts											
Rates	107,446	111,340	115,209	119,376	123,545	127,818	132,199	136,688	141,290	146,007	150,842
Statutory Fees & Fines	30,895	31,288	31,763	32,238	32,713	33,188	33,663	34,138	34,613	35,088	35,563
User Fees	31,030	32,330	33,330	34,330	35,330	36,330	37,330	38,330	39,330	40,330	41,330
Grants Operating	12,796	12,541	12,422	12,733	13,051	13,377	13,712	14,054	14,406	14,766	15,135
Grants Capital	20,340	2,432	2,860	7,070	580	590	600	610	620	630	640
Contributions - OSR	4,500	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Contributions - Other	418	397	400	400	400	400	400	400	400	400	400
Other Receipts	3,775	2,836	3,336	3,836	4,336	4,836	5,336	5,836	6,336	6,836	7,336
	211,200	197,464	203,620	214,282	214,255	220,840	227,539	234,357	241,295	248,357	255,547
Payments											
Payments to employees	(82,211)	(87,115)	(89,375)	(91,663)	(93,996)	(96,376)	(98,803)	(101,279)	(103,305)	(105,371)	(107,478)
Payments for mat & serv	(70,504)	(73,359)	(75,683)	(78,145)	(80,587)	(83,091)	(85,659)	(87,790)	(89,975)	(91,814)	(94,109)
Other Payments	-	-	-	-	-	-	-	-	-	-	-
	(152,715)	(160,474)	(165,058)	(169,808)	(174,582)	(179,467)	(184,462)	(189,069)	(193,280)	(197,185)	(201,588)
Net cash provided by (used in) operating activities	58,485	36,991	38,562	44,477	39,673	41,373	43,078	45,288	48,016	51,172	53,959
Cash Flows from investing activities											
Payments for property,plant and equipment,infrastructure	(31,296)	(31,334)	(43,345)	(52,100)	(38,754)	(37,150)	(37,860)	(38,598)	(39,447)	(40,100)	(41,254)
Proceeds from sale of PP&E	405	530	510	540	560	1,070	545	545	540	545	500
Net cash provided by (used in) investing activities	(30,891)	(30,804)	(42,835)	(51,560)	(38,194)	(36,080)	(37,315)	(38,053)	(38,907)	(39,555)	(40,754)
Cash Flows from financing activities											
Finance Costs	(1,963)	(2,035)	(1,980)	(1,876)	(1,692)	(1,498)	(1,296)	(1,084)	(862)	(630)	(466)
Proceeds from borrowings	0	0	0	32,500	0	0	0	0	0	0	1
Repayment of borrowings	(1,142)	(1,195)	(1,250)	(36,425)	(4,110)	(4,303)	(4,505)	(4,717)	(4,939)	(5,150)	(5,350)
Net cash provided by (used in) financing activities	(3,105)	(3,230)	(3,230)	(5,801)	(5,802)	(5,801)	(5,801)	(5,801)	(5,801)	(5,780)	(5,815)
Net increase (decrease) in cash and cash equivalents	24,489	2,957	(7,503)	(12,884)	(4,324)	(508)	(39)	1,434	3,307	5,838	7,390
Cash and cash equivalents at the beginning of financial year	51,086	75,575	78,532	71,030	58,146	53,822	53,314	53,275	54,709	58,017	63,854
Cash and cash equivalents at end of financial year	75,575	78,532	71,030	58,146	53,822	53,314	53,275	54,709	58,017	63,854	71,244

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12.KEY INDICATORS

Key financial indicators for the duration of the LTFS are shown in Table 8, with definitions for the indicators included in Appendix 2. Graphical representations of these indicators are shown in the following sub-section. The appendix contains suggested long term target ratios for Yarra; the targets have been developed considering the Victorian Auditor General's financial sustainability risk guidance, as well as the Local Government Performance Reporting Framework (LGPRF) Targets.

Table 8 - Projected Key Financial Indicators

	VAGO Low Risk	LGPRF Target Range	Yarra Target	FC Actual 2018-19	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24	Year 6 2024-25	Year 7 2025-26	Year 8 2026-27	Year 9 2027-28	Year 10 2028-29
Net Result (Net result/Total Rev)	>0%	N/A	>5%	13.7%	5.7%	6.1%	8.4%	6.1%	6.8%	7.0%	7.6%	8.5%	9.2%	9.9%
Adj. underlying result (Net Result/Total Rev) - Adj for Capex funding	>5%	(20%) - 20%	>5%	2.4%	2.5%	2.8%	3.4%	3.9%	4.7%	5.0%	5.7%	6.6%	7.4%	8.2%
Liquidity (Current Assets/Current Liabilities)	>1.0	1.0-4.0	>1.4	2.64	2.68	1.25	1.88	1.72	1.68	1.64	1.65	1.78	1.92	2.09
Unrestricted Cash (Unrestricted Cash/Current Liabilities)	N/A	10%-300%	>100%	118%	121%	58%	86%	67%	69%	60%	61%	63%	70%	81%
Debt Commitment (Int & Principal Repayments/Rate Rev)	N/A	0%-20%	<5%	3%	3%	3%	32%	5%	4%	4%	4%	4%	4%	4%
Internal Financing (Net Operating Cash Flow/Net Capex)	>100%	N/A	>100%	189%	120%	90%	86%	104%	115%	115%	119%	123%	129%	132%
Indebtedness (Total Non-Current Liab/Own Sourced Rev)	<40%	2%-70%	<40%	26%	25%	6%	19%	16%	13%	10%	8%	6%	3%	1%
Capital Replacement (Cash Flows for Capex/Depn)	>1.5	N/A	>1.5	1.38	1.37	1.86	2.19	1.59	1.50	1.50	1.50	1.50	1.50	1.51
Renewal Gap (Renewal Spend/Depn)	>1.0	0.40-1.30	>1.0	1.03	1.05	1.20	1.16	1.14	1.11	1.18	1.12	1.18	1.19	1.12

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Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

APPENDIX 1 – FINANCIAL STRATEGY PRINCIPLES

The Financial Strategy Principles provide the framework for the development of Council's Long Term Financial Strategy, and annual Budget development. The principles enable consistent and informed decision-making by Council.

The Financial Strategy Principles are outlined below:

Balanced and Sustainable Budget

Council will:

- Implement a sustainable budget and conservative financial strategy that caters for short and long-term requirements.
- Maximise the level of grants and subsidies received from Victorian and Commonwealth governments to achieve a better share of government taxes for the community.
- Debt servicing and debt redemption will be maintained within the financial capacity of Council reflected in a cap on indebtedness of less than 40%.
- Direct funds from asset sales to the purchase of new, upgrade assets or re-establishment of working capital.
- Trust Funds and Statutory Reserves will be fully cash backed at 30 June each year.

Asset management

Council will (when funding is available):

- Provide well-maintained community assets that are fit for their purpose and provide best possible community benefit. Council will commit an appropriate level of expenditure on asset renewal and give priority to asset renewal over new assets.
- Ensure that the community has access to required community infrastructure, located to meet community needs within a framework of city wide priorities and designed with regard to current and future needs.
- Fund capital expenditure in a prudent, ethical and responsible manner. Council will seek and accept external funding contributions to a project where the acceptance of the funding will not compromise Council's principles or objectives.
- Manage, acquire and dispose of property in the best interest of the community. Council recognises the importance of efficient use of property holdings over the long term to support community wellbeing.

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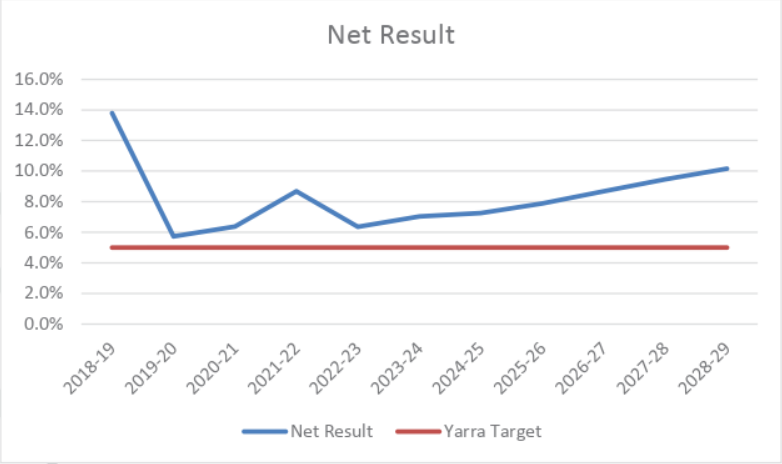
Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

APPENDIX 2 – KEY FINANCIAL INDICATORS

Indicator	Description	Long Term Target Range for Yarra
Net Result	This measures how much of each dollar collected as revenue translates to net result. A positive result indicates a surplus, and the larger the percentage, the stronger the result. Net Result Total Revenue VAGO High Risk = less than negative 10% Medium Risk = Negative 10% to zero Low Risk = Greater than 0%  Council's net result is high in 2018-19 due to grants funds forecast to be received for the Depot relocation - $17.5m, and Wellington St Bike Lane - $1.5m. It peaks again in 2021-22 due to grant funding for Edinburgh Gardens and Fitzroy Grandstand projects.	More than 5%

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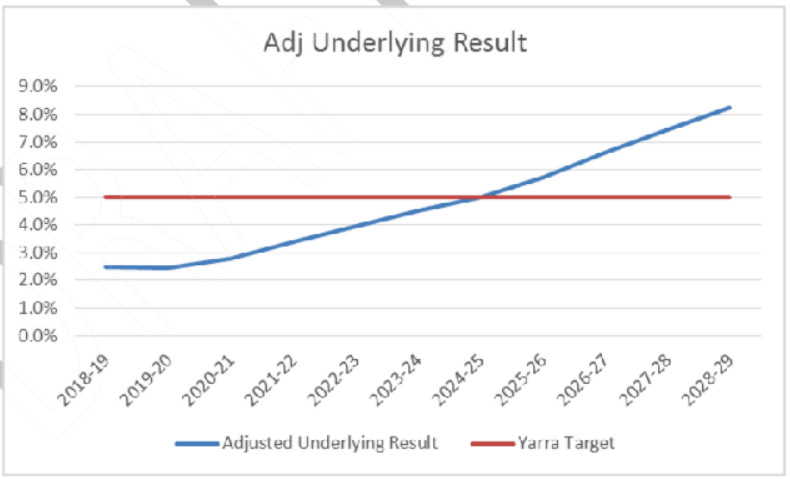
Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Adjusted Underlying Result	An indicator of Council's ability to generate surplus in the ordinary course of business excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions used to fund capital works. A surplus or increasing surplus suggests an improvement in the operating position. Adjusted underlying surplus Adjusted underlying revenue VAGO High Risk = less than 0% Medium Risk = 0% - 5% Low Risk = Greater than 5%  	More than 5%

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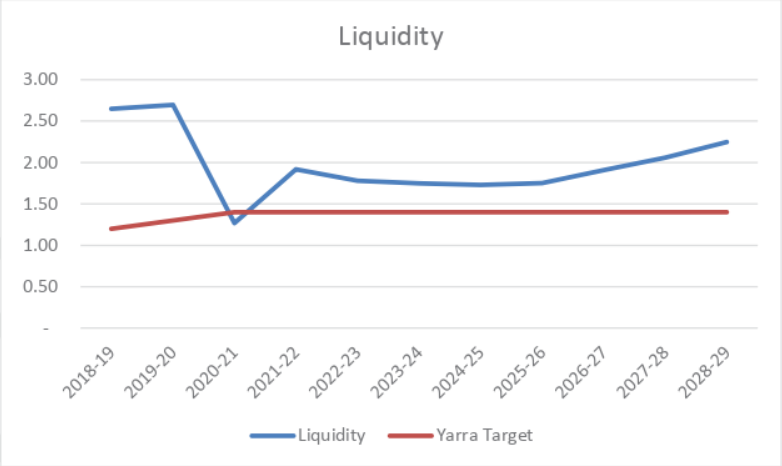
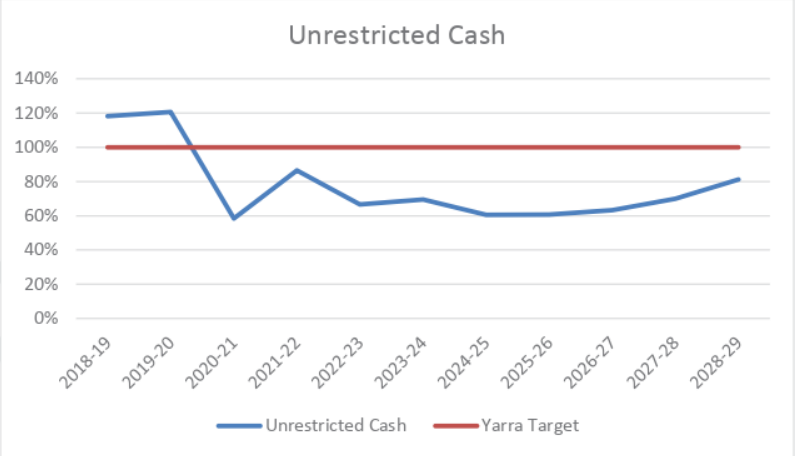
Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Liquidity	Measures Council's ability to pay existing liabilities in the next 12 months. A ratio greater than 1.0 means there are more cash and liquid assets than short-term liabilities. Current assets Current liabilities VAGO High Risk = less than 75% Medium Risk = 75% to less than 100% Low Risk = greater than 100%  Council has high cash holdings in the early years of the LTFS due to the grant funding received in advance for the Depot relocation project. It ratio decreases in 2020-21 due to the reclassification of the $32.5m loan to a current liability in that year as it is due to be repaid in 2021-22.	Greater than 1.4

Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Unrestricted Cash	To assess Council's freely available cash level. Unrestricted cash Current liabilities LGV Expected Target: 10% to 300% Local Government Performance and Reporting Indicators No VAGO guidance  Council's unrestricted cash is an indicator that will require monitoring over the life of the LTFS.	Greater than 100%

Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Debt Commitment	To identify Council's debt redemption strategy. Interest & principal repayments Rate Revenue Debt redemption includes loan and finance lease principal and interest as a percentage of rate revenue LGV Expected Target: 0% to 20% Local Government Performance and Reporting Indicators The spike in 2021-22 is due to Council's $32.5M loan being repaid in that year.	Less than or =5%

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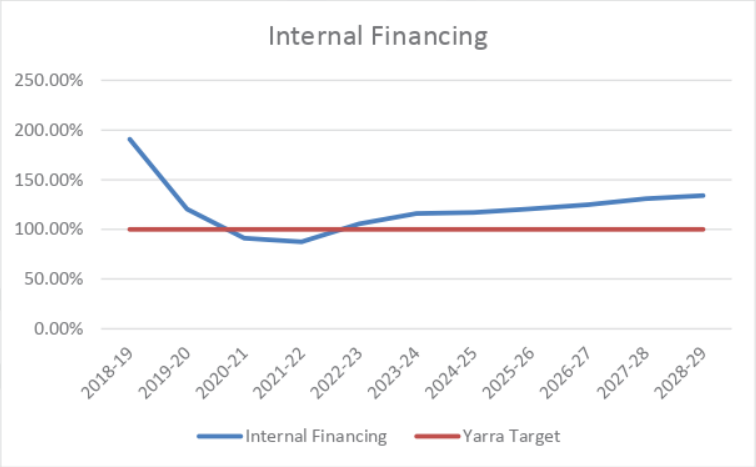
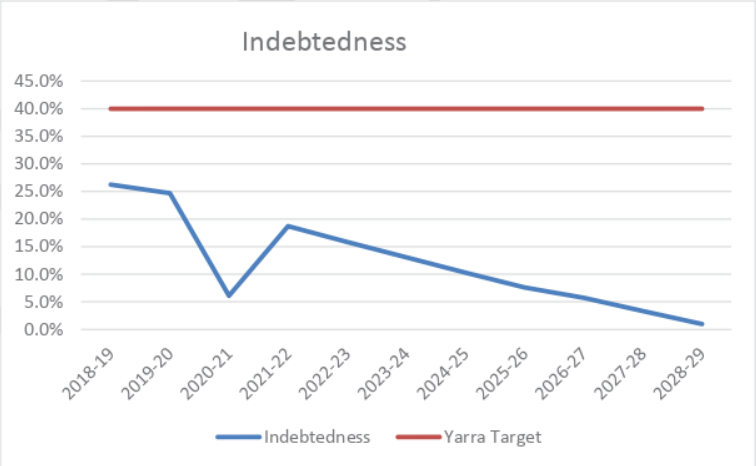
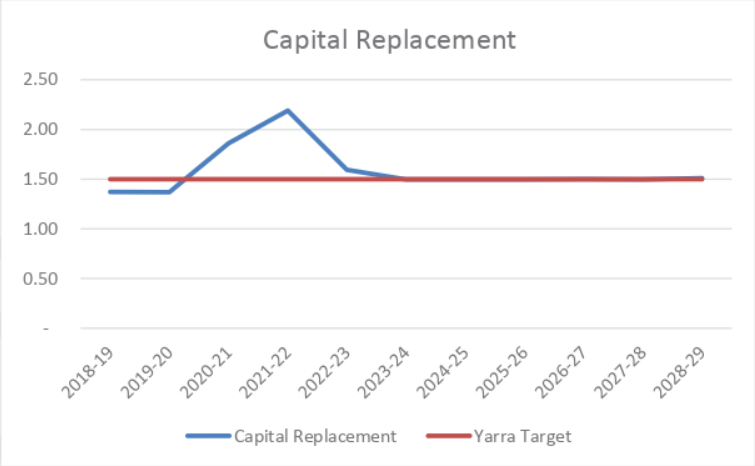
Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Internal Financing	Assesses Council's ability to finance capital works using cash generated by its operating cash flows. The higher the percentage, the greater the ability Council has to finance capital works from its own funds. Net operating cash flows Underlying revenue VAGO High Risk Less than 75% Medium Risk 75% - 100% Low Risk = Greater than 100%  The reason for the high result in 2018/19 is due to the $17.5m of grant funding for the Depot relocation project being received in that year. Council's internal financing is an indicator that will require monitoring over the life of the LTFS.	Greater than 100%

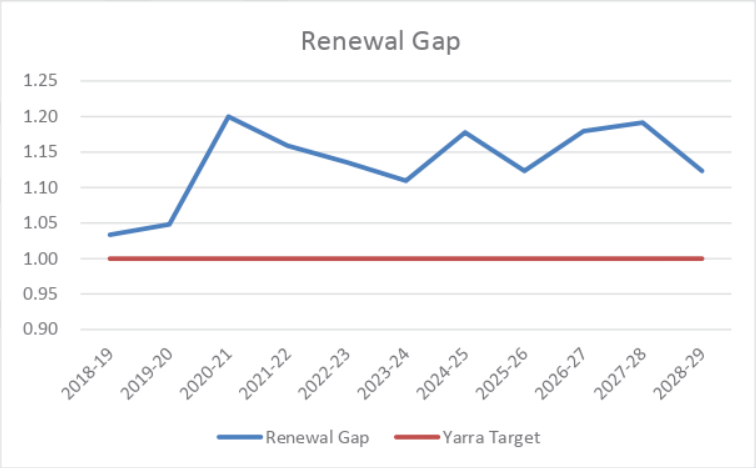
Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Indebtedness	Measures Council's ability to pay the principal and interest on borrowings, as and when they fall due, from the funds it generates. The lower the ratio, the less revenue Council is required to use to repay its debt. Non-current liabilities Own sourced revenue The higher the percentage the less able to cover non-current liabilities from revenue generated by Council VAGO High Risk = more than 60% Medium Risk = 40% - 60% Low Risk = less than 40%  Again, the downward spike is due to the reclassification of the interest only loan to a current liability in 2020-21.	Less than 40%

Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Capital Replacement	This ratio compares the rate of spending on capital works with depreciation. A ratio of less than 1.0 means that capital spend is not keeping pace with the consumption of Council's assets. Capital expenditure Depreciation VAGO High Risk Less than 1.0 Medium Risk 1.0-1.5 Low Risk >1.5  The spikes in 2020-21 & 2021-22 are due to the spending of the Depot relocation project, as well as the delivery of the Edinburgh Gardens and Fitzroy Grandstand projects.	Greater than 1.5

Attachment 3 - 2019-20 to 2028-29 Proposed Long Term Financial Strategy

Indicator	Description	Long Term Target Range for Yarra
Renewal Gap	This ratio compares the rate of spending on Council's existing assets through renewing, restoring, and replacing existing assets with depreciation. A ratio of less than 1.0 means that renewal spend is not keeping pace with the consumption of Council's existing assets. Asset renewal expenditure Depreciation A percentage greater than 100 indicates that Council is maintaining its existing assets. If there has been a past gap in renewal a percentage of greater than 100 is desirable. VAGO High Risk = less than 0.5 Medium Risk = 0.5-1.0 Low Risk = >1.0 	Greater than 1.0

Target ranges have been assessed with reference to the VAGO and Local Government Performance and Reporting Indicators.

Attachment 4 - 2019-20 Budget Submissions Summary

Reasons for Council's Budget Decision

In making a decision in relation to the proposed Yarra City Council 2019/20 Budget, Council is required to consider all submissions made to it in accordance with section 223 of the Local Government Act 1989. In informing submitters of its decision, Council is required to provide reasons for its decision. Those reasons, as they relate to each submission, are set out in the following table.

Topic	Sub'n ID	Reason
Activation/Place Making - Gleadell Street	134,	The development of an updated precinct-wide framework plan that takes in to account the Richmond Town Hall and new Richmond High School was part of Council's endorsed Bridge Road Master Plan. Funding has been allocated in the 2019/20 Budget to support the development of the framework plan and for the potential construction of a new pedestrian crossing at the Gleadell Street/Highett Street intersection. The submission and ideas will be considered as part of the design process. Consultation has begun with key stakeholders including an initial meeting with representatives from the submitter. There are significant ideas in the submission that require more detailed investigation of their feasibility and costs.
Activation/Place Making - Gleadell Street	134	Arts and cultural activity can contribute actively to place making. Some of that work is very well demonstrated in integrated projects such as the Walnut Street shared zone, using the road as a canvas for art. Council supports community driven events, such as the pop up chalk drawing project proposed, through our Community Grants scheme, which provides an annual mechanism for Council to partner with community organisations to realise local outcomes.
Budget for Reid Street Park	31, 33, 46, 48	An amount of $20,000 has been included in the 2019/20 for preparation of the design for the Reid Street Park. Community consultation is also programmed for 2019/20. Additional in-fill tree planting in Reid Street is scheduled for Winter/Spring.
Close part of Brunswick Street	92	Thank you for your suggestion for Brunswick Street between Alexandra Parade and Victoria Parade to be made car free. A detailed and multi-faceted study by Council would be required to determine the benefits and impacts of this proposal. As you have noted, traffic would be diverted to Nicholson Street and Hoddle Street, which would require Council to engage with VicRoads as the responsible authority for those streets. Council would need to make a decision to allocate time and resources to this type of study. Council has trialled road closures in other locations, and is exploring a range of other treatments to address safety and to improve amenity such as the 30km/h Speed Limit Trial in Collingwood and Fitzroy, and the upcoming Rose Street Shared Space project. Council will consider the outcomes and implications of these, and their transferability to other locations such as Brunswick Street.
Cost of tree maintenance	70	The 2019/20 Budget has allocated $1,000,000 planting appropriate tree species throughout the municipality. The recurrent pruning costs for all trees is undertaken within the operational budget.

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Topic	Sub'n ID	Reason
Creative spaces - Dancehouse facilities upgrade	143	The 2019/20 Budget includes an allocation of $29,000 for the toilet renewal project at Dancehouse. A detailed proposal by Council to install adequate air-conditioning for the space would be in the order of $200,000. The $89,000 air conditioning solution proposed is not a sufficient budget and may lead to a sub-optimal outcome and/or the need for additional budget to complete the project.
Funding contribution towards lighting upgrade at Ramsden Street Oval	140	W Council is aware of the Pick My Project, the need for lights at Ramsden Street Oval and the shortfall in the project budget. This request will be considered as part of Council's 2019/20 Budget deliberations.
Funding request for a new library in Yarra Bend precinct	58	Council currently provides five Libraries across the municipality, while there is currently no plan to increase this number Council will consider initiatives to ensure existing libraries are more accessible for communities.
Funding request for an Active Transport Strategy	135	The 2019/20 Budget includes an amount of $200,000 to develop an Integrated Transport and Parking Management Plan.
Funding request for Collingwood Children's Farm Compost hub	130	The provision of $30,000 in the 2019/20 Budget is sufficient to build the compost facility at the Collingwood Children's Farm.
Funding request to paint the silos in Richmond	60	Largescale public murals are an impactful way of transforming places. Yarra is very proud to be the home of Juddy Roller who has been the arts organisation realising many of the silo artwork across Victoria, also delivering a fantastic largescale mural on the public housing tower in Collingwood. Council receives many requests for murals, on private and public land, and has developed a Mural FAQ to assist residents to understand the commissioning process. Council's involvement in particular pieces will depend on financial capacity and impact on the community. This project would have its merits and the viability will depend on whether funding can be reallocated from other Council priority projects.
Improve animal management	23	Council officers regularly patrol parks and respond to any issues observed with appropriate enforcement.
Improve bicycle infrastructure	6, 8, 109	There are proposals to deliver additional separated bike lanes on roads in the 2019/20 Budget. Wider footpaths are desirable where foot traffic is high however it should be noted that such treatments require significant budget. Existing Council budgets do not allow for comprehensive widening of footpaths.

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Topic	Sub'n ID	Reason
Improve bicycle infrastructure	4, 7	The issue of cyclists speeding on shared pathways is a concern but Council does not consider the installation of speed humps on shared pathways to be a practical safe solution. Where possible, shared paths in Yarra are designed and constructed to 3 metres wide. Wider shared paths allow for higher cycling speeds, which (anecdotally) diminishes the feelings of comfort for pedestrians. The shared path between Bridge Road and Victoria Street is managed by Yarra Council and is 3 metres wide. The river bank is constrained and there is no opportunity to create a continuous separated pedestrian path. In the case of the shared path between Victoria Street and Walmer Street, the shared path is managed by Parks Victoria. Along that section, the river's edge is very tightly constrained and the shared path is less than 3 metres wide. There is no opportunity to create a continuous separated pedestrian path. It is not desirable, for environmental and visual amenity reasons, to provide more paths/hard surfaces along the Yarra River.
Improve bicycle infrastructure	24, 32, 37, 101, 111, 117, 127, 128, 137	The total budget for cycling infrastructure and improvements is difficult to calculate and is significantly more than that contained within just the bike budget. Works are also funded via State Government either directly or through grants, or via the road resheet budget, LAPMS, black spot funding or other mechanisms. An increasing issue in the deliverability of new cycle facilities such as Copenhagen lanes other than capital funding is these facilities can require the removal of trees and/or car parking which are both sensitive issues.
Improve bicycle infrastructure	9, 20	The 2019/20 Budget includes works that will improve the quality of cycle routes including improved east west routes...
Improve bicycle infrastructure	15	Community members are encouraged to contact Council directly if they identify issues with specific road services. Council's road renewals program aims at improving road surfaces and existing cycling lanes. A number of Councillors are regular cyclists on Yarra's roads and bike paths.
Improve bicycle infrastructure	16	Widening the bike path crossing at Alexandra Parade is being looked at. The Parade is managed by VicRoads and they need to provide approval before any works can proceed. VicRoads approval is a process which takes time and is outside of Councils control.
Improve bicycle infrastructure	45	Burnley Street and Swan Street are managed by VicRoads. This makes it more complex for Council to improve pedestrian and cyclist's facilities on these roads. This area will be looked at as part of a State Government placmaking project.
Improve bicycle infrastructure	56	Council has budgeted to commence development of an Integrated Transport Plan, the strategic questions raised in your submission would be considered during this process.

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Topic	Sub'n ID	Reason
Improve bicycle infrastructure	102	Officers have been working with State Government on the Gipps Street steps issue for approximately 10 years. It is proving to be very complex to resolve due to land ownership and local resident sensitivity. State Government and Yarra remain committed to upgrading this link.
Improve bicycle infrastructure	119	The 2019/20 Budget has allocated funding of $200,000toward and Integrated Transport and Parking Strategy It will provide a framework for infrastructure spending and also address strategic questions around the role of parking and charges.
Improve Budget engagement	53	Your suggestion of multiple choice questions as an engagement method is noted.
Improve bus services	16	Your concerns regarding the reliability of the bus service and PTV App are noted.
Improve Family Services	29	Council currently offers an extensive suite of programs for families, youth and children as well as support for older persons. Council directly manages 5 Early Learning Centres, along with another 2 kindergartens, Outside School Hours Care and Occasional Care programs. Council's youth services program provides a range of programs and supports for vulnerable young people in the community. Council also provides family support, Maternal and Child Health, playgroups as well as managing a range of community spaces used for children's services. Council offers extensive financial support to youth and children's service providers through grants programs. Services for older people include meals, in home support, assessment and community transport. Council works in partnership with State and a range of community service providers and is continuing to develop new and innovative responses to the changing needs of the community. Council's engagement with all ages is also demonstrated by the extensive suite of programs offered at Council's 5 library services.
Improve financial accountability	19	An across the board 10% decrease in rate revenue will not mean that your rates go down by 10%, because that's not how rates are calculated. Rates are calculated based on the average increase or decrease of the movement in property values across the city. Additionally, the majority of Yarra's community highly values the number of services, the levels of service, and the investment in infrastructure that Council currently provides. This is demonstrated by Council's high results in the recent independent community satisfaction survey. Council is constantly seeking new ways to deliver its services and capital infrastructure within a best value framework, and builds a $500,000 reduction in spend from its operating bottom line into its budget each year.
Improve financial accountability	68	Councillors represent the rate payers of the City. Councillors are very aware of this, and are totally accountable for where Council's money is allocated. The majority of Yarra's community highly values the number of services, the levels of service, and the investment in infrastructure that Council currently provides. This is demonstrated by Council's exceptionally high results in the recent independent community satisfaction survey. Council is already very involved in partnerships with community care organisations that support people experiencing homelessness and/or violent home environments.

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Topic	Sub'n ID	Reason
Improve financial accountability	93	Council reports total employee numbers as part of its quarterly Finance report. Regarding the other metrics, Council will think about these for future reporting.
Improve financial accountability	149	Councillors represent the rate payers of the City. Councillors are very aware of this, and are totally accountable for where Council's money is allocated. The majority of Yarra's community highly values the number of services, the levels of service, and the investment in infrastructure that Council currently provides. This is demonstrated by Council's exceptionally high results in the recent independent community satisfaction survey. Consultant expenditure is necessary in order to deliver on these services and investment in infrastructure, and Council always ensures it is achieving best value outcomes.
Improve food and organics services	56	The kerbside collections for recycling, garbage and booked green waste are contracted. The focus of the strategy is to reduce the amount of waste generated and to recover resources that can reduce the need to utilise virgin materials.
Improve food and organics services	95	Council is not in the position to purchase shredding equipment. Unfortunately there is no viable alternatives for bamboo and ivy at the moment. This may change in the future and Council will reconsider.
Improve graffiti removal	11, 23, 25, 26, 40, 47, 50, 74, 151	The Graffiti Prevention Act 2007 (the Act) is a key aspect of the State Government's graffiti management approach. Local Government Local Laws and policies are consistent with this key piece of legislation. Graffiti is a law enforcement issue and it is advisable that graffiti is reported to Victoria Police, particularly if you are seeing a pattern in the type of graffiti offences occurring. The Graffiti Management Strategy (2019-2022) actions have flexibility to be adjusted year on year without altering the strategy. By February 2020 we will have the required data to link the most effective strategy actions to the 2020/21 Budget. This will allow us to provide a graffiti budget that is linked to dealing with graffiti within Yarra City Council. By February 2020 we will be in a position to provide a report that will allow Council to make informed decisions around graffiti management and the graffiti budget based on reliable data and proven methodology. The intention is to identify the most effective and efficient way to prevent graffiti within Yarra so we are moving from a reactive process towards a proactive process.
Improve Johnston Street	71	Council's Economic Development Unit has responsibility for working with local traders to help promote Yarra's retail precincts. Council has just recently developed a new online mapping platform that promotes the variety of businesses in retail precincts. Johnston Street is one of the first to be completed, follow this link https://embed.alpacamaps.com/locale/city-of-yarra-retail-precincts/default?tags:prefilter=johnston%20street . The aim is to have all twelve Yarra retail precincts completed by the end of the year when a full promotional plan will be undertaken. Should you require further information, Council's Senior Project Officer – Retail, Tourism and Marketing would welcome the opportunity to discuss the platform in more detail. Council is progressively upgrading the public realm in activity centres whilst not part of the budget, opportunities can be considered in future budgets. Council's annual tree planting program can consider opportunities for

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		additional trees along Johnston Street, although recognising that conditions can limit the choice of locations and types of trees.
Improve open space	16	Open Space is very important within the city limits and it needs to be utilised to its optimal level. We are developing an Open Space Strategy and as part of that process we will be going out to the community seeking feedback and suggestions for the use of all open space areas across the city next year, the area you refer to and your suggested use will be considered in the development of the strategy. We encourage you to participate. We have a dedicated Urban Agriculture Officer that can assist with promoting Urban Agriculture in your area. We encourage you to make contact with the officer to explore local opportunities in 2019/20.
Improve open space	38	There are many situations where footpaths are narrow across Yarra. Extending footpaths would require a significant expense and would have implications for vehicular movement and car parking, which often makes it impractical. In the case of Stewart Street, traffic calming measures to create a 'shared' zone have been used to improve pedestrian priority and reduce traffic speeds. Council has a Public Toilet Strategy which sets out the program for upgrades and new toilets. Stewart Street is not a priority location compared to other areas within Yarra. Opportunities for the expansion of the existing park in Stewart Street were considered when the park underwent an upgrade last year and were not pursued due to issues with land ownership (some roads are owned by Vic Track).
Improve open space	59	The Yarra River environment at Alphington is likely to change in response to the development at Yarra Bend. Council would need to conduct extensive consultation with the local community before proposing to construct a paved path. Paved connections to the Chandler Highway shared path from Alphington will likely remain via the streets network. Access from the river's edge to the Chandler Highway shared path will be via steps.
Improve open space (in Public Housing)	12	Yarra Council is committed to working with state and federal governments to support positive outcomes for our local community. We advocate on behalf of our current and future residents to help deliver our objective of building healthy, inclusive and liveable communities. We will look for opportunities to seek commitments from the Department of Health and Human Services to improve community facilities in public housing estates at Fitzroy, Collingwood and Richmond to ensure they are fit for purpose.
Improve open space maintenance	5	The grassed areas at Edinburgh Gardens are designed to be green for as long as possible, however, sometimes bare patches do occur in some circumstances, such as at the north and south ends of the park where M41 main drain works are occurring. These bare patches will be rehabilitated in the coming months.
Improve open space maintenance	12	A new open space strategy is being prepared and will set a strategic direction for the provision of additional open space in response to the growth occurring in Yarra. The suggestion for Cambridge Street has been raised before and will be considered as part of the strategy.

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Topic	Sub'n ID	Reason
Improve open space maintenance	26	Funding is provided in the budget for on-going programs to address graffiti removal, cleansing and maintenance of public areas and improvements to open space.
Improve open space maintenance	34	The garden bed site between Swan Street and Bridge Road has an established plant palette that includes both exotic and indigenous plants. There are no indoor plants in this area.
Improve open space maintenance	35	The plantation on the corner of Young and Cecil Streets was a community garden, which was found not to be utilised and since removed. The infill planting for our streetscapes will begin soon, with appropriate trees selected that suit the areas identified.
Improve open space maintenance	51	The grassed areas at Edinburgh Gardens are designed to be green for as long as possible, however, sometimes bare patches do occur in some circumstances, such as at the north and south ends of the park where M41 main drain works are occurring. Additional toilet facilities are in development, along with a number of rejuvenation plans for the park. Council is currently working on stage two of the Rain Garden project and more information should be made available shortly.
Improve open space maintenance	149	The current streetscape maintenance contract is under review for conformance to the specifications, performance standards and quality standards. The review will provide a framework for the new streetscape maintenance tender specifications. Any additional cost (if required) to achieve the best outcomes for Council and the Yarra community will be incorporated into the budget. All trees are on an appropriate watering and maintenance program and the death of a tree or a species can be due to a number of varying environmental factors. The trees in Michael Street have been under stress, however irrigation systems are being implemented and the trees have been under a fortified watering regime to improve their condition. Tree planting within Yarra is carried out in accordance with the Urban Forest Strategy 2017 which takes into account green canopy requirements, hot spot mapping, end of life cycles and appropriate species.
Improve outdoor exercise equipment	37	The provision of equipment in open space is considered when open space upgrades are considered or when specific proposals for locations are made. There is a lot of demand on Yarra's open spaces and the capacity of open spaces to accommodate a greater range of equipment can be difficult. The broader need for additional open space is being considered as part of the new Open Space Strategy.
Improve pedestrian infrastructure	38	There are many situations where footpaths are narrow across Yarra. Extending footpaths would require a significant expense and would have implications for vehicular movement and car parking, which often makes it impractical. In the case of Stewart Street traffic calming measures to create a 'shared' zone have been used to improve pedestrian priority and reduce traffic speeds. Council has a Public Toilet Strategy which sets out the program for upgrades and new toilets. Stewart Street is not a priority location compared to other areas within Yarra. Opportunities for the expansion of the existing park were considered when the park underwent an

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Topic	Sub'n ID	Reason
		upgrade last year and were not pursued due to issues with land ownership (some roads are owned by Vic Track).
Improve pedestrian infrastructure	41	The Hoddle Street Victoria Parade junction will be looked at as part of the wider Doncaster busway.
Improve playgrounds	59	The design for upgrade of the Alphington Park playground is programmed for 2019/20 at which time the inclusion of gym equipment can be considered.
Improve public safety	1, 42, 72, 73	The issues facing the general area, including Lennox and Victoria Streets are complex and Council is aware of the significant impacts that anti-social behaviour and drug-related activity is having on the community, including public amenity and safety considerations. We are working closely with stakeholders such as Victoria Police, local traders, community organisations, State Government and community health centres, including North Richmond Community Health (NRCH) where the Medically Supervised Injecting Room (MSIR) currently operates, to achieve improved outcomes. Responsibility for drug related issues and public health and safety more broadly sits across local, state and federal governments. Council's key role in this space is around promoting public amenity. We believe that a range of initiatives for this precinct in combination can make a difference to the negative impacts of illicit drug use. Council has intensified programs in relation to public amenity, including in relation to road and footpath cleansing, graffiti and poster removal from assets, and maintenance and repair of street furniture and signage. Our contractor, Inner space, picks up needles/syringes from streets, parks and public toilets and managing the syringe disposal bins, offering a response within 24 hours of report. Council also recently completed urban design work to improve the amenity, safety and public realm at the intersections of Lennox/Nicholson and Victoria street (improved footpaths, new street crossing points, street furniture, bicycle parking, lighting, public art and street tree planting). With local traders, we are helping improve shopfronts along Victoria Street through targeted clean-ups, application of designed vinyls to roller shutters and better visual merchandising. We are also running a marketing campaign for the precinct called Rediscover Victoria Street. We are helping to foster social connections through initiatives such as the new Youth Hub for the Richmond Estate community. With Rotary and community health providers, Council has also supported a series of Outreach barbeques at Butler Park to facilitate connections between people who are opiate-dependent and the agencies that can help them. Council also recently welcomed the Victorian Government's announcement of additional support for the MSIR including extra security and social outreach services, which directly relates to the issues raised by you in your correspondence. This is in addition to Council's recent resolution to increase current cleaning activities in the area surrounding the MSIR, which is already partially operational. A summary of initiatives being undertaken by Council and other stakeholders to improve outcomes is available in a recent Council report available at https://www.yarracity.vic.gov.au/-/media/files/the-area/victoria-street/victoria-street-precinct-council-report-19-december-

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Topic	Sub'n ID	Reason
		2017.pdf?la=en&hash=BBE762EBA8E9F75FAE166C47D436004BFDF53911. Information is also available on our website at https://www.yarracity.vic.gov.au/the-area/reimagining-victoria-street. As you would be aware, the MSIR based within NRCH opened just ten months ago in July 2018 for a two year trial. The State Government has stated that the chosen location for the MSIR trial was in part because it is close to where people buy and sell drugs, and NRCH already provides many vital health services to reduce the spread of blood borne viruses and other harms associated with drug use. Over the trial period, an independent panel will review the MSIR. After considering the evidence collected by the panel during the trial, a report of findings will be provided in 2020. A decision will then be made by the Victorian Government on whether the service should continue with an option to extend the trial for a further three years. There are currently no plans for any additional rooms in other parts of Melbourne or Victoria. New laws would be needed to establish any other medically supervised injecting room in Victoria. In relation to crime, drug-related activity or personal safety concerns (including in relation to people who may be displaying threatening behaviour towards others or themselves and/or who may also be experiencing severe social or intellectual issues, the Police have authority. Council encourages the community to call the Police in any instances where someone feels threatened, witnesses illegal activity or fears for the welfare of an individual. It is important to report these concerns to Police (including any trends, for example days of week that issues are of most concern) as this can inform their policing operations.
Improve public seating/street furniture	22, 121	A new Open Space Strategy is being prepared and will set a strategic direction for the provision of additional open space in response to the growth occurring in Yarra. There are many areas within Yarra needing additional open space and the strategy will set directions and priorities considering the overall needs of the municipality.
Improve public seating/street furniture	121, 134	Work is currently underway developing an overall framework plan for the Richmond Town hall and Richmond High School precinct. The development of an updated framework plan, that takes in to account the new school, was part of Council's endorsed Bridge Road Master Plan. Funding has been allocated in the 2019/20 to support the development of the framework plan and for the construction of a new pedestrian crossing at the Gleadell Street/Highett Street intersection. This proposal is best considered as part of the development of the framework plan so that any changes to parking and the street network can form an integrated approach. In this case there are other possible changes to the intersection of Palmer Street and Griffith Street that need to be considered before any changes are made. Consultation with key precinct stakeholders has commenced.
Improve public toilets	28	Cleaning of the toilet facilities at Edinburgh Gardens occurs twice daily on weekdays and three times a day on weekends.

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Topic	Sub'n ID	Reason
Improve recycling and food organics services	30, 36, 57, 101,128,	The China's National Sword Policy has had a significant impact on the Australian recycling industry. Yarra Council decided to be proactive in exploring new ways to collect and manage recycling. We want to help fix the recycling industry, create local jobs and use waste as a resource, instead of sending it to landfill. In June, Council will start a trial across approximately 1,300 households in the Abbotsford area that has a food and garden waste, glass, recycling and garbage collection. It builds on the successful food and garden waste collection trial we started last year. Results of that trial have been very positive – residents diverted from landfill approximately 40% of the contents of their kerbside garbage bins by weight. In our new trial we will be testing different ways we collect recycling, how we talk to the community about recycling and other things to make our service work better. Following the trial period, we will consider expanding the service throughout Yarra.
Improve road maintenance	4	Council has a program for both the cleaning and maintenance of its network of laneways. We will forward your details to the relevant officer so they can contact you and confirm the location of the laneway you have concerns about and investigate this matter further. Council's Traffic Unit recently carried out a Local Area Place Making (LAPM) study in the Scotchmer precinct, which includes Scotchmer Street. Speed humps in Scotchmer Street were not recommended as part of the Council endorsed LAPM 3 Plan as the 85th percentile speed of vehicles was below the posted speed limit.
Improve services for public housing residents	49	The draft budget includes a number of programs that Council has supported for many years that are primarily about diversity and inclusion. The Community Grants program provides just over $2 million to community groups in Yarra. A major part of this funding is distributed to low socio-economic community groups or organisations that serve them. The nine Neighbourhood Houses in Yarra receive a major contribution from Council and run programs primarily for people from low socio-economic backgrounds. There is the Discounted Use of Town Halls for community groups to access for a community event, there are community memberships available for our Leisure Centres. These are just a few examples of programs that fall under the strategic objective of an Inclusive Yarra.
Improve street cleaning	50, 52, 67, 73	The street sweeping program for the retail strips which includes Brunswick Street includes the sweeping of side streets up to fifty metres from the main road. Popular night time economy areas are very heavily parked almost 24/7 which creates access issues for the street sweeper. The retail areas are swept 7 days per week at night and Council also has precinct cleaners on foot that patrol the retail areas 7 days per week. . Additional resources are allocated to areas around Swan Street during football season. Additional resources have been allocated around North Richmond, this area is cleaned 7 days per week and Council does a syringe collection 2 times per day, 7 days per week.

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Topic	Sub'n ID	Reason
Improve street cleaning	54	Council has received an application to discontinue the road identified in your submission, if Council elects to progress this application there will be a formal process which includes requests for submissions from local residents. If this occurs we will include your budget submission to that process unless you advise otherwise. Trade waste bins can be placed on council land for collection and can remain on road as long as practicably required. The commercial bins on Little Smith Street are bins that would normally be kept within the closed road and are stored along the footpath apart from one which is from a business on Gertrude Street that places the bin in Little Smith Street for collection and then it is moved to other storage. Due to the nature of the commercial strips and some aged buildings not all premises have the capacity to store bins on private land and Council can, as required under certain conditions, provide a permit to land holders to store bins on Council land. Bins will still need to be placed out on Little Smith Street for collection even if the road was open.
Improve street cleaning	64, 66	The retail strips are swept 7 days per week. Other areas are swept on a 4 week cycle. Feedback is noted and Officers will explore the condition of the garden beds.
Improve street drainage	18, 27	Council's drainage team manage; drainage; planning, maintenance, renewal, major projects, cleansing, WSUD management, 'hot spot' program, customer responses, flood assistance, data management, infrastructure investigations. Investigations are undertaken following reported flooding incidents, maintenance is programmed where possible and if the infrastructure requires major works it is added to the capital program. Council is currently reviewing the allocated budgets available for drainage. It is also worth noting that the Council drainage system is not capable of coping with major storm events and was not designed to do so. Property owners also have a responsibility to ensure adequate flood protection measures are taken to protect their property.
Improve street lighting	22	A lighting assessment of St David Street will be undertaken by the Civil Engineering Unit to investigate your concerns. A member of the Civil Engineering unit will be in contact with you once the assessment is complete.
Improve traffic management	2, 128	Council's Traffic Engineering Unit has identified East Clifton Hill as the second highest in priority for a Local Area Place Making (LAPM) study. This study is currently programmed for Financial Year 2019/20 and is the appropriate forum to investigate this issue
Improve traffic management	17	Council's Traffic unit has identified Carlton North as the highest in priority for a Local Area Place Making (LAPM) study. Amess Street falls within this study area. This study is currently programmed for financial year 2019/20 and is the appropriate forum to investigate this issue.
Improve traffic management	50	Council has an obligation and responsibility to investigate and address traffic safety issues on its road network. Capital works form part of the suite of tools used by Council officers to improve road safety for all road users in Yarra. The budget allocation is appropriate for capital works to improve road safety next financial year. Regarding the 30km/h Trial, the 12 month trial period concludes in September 2019, following which an evaluation of the

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Topic	Sub'n ID	Reason
		trial will be carried out and a report on the outcomes and recommendations will be presented to Council.
Improve traffic management	56	Council has an obligation and responsibility to investigate and address traffic safety issues on its road network. In regards to your query regarding an E-Tag system to deter non-local traffic on local roads, the required infrastructure and cost to implement such a system has not been investigated by Council. This would be a large undertaking in terms of cost and resources.
Improve traffic management	62	The signals at the intersection of Bridge Road and Lennox Street are under the management and responsibility of VicRoads, as Bridge Road is a VicRoads managed road. Council officers will refer this request to VicRoads for further investigation and a response directly to you. I would also encourage you to contact VicRoads directly with this request. Council officers will also investigate this matter to determine if Council can assist with your request to VicRoads. In regards to your query regarding an E-Tag system to deter non-local traffic on local roads, I advise that the required infrastructure and cost to implement such a system has not been investigated by Council. This would be a large undertaking in terms of cost and resources.
Improve traffic management	63	The "P-Turn" on Hoddle Street is part of the Major Roads Project Authority (MRPA - State Government) Streamlining Hoddle Street Project. Whilst Council liaised closely with the project team, the design and function of this project is a State Government responsibility. I encourage you to contact MRPA with your concerns. Regarding the current 30km/h speed limit on Wellington St, this is part of a 12 month trial of 30km/h speed limits in Collingwood and Fitzroy. The trial will conclude in September 2019, following which an evaluation of the trial will be conducted and a report with recommendations will be presented to Council.
Improve traffic management	88	The funding included in the draft budget will support development of a detailed plan for street scape improvements as well as upgrades to the street furniture along these main roads. The ability to plant trees is limited because the roads are major east/west roads with clearway restrictions controlled by Vic Roads which prevents the planting of trees within the road pavement. In addition to this the building canopies over the footpaths is another limitation which restricts the potential locations for tree planting and the types of trees that can be planted. Opportunities for additional tree planting in kerb outstands are used to increase the tree canopy and improve the amenity of shopping centres. Council's Urban Forest Strategy provides guidance on tree planting across the municipality with the aim of increasing tree canopy cover to address the heat island effect. In 2018/19 approximately 1000 additional tree were planted across Yarra. The 2019/20 -Budget provides $200,000 additional funding for tree planting. In regards to Richmond Primary School, the Strategic Transport and Traffic Engineering units have responsibility for safety around schools and road safety respectively. Officers will investigate the concerns raised and determine if action is required.

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Topic	Sub'n ID	Reason
Improve traffic management	89	The current budget allocation of $1.35 million is to fund Year 1 delivery of LAPM Precincts 3 bounded by Nicholson Street, May Street, St Georges Road, Brunswick Street and Alexandra Parade in Fitzroy North, 13 bounded by Johnston Street, Victoria Street, Hoddle Street and the Yarra River in Abbotsford and 19 bounded by Bridge Road, Burnley Street, Swan Street and the Yarra River in Richmond. The remaining budget requirements have been proposed for Years 2 and 3 to fully deliver these 3 LAPM Precincts. Council has an obligation to balance budget allocations for capital and operational requirements across the organisation for each financial year, Council has determined that the current allocation is appropriate.
Improve traffic management	112, 147	Thank you for raising your concerns with Council regarding local traffic and road management.
Improve traffic management	122	The signals at the intersection of Highett Street and Church Street are under the management and responsibility of VicRoads, as Church Street is managed by VicRoads. Council officers will refer this request to VicRoads for further investigation and request a response directly to you. I would also encourage you to contact VicRoads directly with this request. Council officers will also investigate this matter to determine if Council can assist with your request to VicRoads.
Improve traffic management	138	This issue has been investigated by the Traffic Engineering unit and Parking Management. As acknowledged by the requestor, the existing 2P parking at Park Street has been converted to 4P to allow for NECA students to park cars at this location instead of Holtom Street East. NECA management have been advised of this change and requested to instruct students to park in Park Street. Traffic Engineering investigated Holtom Street East at school drop off and pick up times and did not observe any conflicts between parents dropping off/picking up school students and NECA students. The advice given to residents is that there is no observed road safety issues. Officers will continue to monitor the situation.
Improve traffic management	149	The Traffic Engineering Unit has collected traffic volume and speed data on various sections of Gold Street in the past. An officer will contact you to identify the section/s of Gold Street that you have concerns about so that Council can conduct a traffic survey to determine the current volume and speed of traffic. Officers will then be able to assess the need for new traffic measures in Gold Street.
Increase arts funding	133, 139	Council considered the multi-year arts funding scheme review in 2018 and increased funding for this pool significantly, whilst the annual funding scheme has been pegged with the Consumer Price Index rises each year. Council recognises the value of arts and culture to our residents and the social, cultural and economic impact it has for our city. In order to increase the funding pool for the grants program, Council would need to reallocate funding from other priority projects.
Increase funding for sporting facilities, clubs and ovals	152	The City of Yarra currently supports a large number structured and unstructured recreation activities, and is always happy to hear suggestions from the community on how these programs could be improved. Please feel free to submit a specific proposal for review by Council Officers.

Attachment 4 - 2019-20 Budget Submissions Summary

Topic	Sub'n ID	Reason
Increase funding for sporting facilities, clubs and ovals	153	. The Fitzroy Lions Soccer Club first season in the Football Victoria competition has offered an excellent opportunity for the people of Yarra and demonstrated the important role sport can play in building a strong community. Council officers will continue to work closely with all sporting clubs, including Fitzroy Lions Soccer Club to ensure that they have adequate levels of support and facilities to meet their needs The City of Yarra is currently investing in community sport through Capital improvements (e.g. upgrading pavilions, sports fields, sports lights) and by providing grant funding opportunities for Yarra community clubs. We are hopeful through a these actions and other club development initiatives that we will be able to keep sport accessible and affordable to many of Yarra's residents.
Move disabled parking bay	121	Council Officers note the submission proposals with respect to Gleadell, Griffith and Palmer Streets. A Precinct Plan is currently being developed by Council's Urban Design team for this area. Your proposal will be considered and assessed on its merits in the development of the precinct plan.
Murphy's Hut - Burnley Park Cottage	34	The draft budget contains an allocation that will allow works to prevent deterioration of the Burnley Park Cottage (incorporating the structure known as 'Murphy's Hut'). There is also an item in the draft budget for Council to prepare a framework that will assist Council to manage and maintain Council's heritage buildings.
Negative impact of night time economy	133	Noise disturbance and application of State Environmental Protection Policy (SEPP) N 1 & 2 this is only applicable when it is contained as a condition within the relevant Planning Permit and the measurement is taken from the nearest residential property. If there is not a control within the Planning permit then the amenity clause under the Yarra Planning scheme is applicable and SEPP may be taken as a consideration, as is the location (i.e. major commercial strip) where people have chosen to live, expectation of a certain level on noise as appropriate to the area, can the noise be heard in a habitable room and does it prevent normal activities such as watching TV, conversations, sleep deprivation and the like. The measurement of noise in a complex matter and breaches cannot be simply measured and ascertained it is a science and for accuracy needs to be completed by a suitably qualified person. Again though unless a SEPP condition is present it is only one factor of consideration for a breach of amenity under the Yarra Planning scheme. Please also note that venues can and do have conditions on their liquor licence such as SEPP and amenity conditions and these are investigated and enforced by Victorian Commission for Gambling and Liquor Regulation and Police, complaints regarding these matters should be reported to them for action. Anti-social behaviour, drunkenness etc. are matters for the Police and should be referred to them for action however in saying this we do regularly meet with Police on a regular basis to advise of concerns received and do conduct joint inspections etc. as required also with the view of conducting spot patrols as we have done in the past.

Attachment 4 - 2019-20 Budget Submissions Summary

Topic	Sub'n ID	Reason
Opposition to Council's involvement in political issues	66	Yarra Council is committed to communicating important information to residents, businesses and visitors. This includes communicating decisions of Council. We aim to raise awareness of Council's work, achievements and decisions, communicate Council's position on issues that impact the municipality and promote a strong, positive image of Yarra. The Mayor is the official spokesperson for Yarra City Council. Council resources are used to support them to undertake media activity that is consistent with Council's position and helps to deliver on our communications objectives.
Opposition to development of heritage property	154	The property, 336 Burnley Street, Richmond is covered by City of Yarra Heritage Overlay as 'individually significant'. City of Yarra has a significant number of other properties under the Heritage Overlay that are privately owned. Maintenance and management of these heritage places is the owner's responsibility. Council's Heritage Strategy does not promote the purchase of private heritage property by the Council as a way to manage neglect of heritage. Instead, Council contributes to the Victorian Heritage Restoration Fund (VHRF) to support to the heritage property owners. Individual property owners can apply to VHRF for funding for restoration of their properties. Details of the terms and conditions of funding can be found on the VHRF website. http://www.vhrf.org.au/
Opposition to livestreaming of Council meetings	43, 88	Over the past 18 months, Council has trialled the publication of audio podcasts of Council meetings. The audience for these podcasts has been slowly growing, and has now reached number where the number of people downloading the meeting regularly exceeds the number of people who are able to attend in person. This experience has shown that there is a demand for online access to meetings, and while podcast have partly met this need, video streaming promises to open Council meetings to a wider audience. The budgeted cost enables meetings to be streamed from Collingwood, Fitzroy and Richmond Town Halls in a quality that is sufficient to make for an uninterrupted and quality viewing experience. The proposal has been built based on the experiences of a number of other local Councils and is a tried and tested system.
Reduce bicycle infrastructure budget	11, 39	In terms of traffic and transport money is spent in both of these areas. Your comments regarding the state of the roads has been referred to our Engineering Branch for consideration. Far more is spent on road renewals each year than cycling facilities. Police Enforcement of road rules is a matter for the police.
		The budget for Wellington Street cycling lanes work taking place in 2019/20 is being funded by VicRoads, not Yarra rate payers. Council considers the introduction of a tax for cyclists to be a matter for State Government consideration.
Reduce Council fees for disadvantaged	49	Each year, Yarra Leisure reviews its fees and charges as part of Council's budget process. We believe that our current fees and charges are comparable to other leisure facilities with similar service offerings. As we have a suite of programs and services our offerings are tailored to provide best value based on industry benchmarking. When setting our fees, we also take into consideration: • Running and maintaining 3 leisure centres which include pools, classes,

Attachment 4 - 2019-20 Budget Submissions Summary

Topic	Sub'n ID	Reason
		gyms and a golf course • Heavily subsidised membership options for people who hold an applicable concession card – this will be 40% (19/20) discount on our full fee – greater than many local council and privately run facilities. Typically the industry provides a 15 to 25% discount for concession card holders. • The diverse requirements of our customers with our aim to maximise participation from all members of the community At Yarra Leisure we offer a number of choices that we've benchmarked against the industry which we feel are comparable to other facilities. Our suite of program and service options are designed to meet the diverse requirements of our customers with the aim to maximise participation from all members of the community, as well as being extremely price competitive for facilities that have similar offerings. This wide lensed approach provides more options for our customers to stay fit and maintain a health and fitness lifestyle.
Reduce rates	21	The cost of delivering the services that our community values, and the expenditure required to invest in Council's infrastructure, exceeds both the CPI and the WPI. Aligning to the cap is necessary for Council to be able to continue to deliver the services and infrastructure at the levels required to meet our community's expectations.
Reduce roads budgets	3	Council has an obligation and responsibility to maintain all of its assets, including its road network. The current budget allocation is appropriate for the maintenance and upgrade of Council's road assets. I also advise that Council's Strategic Transport and Traffic Engineering units have allocated budget each financial year to improve pedestrian, cyclist and vulnerable road users' access and safety on our roads. Strategic Transport also works closely with public transport bodies to advocate for and influence decisions on the public transport network.
Retain Fitzroy pool	21	The City of Yarra supports the Fitzroy Swimming Pool as part of the suite of Yarra Leisure Services. There is no proposal to reduce the level of support for the Fitzroy Swimming Pool. Each year our Leisure facilities operate every day (except Good Friday and Xmas Day) and deliver exceptional services to our community. The operational hours of our Leisure centres are reviewed each year in line with the budget and if there are any proposed changes as a result, these would be formally considered by Council as part of the budget process. In relation to your concerns around the future impact of buildings around the pool overshadowing is considered part of the planning process and due regard is given to this facility in recognition of its community importance. There have been no recent planning permit applications lodged or determined immediately interfacing with the Fitzroy Swimming Pool In relation to your query about the management model for Fitzroy Swimming Pool, this is a decision for Council, officers are not aware of any discussions or plans for any alternative management model.
Support Climate Emergency initiatives	8, 57, 106	Council is committed to leading strong action to tackle the climate emergency, establishing a Climate Emergency Officer is vital to that effort.

Attachment 4 - 2019-20 Budget Submissions Summary

Topic	Sub'n ID	Reason
Support Developer Contributions	15	Currently developers are required to make a contribution towards providing open space and once Council's proposed Developer Contribution Plan is approved they will provide an additional contribution towards Council's infrastructure improvement costs. These contributions will help to support the improvement of the amenity of the municipality.
Support dog friendly open space	13, 18, 61	The provision of fenced dog off-leash areas has been raised through consultation and is one of the issues being considered in the new Open Space Strategy. The demand on Yarra open spaces is increasing and whilst shared use of spaces for off-leash dog exercise occurs it can lead to conflict with users. Whilst being considered in the proposed strategy, the ultimate provision of additional areas will depend upon finding suitable locations and potential acquisition of land.
Support dog friendly open space		Council has approved the temporary use of Ottery Reserve by the school whilst the school building development occurs. It is expected that the reserve will return to public use unless Council agrees to an alternative proposal.
Support electric cars	14, 160	Council is examining a number of opportunities to support the use of electric cars in the municipality
Support Festivals and Events	11	Street based festivals are important to the City of Yarra. Council provides multi-year funding to the Johnston Street Fiesta, Victoria Street Lunar Festival, the Gertrude Projection Festival. It recognises the opportunities to support live music in Yarra through events such as the Leaps and Bounds Music Festival, Smith Street Dreaming and CHANGES. For 2019 CHANGES will include a 2 night music showcase in 10 music venues along Brunswick Street Fitzroy where hundreds of musicians from Victoria will play. The feasibility of restarting the Brunswick Street Fringe Parade was reviewed a number of years ago and it was determined that events such as Leaps and Bounds and CHANGES are more viable ways to support the activity given the restrictions posed by road closures and the interruption to public transport.
Support for Alphington Bowls Club	125	Council officers look forward to consulting with the Alphington Bowls Club and the community on developing a concept design for an upgrade of the Alphington Bowls Club facility that will meet the future needs of the Alphington Bowls Club and the Yarra Bend community. The completed concept design and associated costings will be used to inform consideration of future Council budget decisions for the funding of the construction works associated with the upgrade.
Support for Jack Dyer Pavilion	146	Officers understand the State Budget included an allocation of $2 million to delivering an upgrade to the Jack Dyer Pavilion facility that will result in an appropriate modern sporting community facility, with improved amenities and dedicated female change rooms and bathrooms that will support increased participation in sport. Officers will pursue Sports and Recreation Victoria to confirm a formal funding agreement for this project.

Attachment 4 - 2019-20 Budget Submissions Summary

Topic	Sub'n ID	Reason
Support for live music	66	The City of Yarra enjoys an enviable reputation as the home of creativity, one that is stitched into the fabric of our residents with a high percentage of residents who are practising artists, many businesses whose trade is centred around creativity and residents who appreciate the arts, as this submission from the Fitzroy Residents Association demonstrates. Council's financial commitment to arts and culture prioritises a partnership approach with our local community and is divested to maximise arts as an everyday experience outcome for our residents. Should Council consider higher levels of investment in the arts, it could expend it to support more activities that could promote community building, creativity and generate cultural tourism.
Support for Panther Pavilion Ivanhoe and Northcote Canoe Club	55, 65, 69, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 90, 91, 94, 96, 97, 98, 99, 100, 103, 110, 124	Thank you for your budget submission and your clear love of kayaking and the Ivanhoe and Northcote Canoe Club. The Panther Pavilion design and the boat storage projects have been identified as important community recreation projects that will enhance the usability and access of the facilities and activities offered now and into the future. Your submission will be considered as part of councils budget deliberations.
Support for Railway House community garden	104, 105 107, 108, 113, 114, 115, 116, 118, 120, 123, 126, 129, 131, 132, 136, 141, 142, 144, 150, 156, 157, 158	Council resolved on 28/5/19 to support the proposed design for the Community Garden The 2019/20 Budget contains $30,000 for this purpose.
Support homelessness initiatives	44, 47	Council is currently developing a Homelessness Strategy and this submission has been forwarded to the relevant officer to include in the consultation process on the draft strategy which will happen shortly. Council engages Launch Housing for the provision of outreach services to people sleeping rough. Funding for this is included in the budget. Council funds several projects that target people who are homeless through the Community Grants program. Libraries and Leisure also provide relevant services to people sleeping rough.
Support Small Business	10	Council delivers an annual business events program that operates across a calendar year. Council hosts various programs delivered by Small Business Victoria, the Australian tax Office and local businesses on a broad range of topics. The program is based on the levels of interest and participation. Small Business Victoria provides local government access to a panel of workshop leaders that have extensive industry experience. The topic of building resilience - how to prepare for business challenges is being offered during 2019/20. Council's Economic Development Coordinator would welcome the opportunity to discuss the service that you have to offer in more detail.

Attachment 4 - 2019-20 Budget Submissions Summary

Topic	Sub'n ID	Reason
Upgrade Collingwood Library	148	Council refurbished Collingwood Library, with new furniture, new shelving, more study space and flexible spaces in September 2018. The building itself is heritage listed and this limits the degree to which the building can be altered to better construct a community hub.
Princes Hill naming promotion	159	Council is currently completing a Princes Hill Heritage Walk project which promotes the historic significance of the area, the scheduled release is late August. It will be promoted on Council's website and social media drawing attention to the correct naming of the area.

11.2 2019/20 Annual Plan

Trim Record Number: D19/95243
Responsible Officer: Manager Corporate Planning and Performance

Purpose

1. To present the proposed 2019/20 Annual Plan to Council for endorsement.

Background

2. This year, 2019/20, represents the third year of the 4-year Council Plan 2017-21 (incorporating the Municipal Public Health and Wellbeing Plan), adopted by Council on 1 August 2017.
3. The Annual Plan is the organisation's annual response to Initiatives contained in the 4-year Council Plan. Council Plan Initiatives are significant projects and activities that are proposed to be worked on over the term of the Council Plan.
4. The Annual Plan is one of Council's key accountability documents to the community.
5. To ensure the integrity and transparency of the Annual Plan, once endorsed by Council, actions including their descriptions and milestones can only be changed by resolution of Council. Officers and Councillors can propose changes to the Annual Plan.
6. Progress of Annual Plan actions is monitored and reported to Council quarterly in the Annual Plan Progress Report. Actions have assigned milestones that are scored on a percentage achieved. Quarterly progress will be measured against a target of 75% of milestone targets achieved.
7. The proposed 2019/20 Annual Plan (Attachment 1) contains 41 actions spread across the Council Plan's seven Strategic Objectives. It is achievable, delivers on Council's priorities - identified as Initiatives in the Council Plan - and reflects the organisation's continued focus on delivering the Council Plan in 2019/20.

Strategic Objective	Number of Actions
	2019/20 Proposed Annual Plan
A healthy Yarra	6
An inclusive Yarra	4
A sustainable Yarra	9
A liveable Yarra	9
A prosperous Yarra	4
A connected Yarra	6
A leading Yarra	3
Total	**41**

8. The proposed 2019/20 Annual Plan is fully resourced and funded within the proposed 2019/20 Budget. Any changes arising out of the adoption of the 2019/20 Budget or other Council resolutions, including the addition of new projects, may result in a change in the endorsed 2019/20 Annual Plan.

9. There are 49 Strategies in the Council Plan 2017-21, with 99 associated Initiatives. Not all of these have a corresponding action in the proposed 2019/20 Annual Plan. The Council Plan is a four-year document and Initiatives will commence across a range of years.

External Consultation

10. The Council Plan 2017-21 was adopted on 1 August 2017 following extensive community engagement. This included five Listening Posts, five open community information sessions, a forum with Council's advisory groups, community language groups and targeted engagements with traditionally hard to reach groups in the community. These sessions were advertised via a range of media and in community languages.

11. The Proposed 2019/20 Annual Plan reflects Council's priorities as stated in the *Council Plan 2017-21* and as such is not put out for further public consultation.

12. Community members have the opportunity to make a submission to the proposed 2019/20 Annual Plan when it is presented to Council on 25 June 2019.

Internal Consultation (One Yarra)

13. Internal consultation has been undertaken with Managers and Directors in developing the proposed 2019/20 Annual Plan actions.

Financial Implications

14. The proposed 2019/20 Annual Plan is fully resourced and funded within the proposed 2019/20 Budget. Any changes arising out of the adoption of the 2019/20 Budget or other Council resolutions, including the addition of new projects, may require a change to the endorsed 2019/20 Annual Plan.

Economic Implications

15. The Council Plan 2017-21 includes the Strategic Objective A. Prosperous Yarra: a place where Local businesses prosper and creative and knowledge industries thrive. The Proposed 2019/20 Annual Plan includes 4 actions that respond to initiatives under this Strategic Objective.

Sustainability Implications

16. The Council Plan 2017-21 includes the Strategic Objective A sustainable Yarra: a place where Council leads on sustainability and protects and enhances it natural environment. The Proposed 2019/20 Annual Plan includes 9 actions that respond to initiatives under this Strategic Objective.

Social Implications

17. The Council Plan 2017-21 includes the Strategic Objective A Healthy Yarra: a place Community health, safety and wellbeing are a focus in everything we do. The Proposed 2019/20 Annual Plan includes 6 actions that respond to initiatives under this Strategic Objective.

Human Rights Implications

18. The Council Plan 2017-21 includes the Strategic Objective an Inclusive Yarra: a place where inclusion, diversity and uniqueness are welcomed, respected and celebrated. The Proposed 2019/20 Annual Plan includes 4 actions that respond to initiatives under this Strategic Objective.

Communications with CALD Communities Implications

19. CALD groups were specifically targeted as part of the engagement plan for the Council Plan 2017-21 and were represented in a group workshop which included Council's advisory groups.

20. Translation service assistance is available via Council's website for members of the CALD community and this service extended to the Council Plan engagement process.

Council Plan, Strategy and Policy Implications

21. The proposed 2019/20 Annual Plan represents Year 3 of the Council Plan 2017-21 adopted on 1 August 2017.

Legal Implications

22. There are no legal implications.

Other Issues

23. There are no other issues.

Options

24. This report does not include any options.

Conclusion

25. Following a rigorous process the proposed 2019/20 Annual Plan has been developed and is presented to Councillors endorsement.

RECOMMENDATION

1. That Council endorse the 2019/20 Annual Plan as presented.

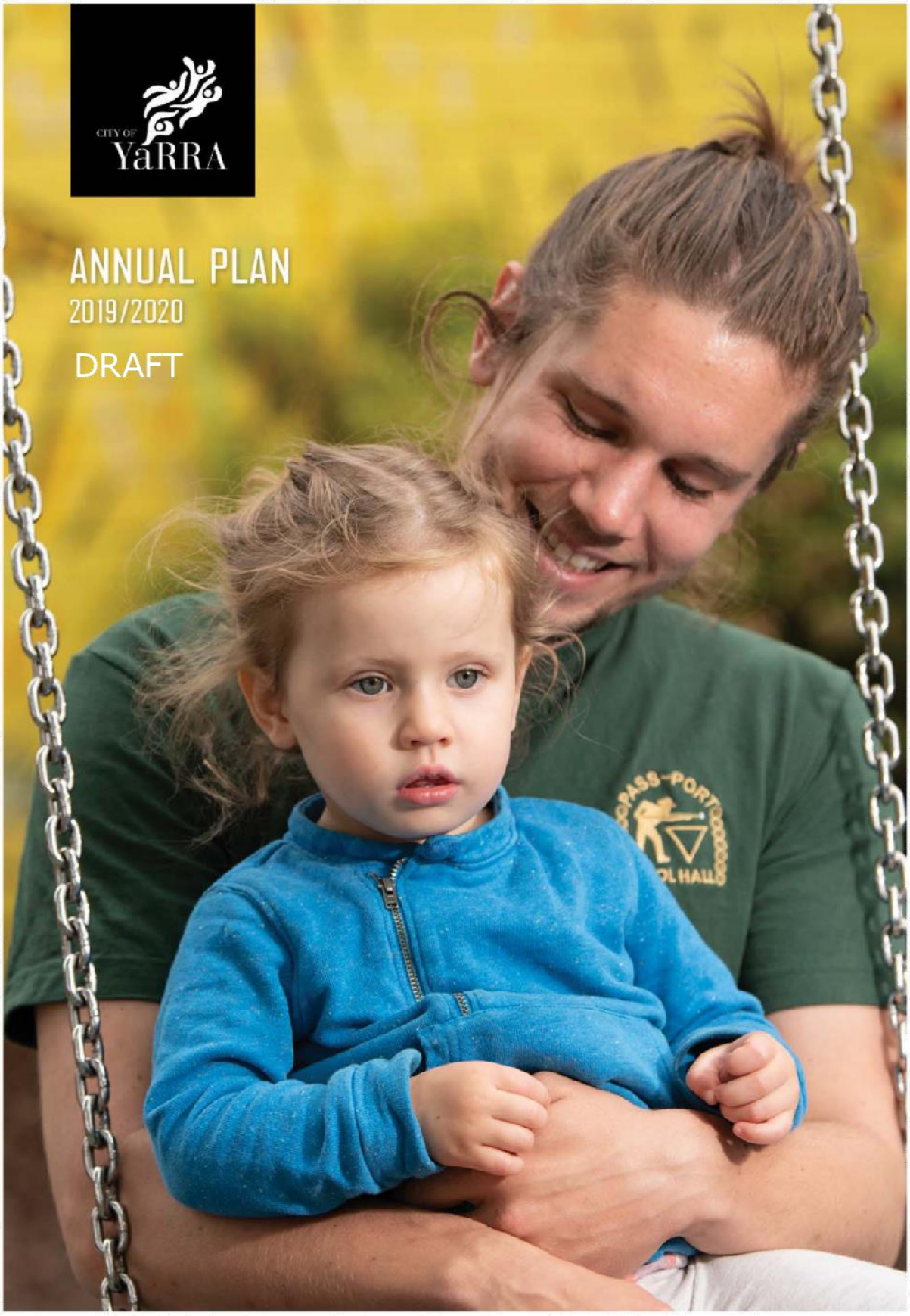
2. That Council authorises officers to make minor administrative changes or clarifications if required.

CONTACT OFFICER: **Shane Looney**
TITLE: **Corporate Planner**
TEL: **9205 5397**

Attachments

1⇩ Attachment 1 2019-20 Annual Plan Draft

Attachment 1 - Attachment 1 2019-20 Annual Plan Draft



Attachment 1 - Attachment 1 2019-20 Annual Plan Draft

Council Plan 2017-2021 : Year 3

2019/20 Annual Plan

Introduction

The Yarra City Council adopted its Council Plan 2017 – 21 on 1 August 2017. The Council Plan 2017 – 21 sets out the medium-term direction of Council and the outcomes sought by Councillors for their term. For the first time, the Council Plan incorporates the Health and Wellbeing Plan. This financial year, 2019/20 is Year three of the Council Plan 2017 – 21.

Under the Local Government Act 1989 (the Act), each council is required to produce a four-year Council Plan by 30 June in the year following a general election. The Plan must include Strategic Objectives, Strategies, Strategic Indicators and a Strategic Resource Plan.

Council has identified a number of initiatives under each Strategic Objective which are significant projects and activities that are proposed to be worked on over the term of the Council Plan, subject to approval through the annual budget process.

Council produces an Annual Plan alongside each year's Budget, setting out specific projects and activities that Council will undertake towards achieving the Strategic Objectives. This will include priority projects, capital works projects, actions in response to initiatives in the Council Plan and other Council strategies and plans as well as service reviews and improvements.

The Council Plan 2017 – 21 has seven Strategic Objectives which relate to a different aspect of service delivery:

A healthy Yarra: Community health, safety and wellbeing are a focus in everything we do. Council plays a key role in contributing to our community's health and wellbeing. From delivering maternal and child health services to ensuring access to open space, enforcing noise regulations to supporting community and cultural initiatives, community health, safety and wellbeing is central to everything we do.

An inclusive Yarra: Inclusion, diversity and uniqueness are welcomed, respected and celebrated. Identity was a passionate and recurring theme throughout community consultation for the Council Plan. Our community values its diversity. Creating a safe place where people of all ages, genders, sexualities, abilities, cultures and backgrounds feel welcome and connected is a priority for Council.

A sustainable Yarra: Council leads on sustainability and protects and enhances its natural environment. As Victoria's first carbon-neutral council, we are proud of our commitment to sustainability. Protecting our natural environment and supporting our community to reduce its environmental footprint will continue to be a priority for Council.

A liveable Yarra: Development and growth are managed to maintain and enhance the character and heritage of the city. With demand for inner city housing increasing, Council is mindful of the importance of balancing the needs of new and existing residents, and ensuring that development does not encroach on the amenity or heritage of our city.

A prosperous Yarra: Local businesses prosper and creative and knowledge industries thrive. Yarra is a great place to do business and to work. Supporting local businesses and creative industries not only contributes to Yarra's economy, but also increases local employment opportunities, enhances street life and fosters community connectedness.

A connected Yarra: Connectivity and travel options are environmentally sustainable, integrated and well-designed. Council is committed to creating a city that is accessible to all irrespective of levels of personal mobility, to support a fulfilling life without the need for a car.

A leading Yarra: Transparency, performance and community participation drive the way we operate. Council is committed to change through an energised, cohesive team of professionals, recognised for our leadership, innovation and service.

In response to its Strategic Objectives, Council has committed to 36 projects and activities from a broad cross-section of services in the 2019/20 Annual Plan.

Progress of these projects and actions will be reported in the 2019/20 Annual Plan Quarterly Progress Reports. Further information can be found in the published version of the Council Plan 2017 – 21 on the City of Yarra's website (https://www.yarracity.vic.gov.au/about-us/council-information/council-plan).

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Council Plan 2017-2021 : Year 3

2019/20 Annual Plan

Quarter Summary

Council has committed to 41 actions across a range of services. Any variations to the Annual Plan are made openly and transparently in the context of priorities that arise over the course of the year.

The status of actions is classified based on the percentage of targets achieved as assessed by the responsible officer (forecast milestones compared to actual work completed).

Strategic Objective	No. of Actions Reported
A healthy Yarra	6
An inclusive Yarra	4
A sustainable Yarra	9
A liveable Yarra	9
A prosperous Yarra	4
A connected Yarra	6
A leading Yarra	3
	41

Draft

Council Plan 2017-2021 : Year 3

2019/20 Annual Plan

1 . A healthy Yarra

a place where…Community health, safety and wellbeing are a focus in everything we do

Council plays a key role in contributing to our community's health and wellbeing . From delivering maternal and child health services to ensuring access to open space, enforcing noise regulations to supporting community and cultural initiatives, community health, safety and wellbeing is central to everything we do.

Strategies

Council's work to achieve this Strategic Objective includes the following strategies :

1.1 Maintain and enhance Yarra's open space network to meet the diverse range of community uses
1.2 Promote a community that is inclusive, resilient, connected and enjoys strong mental and physical health and wellbeing
1.3 Provide health promoting environments that encourage healthy eating and active living
1.4 Assist to reduce the harms from alcohol and drugs on individuals and the community in partnership with State Agencies and key service providers
1.5 Promote environments that support safe and respectful sexual practices, reproductive choices and gender equity
1.6 Promote a gender equitable, safe and respectful community
1.7 Promote an effective and compassionate approach to rough sleeping and advocate for affordable , appropriate housing
1.8 Provide opportunities for people to be involved in and connect with their community

The following actions are being proposed in 2019/20 to work toward achieving Council's strategic objective of A healthy Yarra.

Action
1.01 Yarra Open Space Strategy
1.02 National Aged and Disability Care Reforms
1.03 Yarra 0 to 25 Plan
1.04 Provision of boat storage and clubhouse facility design - Panther Pavilion
1.05 Ryans Reserve Netball/Tennis Court and Pavilion
1.06 Malcolm Graham Pavilion - Kevin Bartlett Reserve

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1.01 Yarra Open Space Strategy

Council Plan initiatives:
- Develop an open space strategy to ensure Yarra's public open space is managed as a functional network that encourages shared use and active living
- Prepare a Planning Scheme Amendment to introduce the open space strategy into the Yarra Planning Scheme and increase the rate of contribution towards open space (Strategic Objective 4: A liveable Yarra)

The Yarra Open Space Strategy guides the future provision, planning, design and management of public open space in Yarra. The new Open Space Strategy is a renewed direction for the provision and enhancement of the open space network, including changes in community needs since the last strategy was developed. The strategy aims to achieve a cohesive, linked and well managed network of open space to meet the full range of residents' needs.

Following adoption of the new Open Space Strategy, Council will prepare a Planning Scheme amendment seeking to include open space design overlay controls in the Yarra Planning Scheme.

Branch *City Strategy*

Quarterly Milestones

September	Refine analysis regarding priorities, locations and acquisition considerations Finalise draft Open Space Strategy technical report Brief Councillors on consultants work and funding aspects
December	Seek Council consent to undertake community consultation on draft strategy
March	Consider submissions and finalise Strategy, present to Council seeking adoption
June	Formulate Planning Scheme amendment regarding open space contribution percentage and present report to Council seeking authorisation from the State Government for the amendment to be placed on public exhibition

1.02 National Aged and Disability Care Reforms

Council Plan Initiative:
Continue to implement the National Aged and Disability Care reforms and develop new strategic directions for support of older people and people with disability

The Federal Government is making major changes to the aged and disability care service system and this requires Council to determine its role and implement changes already announced.

Branch *Aged and Disability Services*

Quarterly Milestones

September	Make a submission to the National Disability Information, Linkages and Capacity Building – Economic and Community Participation grant program to support locally based community building initiatives
December	Continue to advocate directly and through the Municipal Association of Victoria to achieve the best outcomes for older people and people with disability from the national reform
March	Work with local partner agencies to maintain CHSP funding that support at risk groups to access basic support services Support residents currently within the Linkages service to transition to Home Care Packages by 31 March 2020, pending the Federal Government's final decision Subject to Federal Government decisions on the Commonwealth Home Support Program (CHSP), determine Council's position on future delivery of the program and individual services
June	Support the transition of the Regional Assessment Service to the new model adopted by the Federal Government by 1 July 2020, pending the Federal Government's final decision

1.03 Yarra 0 to 25 Plan

Council Plan initiative:
Continue to provide a range services and work collaboratively with external groups to improve the health and

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wellbeing of the Yarra community

Yarra's 0 to 25 Plan takes an integrated life-stage approach to guide priorities and actions relating to children, young people and their families. Council will work with external groups to improve the delivery of coordinated, responsive and evidence-based services.

Branch *Family, Youth and Children's Services*

Quarterly Milestones

September Coordinate delivery and promotion of Council programs and activities for children and young people across school holidays to provide better services.
December Review data from school survey of children and young people and facilitate with partners the Communities that Care Action Plan for 2020/21.
March Investigate areas of identified need in the Australian Early Development Census 2018 and other relevant data to improve service responsiveness.

1.04 Provision of boat storage and clubhouse facility design - Panther Pavilion

Panther Pavilion was identified as one of the highest priorities for investment in a recent report - Status of Council owned Sporting Facilities and Pavilion report. A design for the pavilion will guide future investment and enable the facility to better meet community needs now and into the future.

The Panther Pavilion currently stores around 227 boats within it and the Ivanhoe Northcote Canoe Club (INCC) wish to create a dedicated storage facility to enable the removal of boats from the club house. Removing the 227 boats from the Pavilion will be an important first step in enabling greater use and functionality of the Pavilion and enable design work to take place.

Branch *Recreation and Leisure Services*

Quarterly Milestones

September Commence boat storage construction
December Complete boat storage construction
March Commence Pavilion design
June Complete Pavilion design

1.05 Ryans Reserve Netball/Tennis Court and Pavilion

Following a community campaign, the State Government reversed a decision to rezone Ryan's Reserve and has provided funding for a major upgrade of the netball courts and old pavilion. The redevelopment will include an upgrade of the pavilion to ESD (Environmentally Sustainable Design) and DDA (Disability Discrimination Act) requirements, resurfacing four netball courts, increasing run-off outside courts to meet competition standards replacement of sports lights and alterations to boundaries and open space.

Branch *Recreation and Leisure Services*

Quarterly Milestones

September Apply for Planning Permit for Pavilion and court works
December Complete Courts refurbishment
June Commence Pavilion refurbishment works

1.06 Malcolm Graham Pavilion - Kevin Bartlett Reserve

State Government funding has been provided to refurbish Malcolm Graham Pavilion in Kevin Bartlett Reserve. The refurbishment and extension allow local clubs to grow, provide them greater flexibility and capacity to train, and boost their ability to host competitions.

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The works will take place in two stages:

Stage 1 – Extension with two additional change rooms, storage areas, disability change and toilet facilities, first aid room and covered spectator viewing area

Stage 2 – Refurbish pavilion that meets functional, DDA and environmental sustainability requirements

Branch *Building and Asset Management*

Quarterly Milestones

September	Commence extension constructions works
December	Complete extension construction works
March	Commence refurbishment works for DDA and sustainability requirements
June	Complete refurbishment works for DDA and sustainability requirements

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2 . An inclusive Yarra

a place where…Inclusion, diversity and uniqueness are welcomed, respected and celebrated

Identity was a passionate and recurring theme throughout community consultation for the Council Plan. Our community values its diversity. Creating a safe place where people of all ages, genders, sexualities, abilities, cultures and backgrounds feel welcome and connected is a priority for Council.

Strategies

Council's work to achieve this Strategic Objective will include the following strategies :

2.1 Build resilience by providing opportunities and places for people to meet, be involved in and connect with their community
2.2 Remain a highly inclusive Municipality, proactive in advancing and advocating for the rights and interests of specific groups in the community and community issues
2.3 Continue to be a local government leader and innovator in acknowledging and celebrating Aboriginal history and culture in partnership with Traditional Owners
2.4 Acknowledge and celebrate our diversity and people from all cultural backgrounds
2.5 Support community initiatives that promote diversity and inclusion

The following actions are being proposed in 2019/20 to work toward achieving Council's strategic objective of An inclusive Yarra.

Action
2.01 Deliver the Volunteer Strategy
2.02 Active and Healthy Ageing
2.03 Social Justice Charter
2.04 LGBTIQ Strategy

Draft

2.01 Deliver the Volunteer Strategy

Council Plan initiative:
Develop and adopt a Volunteer Strategy

Most community organisations in Yarra rely on volunteers and Council can support these groups in promoting their volunteer opportunities. A Volunteer Strategy provides clear direction for Council in how it supports volunteering in Yarra.

Branch *People, Culture and Community*

Quarterly Milestones

September Present draft Volunteer Strategy to Council for adoption

2.02 Active and Healthy Ageing

Council Plan Initiative:
Work with the community and other levels of government and advocate to challenge discrimination , and address disadvantage, whether based on income, age, gender, sexuality, cultural background, religion or abilities

The Active and Healthy Ageing Strategy was developed with the support of Council's Active Ageing Advisory Group (AAAG), In the midst of the national aged care reforms, it provides an opportunity to consider strategic directions to ensure our 50+ residents remain engaged, active and independent.

Branch *Aged and Disability Services*

Quarterly Milestones

September Implement the Good Access is Good Business Project (pending successful new initiative bid for 2019-20)
Pilot new social support group model which is interest based, and combines centre and community based activities to better engage diverse groups
December Pilot age friendly approach to develop new initiatives in identified neighbourhoods that are vulnerable (SEIFA index)
Complete community consultation on opportunities for improvement and development of a Hub at the Collingwood Seniors Centre
March Evaluate new social support group model

2.03 Social Justice Charter

Council Plan initiative:
Develop a social justice/human rights charter to better articulate council's commitment

The development of a Social Justice Charter for Council will provide an over-arching commitment to human rights which will then inform everything Council does. The charter will be developed in consultation and engagement with stakeholders.

Branch *People, Culture and Community*

Quarterly Milestones

September Present draft Charter to Council for endorsement for public exhibition
December Present draft Charter to Council for adoption

2.04 LGBTIQ Strategy

Council Plan initiative:
Advocate to support social justice and community issues including preventing family violence, LGBTIQ rights, and welcoming refugees

Draft

Attachment 1 - Attachment 1 2019-20 Annual Plan Draft

Develop a whole of Council LGBTIQ strategy

Branch *People, Culture and Community*

Quarterly Milestones

December Present draft Strategy to Council for endorsement for public exhibition
June Present draft Strategy to Council for adoption

Draft

3 . A sustainable Yarra

a place where…Council leads on sustainability and protects and enhances its natural environment

As Victoria's first carbon-neutral council, we are proud of our commitment to sustainability. Protecting our natural environment and supporting our community to reduce its environmental footprint will continue to be a priority for Council.

Strategies

Council's work to achieve this Strategic Objective will include the following strategies :

3.1 Investigate strategies and initiatives to better manage the long term effects of climate change
3.2 Support and empower a more sustainable Council and Community
3.3 Lead in sustainable energy policy and deliver programs to promote carbon neutral initiatives for the municipality and maintain Council as a carbon neutral organisation.
3.4 Reduce the amount of waste-to-landfill with a focus on improved recycling and organic waste disposal
3.5 Promote responsible water usage and practices
3.6 Promote and facilitate urban agriculture with a focus on increasing scale and uptake in the community
3.7 Investigate strategies and initiatives to improve biodiversity

The following actions are being proposed in 2019/20 to work toward achieving Council's strategic objective of A sustainable Yarra.

Action
3.01 Yarra Environment Strategy
3.02 Climate Emergency
3.03 Embedding Sustainability (including adaptation)
3.04 Review and update Council's Urban Agriculture guidelines
3.05 Actively avoid and reduce waste
3.06 Commence holistic waste system trial in selected areas with 1300 households
3.07 Investigate replacing paved spaces with permeable surfaces
3.08 Edinburgh Gardens storm water harvesting project
3.09 Develop an Integrated Water Management Strategy

Draft

Council Plan 2017-2021 : Year 3

2019/20 Annual Plan

3.01 Yarra Environment Strategy

Council Plan initiative:
Continue to be a leading Council and Municipality in the field of Environmental Sustainability

Yarra's Environment Strategy provides direction and actions required to integrate sustainable practices into Council's operations, as well as its community programs and services. Council has been developing a new Environment Strategy and this year will be seeking public comment on and adopting and a new Environment Strategy.

Branch *Sustainability and Strategic Transport*

Quarterly Milestones

December	Present Draft Yarra Environment Strategy to Council seeking endorsement for public exhibition
March	Consider submissions and finalise draft strategy
June	Present Yarra Environment Strategy to Council seeking adoption

3.02 Climate Emergency

Council Plan Initiative:
Promote programs that monitor and reduce emissions across the municipality and strive to maintain its carbon neutral status

Climate Emergency is a growing global movement that seeks to dramatically accelerate climate action to an emergency response by invoking mass-mobilisation of people and practices. Councils Community Greenhouse Action Plan will be renamed its Climate Emergency Plan in light of scientific advice that we have just 12 years to dramatically reduce greenhouse gas emissions before runaway climate change.

Council will develop a Climate Emergency Plan in partnership with the Yarra Energy Foundation (YEF) to support programs and initiatives to reduce its energy use and greenhouse emissions across the municipality.

Branch *Sustainability and Strategic Transport*

Quarterly Milestones

December	Achieve certification for Council as a carbon neutral organisation
	Present Draft Climate Emergency Plan (including plan to reduce organisational emissions) to Council seeking endorsement for public exhibition
March	Consider submissions and finalise draft strategy
June	Present Climate Emergency Plan and Action Plan to Council seeking adoption

3.03 Embedding Sustainability (including adaptation)

Council Plan Initiative:
Improve integration across environmental and sustainability policies and strategies

Council will continue to embed sustainability and adaptation across it's decision making processes and report to Council on its progress.

Branch *Sustainability and Strategic Transport*

Quarterly Milestones

September	Present report to Council on ways to improve embedding sustainability and adaptation at Council
March	All new initiative bids include assessment through the Quadruple Bottom Line Tool

3.04 Review and update Council's Urban Agriculture guidelines

Council Plan Initiative:
Showcase urban agriculture and support community initiatives in sustainable practices

Draft

In 2018/19 City of Yarra developed a new Urban Agriculture Strategy 2019 – 2023. The new Urban Agriculture Strategy moves toward a food systems approach comprising how food is grown, processed, distributed, consumed and recycled. Review of the Urban Agriculture Guidelines is an action within the new Urban Agriculture Strategy.

Branch *City Works*

Quarterly Milestones

September	Commence guideline review processes
December	Consult internal and external stakeholder
March	Update draft guidelines
June	Present report on new Guidelines to Council

3.05 Actively avoid and reduce waste

Council Plan Initiative:
Reduce volume of kerbside waste collection per capita by behaviour change programs and increase of recycling

Develop and deliver education/engagement program to encourage residents to consume mindfully as an initiative to reduce the volumes of waste materials going to landfill.

Branch *City Works*

Quarterly Milestones

September	Develop education / engagement campaign about waste reduction and avoidance
December	Commence delivery of campaign
March	Evaluate program
June	Brief Council on outcomes

3.06 Commence holistic waste system trial in selected areas with 1300 households

Council Plan Initiative:
Investigate, implement and promote initiatives to divert organic waste from landfill

Undertake a trial aimed at introducing a holistic program to reduce volume of kerbside waste collection per capita by behaviour change programs and increase of recycling

Branch *City Works*

Quarterly Milestones

September	Commence collection of food and green waste and glass in selected trial areas
December	Evaluate trial program and brief Council on outcomes
March	Depending on outcome of trial, develop plan for delivery of holistic waste system municipal wide
June	Commence engagement, communication and marketing to get community ready for roll out

3.07 Investigate replacing paved spaces with permeable surfaces

Council Plan initiative:
Investigate feasibility of replacing road and paved space with permeable surfaces.

Permeable surfaces have the potential to increase infiltration of water to the subsoil, act as a water retention system and reduce high run off rates during a storm event.

Investigate and identify up to 3 possible trial sites for permeable surfaces to replace road or paved space. Deliver identified trial sites, monitor/report to Council in following financial year.

Draft

Branch *Traffic and Civil Engineering*

Quarterly Milestones

December	Report to Council on up to 3 possible trial sites for permeable surfaces
June	Deliver trial sites as identified in report to Council, and monitor/analyse for 6 month period

3.08 Edinburgh Gardens storm water harvesting project

Council Plan initiative:
Continue to implement and promote evidence based water conservation initiatives

Design and commence installation of a large scale storm water harvesting system in Edinburgh Gardens to reduce potable water use, and better use storm water within the gardens

Branch *City Works*

Quarterly Milestones

December	Award contract for design and construction of the Edinburgh Gardens storm water harvesting project
June	Complete detailed design and site establishment for the Edinburgh Gardens storm water harvesting project

3.09 Develop an Integrated Water Management Strategy

Council Plan initiative:
Continue to implement and promote evidence based water conservation initiatives

Undertake investigation of Councils water management assets, and use this to inform the development of an Integrated Water Management Strategy

Branch *City Works*

Quarterly Milestones

March	Brief Council on the findings from the investigations and analysis of Councils drainage infrastructure
June	Develop a draft Water Management Strategy

Draft

4 . A liveable Yarra

a place where... Development and growth are managed to maintain and enhance the character and heritage of the city

With demand for inner city housing increasing, Council is mindful of the importance of balancing the needs of new and existing residents, and ensuring that development does not encroach on the amenity or heritage of our city.

Strategies

Council's work to achieve this Strategic Objective includes the following strategies:

4.1 Protect Yarra's heritage and neighbourhood character
4.2 Actively plan for Yarra's projected growth and development and advocate for an increase in social and affordable housing
4.3 Plan, promote and provide built form, open space that is accessible to all ages and abilities
4.4 Protect Council assets through effective proactive construction management
4.5 Encourage and promote environmentally sustainable building, urban design, place-making and public realm outcomes
4.6 Provide direction and improve decision making on infrastructure projects through the application of the Strategic Community Infrastructure Framework
4.7 Encourage engagement with the community when developments are proposed

The following actions are being proposed in 2019/20 to work toward achieving Council's strategic objective of A liveable Yarra.

	Action
4.01	Development Contributions Plan – Planning Scheme Amendment
4.02	Strategies for the hospital and education precincts
4.03	Queens Parade Design and Development Overlay
4.04	Built Form Analysis for Heidelberg Road, Alphington
4.05	Built Form Analysis for Major Activity Centres
4.06	Structure planning for Major Activity Centres in Yarra
4.07	Negotiate Joint Use Agreement with Richmond High School
4.08	Review and develop a framework for management of Council's own heritage assets
4.09	Deliver Social and Affordable Housing Strategy

Draft

4.01 Development Contributions Plan – Planning Scheme Amendment

Council Plan Initiative:
Progress a Planning Scheme amendment to implement a Development Contribution Plan

Council approved a Development Contributions Plan (DCP) in 2018/19. The DCP will require developers to contribute to infrastructure upgrades like roads and footpaths and community facilities to help provide for the needs of our growing city. Council will prepare a Planning Scheme Amendment to implement the DCP approved by Council, for submission to the Minister of Planning for approval.

Branch *Office of the Director Planning and Place Making*

Quarterly Milestones

September	Advocate to Minister for Planning to approve DCP Amendment post Council adoption
December	Complete internal systems to capture contributions and systematically record receipt and acquittals (if approved)
March	Implement system once approved by Minister for Planning

4.02 Strategies for the hospital and education precincts

Council Plan Initiative:
Prepare strategies for the Epworth and St Vincent's hospital precincts and the Australian Catholic University education precinct identified in Plan Melbourne 2017-2050

Council will scope proposal and engage with state agencies to prepare strategies for the hospital and education precincts around St Vincent's and Epworth hospitals, and the Australian Catholic University.

Branch *City Strategy*

Quarterly Milestones

March	Scope proposal and seek engagement and support from state agencies

4.03 Queens Parade Design and Development Overlay

Council Plan Initiative:
Prepare a Planning Scheme amendment seeking permanent development and design overlay controls for Queens Parade North Fitzroy

Council will prepare and exhibit a new Design and Development Overlay for the Queens Parade area of Fitzroy North to introduce improved planning policy and guidance for the area within the Yarra Planning Scheme.

Branch *City Strategy*

Quarterly Milestones

September	Advocate Council's position at panel
December	Consider the report and recommendations of the Planning Panel and seek Council adoption of the Amendment

4.04 Built Form Analysis for Heidelberg Road, Alphington

Council Plan initiative:
Develop planning controls for Heidelberg Road, Alphington in conjunction with Darebin Council

Council will undertake built form analysis for Heidelberg Road, Alphington, which will be implemented by planning controls in the Yarra Planning Scheme.

Draft

Branch *City Strategy*

Quarterly Milestones

December Prepare draft Local Area Plan for consultation
March Seek Council consent to undertake consultation
June Finalise Local Area Plan and commence preparations for a Planning Scheme Amendment

4.05 Built Form Analysis for Major Activity Centres

Council Plan Initiative:
Prepare a built form analysis as part of the preparation of structure plans for major activity centres

Council will prepare Built Form Analysis to inform Structure Plans for the Brunswick Street /Smith Street Major Activity Centres in Yarra and to support the future preparation of Design and Development Overlays in the Yarra Planning Scheme.

Branch *City Strategy*

Quarterly Milestones

September Consider report on the Built Form Studies and commence preparation of a planning amendment for interim planning controls
June Seek Council consent to undertake consultation on draft studies and draft amendment

4.06 Structure planning for Major Activity Centres in Yarra

Council Plan Initiative:
Continue to develop structure plans for Yarra's major activity centres which build on the unique character of each precinct

Council will prepare Built Form Analysis and Structure Plans for Major Activity Centres in Yarra to support the future preparation of Design and Development Overlays in the Yarra Planning Scheme.

Branch *City Strategy*

Quarterly Milestones

September Complete background analysis report for Victoria Street and Bridge Road
December Finalise draft Structure Plans
March Seek Council consent to undertake community consultation
June Report to Council seeking consideration of final Structure Plans

4.07 Negotiate Joint Use Agreement with Richmond High School

Council Plan Initiative:
Campaign for appropriate joint use agreements for shared use community facilities as part of the Richmond High School project

Council will work with the Department of Education and Training to develop a Joint Use Agreement for community facilities as part of the Richmond High School project.

Branch *Office of the Director City Works and Assets*

Quarterly Milestones

September Continue to engage with School Principal regarding use of facilities in the precinct to determine the details of the Joint Use Agreements, including potential stakeholders and user groups for the school facilities
December Finalise draft Joint Use Agreement with the School Principal

Draft

March Seek School Council and Yarra City Council endorsement of Joint Use Agreement

4.08 Review and develop a framework for management of Council's own heritage assets

Council Plan initiative:
Strengthen the protection of Yarra's heritage through the planning scheme , education, and resource provision

Identification and assessment of properties with shared heritage value and updating their statements of significance

Branch *CEO Office*

Quarterly Milestones

September Initiate preparation of a framework for management of Yarra's own heritage assets
December Consult with internal and external stakeholders
March Present a draft framework to Executive
June Present a draft framework to Council

4.09 Deliver Social and Affordable Housing Strategy

Council Plan Initiative:
Advocate to federal and state governments through Yarra IMAP , MAV, ISMMF, VLGA on affordable and community housing.

Through Council Plans and other strategic documents, Council has expressed its commitment to maintain and support a socially, economically and culturally diverse community. This commitment is further evidenced by the financial support it has provided to the community housing sector, its resolute pursuit of affordable housing outcomes at major development sites and strategic advocacy to state and commonwealth governments.

A Social and Affordable Housing strategy, will encompass strategic directions for Council through its roles as a planning authority and community advocate.

Branch *Social Policy and Research*

Quarterly Milestones

September Complete public exhibition/consultation
Present draft Strategy to Council for adoption
December Commence implementation of strategy

Draft

5 . A prosperous Yarra

a place where…Local businesses prosper and creative and knowledge industries thrive

Yarra is a great place to do business and to work. Supporting local businesses and creative industries not only contributes to Yarra's economy, but also increases local employment opportunities, enhances street life and fosters community connectedness.

Strategies

Council's work to achieve this Strategic Objective include the following strategies :

5.1 Maintain and strengthen the vibrancy and local identity of retail and commercial precincts
5.2 Strengthen and monitor land use change and economic growth including new and emerging economic clusters
5.3 Create local employment opportunities by providing targeted and relevant assistance to facilitate business growth, especially for small and medium size enterprises and entrepreneurs through the attraction and retention of businesses
5.4 Develop Innovative Smart City solutions in collaboration with government, industry and community that use technology to embrace a connected, informed and sustainable future
5.5 Facilitate and promote creative endeavour and opportunities for the community to participate in a broad range of arts and cultural activities
5.6 Attract and retain creative and knowledge industries in Yarra
5.7 Ensure libraries and neighbourhood houses support lifelong learning, wellbeing and social inclusion

The following actions are being proposed in 2019/20 to work toward achieving Council's strategic objective of A prosperous Yarra.

Action
5.01 Economic Development Strategy
5.02 Local retail precincts
5.03 Brunswick Street Streetscape Master Plan (BSSMP)
5.04 Develop Yarra as a Smart City

Draft

5.01 Economic Development Strategy

Council Plan initiative:
Promote the benefits of doing business locally including the benefit of access by walking and cycling

Yarra's Economic Development Strategy outlines out council can best support economic development by fostering greater investment and jobs growth in the municipality. Council will review the current Strategy, including consultation with stakeholders, for adoption by Council.

Branch *City Strategy*

Quarterly Milestones

September	Commence project inception
December	Complete review and prepare draft strategy
March	Seek Council consent to undertake consultation on draft strategy
June	Finalise strategy and seek Council adoption

5.02 Local retail precincts

Council Plan initiatives:
- Promote the benefits of doing business locally including the benefit of access by walking and cycling
- Engage with local traders, leasing agents and property owners to strengthen the viability of Yarra's activity centres such as Bridge Road including the activation of empty spaces

To support local retail precincts, this year Council will trial various marketing channels to help inform an annual marketing strategy to encourage residents to shop locally, with an emphasis on walking/cycling options, participate in State Government project to better manage retail vacancies using Bridge Road and Victoria Street as a pilot and complete Year 3 of the Victoria Street shop front improvement program.

Branch *City Strategy*

Quarterly Milestones

September	Participate in revitalisation project sponsored by the Minister for Planning
	Complete development of digital maps for 12 precincts that will provide content for marketing on various media and marketing platforms
December	Promote and advocate the benefits of walking, cycling and supporting local businesses
March	Complete thrid year program of shop front improvements in Victoria Street

5.03 Brunswick Street Streetscape Master Plan (BSSMP)

Council Plan Initiative:
Undertake at least three streetscape masterplans for shopping strips based on Place Making principles

Preparation of masterplan for the Brunswick Street activity centre, undertaking consultation and adoption of final masterplan by Council.

Branch *City Strategy*

Quarterly Milestones

September	Finalise background report on issues, opportunities and vision
December	Seek Council consent to undertake consultation on background report
March	Prepare draft master plan for Council consideration
June	Report back to Council post submissions

5.04 Develop Yarra as a Smart City

Draft

Attachment 1 - Attachment 1 2019-20 Annual Plan Draft

Council Plan 2017-2021 : Year 3

2019/20 Annual Plan

Council Plan initiative:
Implement an innovation hub to bring people together to focus on creative solutions, enabling a culture of continuous improvement, innovation and collaboration

Collaborate with the local community and relevant stakeholders to ensure Yarra becomes a Smart City which delivers a connected, informed and sustainable future.

Branch *Office of the Director City Works and Assets*

Quarterly Milestones

September	Establish a dedicated Internet of Things network to enable Yarra and its community to connect Identify and implement the hub for smart and future city solutions (Yarra CityLab)
March	Connect with 20 Local Government Authorities and Industry organisations around smart city and smart infrastructure opportunities
June	Initiate 4 Internet of Things and smart city trials

Draft

6 . A connected Yarra

a place where…Connectivity and travel options are environmentally sustainable, integrated and well-designed

Council is committed to creating a city that is accessible to all irrespective of levels of personal mobility, to support a fulfilling life without the need for a car.

Strategies

Council's work to achieve this Strategic Objective includes the following strategies:

6.1 Manage traffic movement and promote road safety within local roads
6.2 Work in partnership with Vicroads and influence traffic management and road safety on main roads
6.3 Investigate and implement effective parking management options
6.4 Improve accessibility to public transport for people with mobility needs and older people
6.5 Develop and promote pedestrian and bicycle infrastructure that encourages alternate modes of transport, improves safety and connectedness
6.6 Advocate for increased infrastructure and performance of public transport across Melbourne

The following actions are being proposed in 2019/20 to work toward achieving Council's strategic objective of A connected Yarra.

Action
6.01 Bridge Road variable parking trial
6.02 Low speed traffic environments
6.03 Complete Wellington Street Bike Lane
6.04 Review Local Area Place Making Policy
6.05 Advocate for Disability Discrimination Act compliant tram stops
6.06 North East Link

Draft

6.01 Bridge Road variable parking trial

Council Plan Initiative:
Continue to utilise data, technology and community consultation in considering the appropriate management of parking

A trial of variable paid parking options on Bridge Road commenced in 2018/19 to understand how variable pricing will influence occupancy rates of the on-street Bridge Road parking. Council will analyse trial data and consider options of variable pricing for different sections of Bridge Road and develop a template that can be applied to other locations within Yarra.

Branch *Compliance and Parking Services*

Quarterly Milestones

September	Complete variable parking trial
December	Hold a community consultative forum on parking and related matters
	Analyse data
March	Present report to Council on results of trial to consider any further action

6.02 Low speed traffic environments

Council Plan Initiative:
Continue to provide low speed environments and community education for pedestrians, cyclists, motor-cyclists and vehicle drivers and passengers

Yarra became the first council in Australia to trial a 30km/h area-wide speed limit in September 2018. The trial area is in the neighbourhood streets bordered by Alexandra Parade, Johnston Street, Hoddle Street and Nicholson Street and aims to create safer and more liveable streets, especially for people who walk and cycle. Council will continue to monitor the effectiveness of the trial and the potential for wider application across Yarra .

Branch *Traffic and Civil Engineering*

Quarterly Milestones

September	Conclude 12 month 30km/h trial in Fitzroy and prepare initial report to Council
March	Following analysis, present a report to Council on results of trial to consider any further action

6.03 Complete Wellington Street Bike Lane

Council Plan Initiative:
Complete construction of the Wellington Street Bike (Copenhagen style) Lane to Johnston Street

Council is extending the existing protected bike lanes on Wellington Street in Collingwood to provide a safer and better connected journey for cyclists. Construction of the bike lane on Wellington Street, between Gipps Street and Johnston Street, commenced in 2018/19 and will be completed this year.

Branch *Sustainability and Strategic Transport*

Quarterly Milestones

September	Complete Stage 2 separated bicycle lane project

6.04 Review Local Area Place Making Policy

Council Plan initiative:
Transition Local Area Traffic Management programs to Local Area Place Making programs

Council will review the Local Area Place Making policy following the transition from a Local Area Traffic Management approach to ensure appropriate coverage and inclusion of all relevant place making aspects.

Draft

Branch *Traffic and Civil Engineering*

Quarterly Milestones

September Undertake an internal review of the current policy
March Inform Council of results of internal review of policy

6.05 Advocate for Disability Discrimination Act compliant tram stops

Council Plan Initiatives:
- Continue to facilitate the upgrade of local tram stops to comply with the Disability Discrimination Act to support both access and viability of activity centres
- Advocate to the state government for improved accessibility to public transport services

Public transport in the City of Yarra needs to be made more accessible for people with disability and to comply with the provisions of the Commonwealth Government's Disability Discrimination Act (1992) (DDA) and the Disability Standards for Accessible Public Transport (2002). Accessibility is at the forefront of ensuring independence and engagement for people 50+ and people with disability in our municipality.

Branch *Sustainability and Strategic Transport*

Quarterly Milestones

September Agree MOU with Yarra trams re DDA tram stops
December Provide advice on DDA trams stops on Brunswick Street as part of the streetscape master plan
March Continue to advocate for Disability Discrimination Act compliant tram stops on Bridge Road

6.06 North East Link

Council Plan initiative:
Advocate to the State Government for improved public transport services to meet population growth including Chandler Highway north-south bus route, Doncaster Rail, Hoddle Street Study, Airport Rail and Alexandra Parade.

The North East Link is a proposed $16 billion freeway connect ion that will connect the M80 Ring Road to the Eastern Freeway. The project also includes new cycle paths and the construction a busway on the Eastern Freeway. While the Link is some distance from Yarra, it has the potential to bring large volumes of additional traffic to Yarra via the Eastern Freeway. In May 2019, Council resolved to make a formal submission to the North East Link Project Team within the Major Transport Infrastructure Authority, as part of the Environment Effect Statement.

Branch *Sustainability and Strategic Transport*

Quarterly Milestones

September Deliver Council submission to North East Link hearings
December Prepare mitigation plans and other projects to discuss with consortia once North East Link is tendered
March Hold discussions with North East Link consortia regarding Councils position.
June Provide briefing to Councillors on updates

Draft

7 . A leading Yarra

a place where…Transparency, performance and community participation drive the way we operate

Council is committed to change through an energised, cohesive team of professionals, recognised for our leadership, innovation and service.

Strategies

Council's work to achieve this Strategic Objective includes the following strategies:

7.1 Ensure Council's assets and financial resources are managed responsibly to deliver financial sustainability
7.2 Continue to develop a culture of continuous improvement and innovation
7.3 Maintain a culture of transparency, governance, ethical practice and management of risks that instils a high level of community respect and confidence in Council decision-making
7.4 Ensure Council services are efficient, well-planned, accessible and meet community needs
7.5 Provide the community with meaningful and genuine opportunities to contribute to and participate in Council planning and decision making processes with a focus on young people, hard to reach and traditionally underrepresented communities
7.6 Enable greater transparency and access to the conduct of Council Meetings
7.7 Develop innovative Smart City solutions in collaboration with Government, Industry and Community which will use open data technology
7.8 Continue a 'customer centric' approach to all service planning and delivery
7.9 Advocate for the best interests of our community

The following actions are being proposed in 2019/20 to work toward achieving Council's strategic objective of A leading Yarra.

Action	
7.01	Community engagement
7.02	Customer Experience Strategy 2019-2022
7.03	Council meeting live streaming

Draft

7.01 Community engagement

Council Plan initiative:
Design and deliver planned engagement processes to encourage community involvement in Council decision making in line with the Community Engagement Policy

Engaging our community and stakeholders is an important part of making decisions at Yarra . Our community engagement policy sets out our commitment to inclusive community engagement. Council is undertaking a number of community consultations and engagements in 2019/20 involving targeted methods to reach out to traditionally under-represented groups and creative approaches to involve broad representation of the community.

Branch *Advocacy and Engagement*

Quarterly Milestones

September	Utilise digital mapping tools to engage a wider demographic of residents in the North Carlton LAPMS engagement process
December	Partner with the finance branch to deliver a municipal-wide early 2020/21 budget consultation
March	Present refreshed Community Engagement Policy (with a greater focus on tailored engagement to our diverse community) to Council for adoption
June	Commence implementation of Engagement Policy year 1 actions

7.02 Customer Experience Strategy 2019-2022

Council Plan Initiative:
Continue to implement strategies that enhance customer and community experience with Council across services

Our approach is to create experiences where we value our connection, engagement and relationship with every customer and provide consistency, ease and speed across all customer channels.

Branch *Customer Service*

Quarterly Milestones

September	Promote and implement Customer Experience Strategy
March	Develop customer journey maps for high volume/high impact requests

7.03 Council meeting live streaming

Council Plan initiative:
Implement a cost effective system to broadcast Council meetings

Commission and install equipment and infrastructure to enable live streaming of Council meetings from Collingwood, Fitzroy and Richmond Town Halls. Commence live streaming meetings with the Ceremonial Meeting in November 2019.

Branch *CEO Office*

Quarterly Milestones

September	Develop project scope and undertake procurement process
December	Stream Ceremonial meeting from Collingwood Town Hall Install and commission equipment
March	Commence streaming of ordinary meetings from Fitzroy Town Hall
June	Commence streaming of ordinary meetings from Richmond Town Hall

Draft

11.3 Draft Social and Affordable Housing Strategy

Trim Record Number: D19/99985
Responsible Officer: Director Community Wellbeing

Purpose

1. Yarra City Council (Council) has a longstanding interest and commitment to increasing and improving social and affordable housing and will continue to position itself as a leading local government in this space.
2. The draft Social and Affordable Housing Strategy progresses Council's strategies in this area of social policy and aims to perpetuate a diverse resident population by increasing the availability of affordable housing suitable to households at various income levels and requirements, using the levers of planning negotiations, direct investment, partnerships and advocacy.

Background

3. House prices in Yarra have increased 130 percent between 2006 and 2016, as compared to a 63 percent increase in salaries. Overall, the population has become increasingly wealthy and lower and moderate income households have gradually become priced out of the local housing market. This has affected a range of income groups, from the increase in those sleeping rough on our streets, to key workers who are forced to travel ever long distances to work in Yarra, or those who are placed under financial stress to remain here. What is clear is that the private market is unable to adequately address these issues and that there is a need for a diverse range of subsidised housing to accommodate the spectrum of affordable housing needs.
4. The Draft Social and Affordable Housing Strategy is intended to complement the 2018 Yarra Housing Strategy by addressing the specific strategic directions on housing affordability and going beyond strategic/statutory planning to directly address matters of social policy for both Council and other levels of government.
5. The draft Social and Affordable Housing Strategy outlines strategies Council could employ to increase the supply of social and affordable housing locally and moderate the inequities in the contemporary local housing market. These strategies are positioned within the context of current data and public policy and focusses upon those areas where Council can have the most significant impact.
6. Local government has a critical role in shaping the spatial distribution of new housing in the municipality and influencing the diversity of dwelling types. Local government can support social and affordable housing through its role as a planning authority, by contributing funds, land or buildings, by partnering with and facilitating the work of other stakeholders and by advocating to other levels of government.
7. The four (draft) strategic directions are based on the roles identified for local government to support an increase of social and affordable housing supply at the municipal level:
   (a) Strategic Direction 1: Be a leading local government in pursuing affordable housing at new development sites;
   (b) Strategic Direction 2: Make selective and prudent direct investments in social and affordable housing;
   (c) Strategic Direction 3: Partner with and facilitate other stakeholders to deliver an increase in affordable housing in Yarra; and
   (d) Strategic Direction 4: Continue to pursue evidence-based, strategic advocacy to other levels of government for improved social and affordable housing outcomes.

External Consultation

8. Results from Yarra's 2019 annual household customer satisfaction survey, a randomised sample of 800 households, showed strong agreement from the local community that there must be more subsidised housing in the municipality for people on low incomes (59% strongly agree).

9. In preparation for this draft Strategy, Council hosted a workshop in April 2019 with stakeholders from community housing, property development, banking and finance, and academic sectors. Meetings with individual organisations have also been arranged on an ad-hoc basis, including the Victorian Public Tenants Association. Additionally, community housing and what role they see for Council.

10. Following Council endorsement of the draft strategy, a further broad public consultation program will be delivered over four weeks to enable the community to further shape and refine the development of the plan, prior to final Council endorsement. Planned consultation activities include:

    (a) Online Your Say Yarra survey;

    (b) Social media posts;

    (c) Yarra Life eNews story;

    (d) Postcards at neighbourhood houses and libraries;

    (e) Targeted and proactive outreach to known key stakeholder groups and representatives (social housing tenants, community housing providers, developers, tenants associations, outreach services etc.); and

    (f) Meeting with CoY advisory committees (Disability Advisory Committee, Aboriginal Advisory Group, etc.).

Internal Consultation (One Yarra)

11. Internal stakeholders have been engaged during the drafting of the Strategy to make sure that it aligns with corporate objectives and priorities, and supports all parts of the organisation to work together to facilitate an increase in social and affordable housing in the municipality. Specifically, Statutory and Strategic Planning, Aged and Disability Services, Family, Youth and Children's Services, Community Partnerships and Property Services.

Financial Implications

12. Subsidised housing requires some form of subsidy. The main challenge in securing affordable housing at new developments is the funding gap – essentially the difference in revenue that can be achieved from selling or renting something at market value as compared to selling or renting at a subsidised rate.

13. Increased awareness of other stakeholders' roles and requirements will help Council to understand and balance the needs of different players, and understanding the basic financials of development economics is also core to making informed and realistic requests for affordable housing outcomes.

14. In order for affordable housing to be delivered through a private sector development it needs to be commercially viable for the owner/developer as well as commercially sustainable for the registered housing agency to both purchase in the first instance and to own and operate long-term.

15. State Government has directed that there should be clear value generation coming from the planning process to improve development viability. Council can make contributions to offset the costs of affordable housing delivery through planning incentives – such as additional yield or streamlined decision making – or rezoning – enabling a higher value use of the site. Where no value generation is present, other subsidy or funds will be required to meet the developer's costs and those of their investors (mortgage and equity).

16. There are vastly different cost impacts of different delivery models and different housing outcomes. Gifting of land has a lower cost-impact for a developer but higher cost-impact for a housing agency, is likely to require some form of government subsidy but could result in a relatively high number of dwellings for affordable housing. Gifting of completed dwellings on the other hand has the highest cost impact on a developer and will likely result in a lower number of dwellings being delivered. However a very low or total lack of reliance on housing agency financing should enable them to rent to higher needs tenants.

17. Draft Strategic Direction 2 looks at the possibility of Council providing a material contribution to increase social and affordable housing in the municipality. This could include the gifting of Council land or buildings, or a direct monetary contribution (as currently delivered through the Community Housing Grant). This would be a powerful way to mark Council's commitment to providing affordable housing, however Council will need to weigh up its priorities and the resulting community benefit.

Economic Implications

18. Affordable housing enables low-to-moderate income workers to live in areas that they may not otherwise be able to, and that improves their access to jobs, transport and services.

19. Local industry faces additional costs without an adequate level of key worker labour supply meaning lost time in worker turn-over and recruiting when workers find jobs closer to home. Workers also suffer when they have to pay additional costs in the form of transport costs, resulting in a fall in disposable income.

20. Currently, most of the workers employed in positions in Yarra live outside the municipality (85 percent). The largest employer is the health sector, which accounts for over a fifth of all jobs, closely followed by the retail food and accommodation sector. Research has shown that a poor relationship between housing and employment markets has an impact on local productivity.

21. The Strategy's focus on the breath of affordable housing needs, up to and including lower-income workers and key workers, marks an awareness and sensitivity to the needs of the people who work in our municipality and the positive impacts they have on the municipality.

Sustainability Implications

22. There are no sustainability implications identified.

Social Implications

23. Maintaining economic diversity has been linked to positive community benefits such as stronger levels of social trust between different economic groups, higher perceptions of local safety, and greater social acceptance of difference. Conversely, international evidence suggests that increasingly stark economic divisions, can lead to significant physical, psychological and social costs to the local community.

24. The continuing socio-spatial polarisation of Greater Melbourne is rightly a source of major concern as geographic locations have different levels of access to employment, education, retail, recreation and services and lower income households may find themselves having to sacrifice better access to services for an affordable home.

25. Local rental housing remains expensive with virtually no new private rental houses or apartments in Yarra that are affordable to households with very low and low incomes. There are, however, opportunities to leverage this housing growth to generate social equity by encouraging social and affordable housing to be included in the new stock that is built.

26. Introducing a range of housing products in well located areas such as Yarra can help to ameliorate the effects of socio-spatial polarisation in Melbourne. Providing safe, secure and affordable housing can also have positive economic, social, safety and health impacts at an individual and societal level.

27. The argument for 'social mix' (i.e. tenure mixing) at a particular development site however needs to be considered within its context. It is important to note the subtle differences of its use when (1) introducing a subsidised housing component on an otherwise private development, versus (2) selling public land and introducing market housing alongside subsidised housing.

Human Rights Implications

28. Access to housing is a fundamental human right. Article 25.1 of the Universal Declaration of Human Rights states that: "*Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."*

Communications with CALD Communities Implications

29. The consultation will employ suitable strategies to address language barriers that can impede participation.

Council Plan, Strategy and Policy Implications

30. This Strategy aligns with and responds to initiatives and resolutions presented in the following Council strategies and plans:

    (a) Council Plan 2017-2021 - Council will: *"Actively Plan for Yarra's projected growth and development and advocate for an increase in social and affordable housing*"; and

    (b) Yarra Housing Strategy 2018 - Strategic Direction 4: Facilitate the provision of more affordable housing in Yarra.

Legal Implications

31. In pursuing voluntary affordable housing agreements, guidance from DELWP outlines that a Responsible Authority must:

    (a) establish strategic justification for an Affordable Housing request;

    (b) identify value to support the delivery;

    (c) ensure clear land-owner agreement;

    (d) not unduly impact commerciality of the development;

    (e) give regard to a Registered Housing Agencies support for the proposal; and

    (f) test it against the definition and list of matters (as outlined in the Ministerial Notice 'Specified Matters under Section 3AA (2)', 17 May 2018).

Other Issues

32. A Section 173 Agreement (S173) is currently the preferred method to formalise a negotiated affordable housing agreement at a new development site. A S173 can be placed on a site in perpetuity, for a predefined number of years (e.g. 10-15 years) or until the affordable housing has been transferred to a registered housing agency. Notably, many registered housing agencies have expressed concern over S173s that are put on a site in perpetuity as this limits their borrowing capacity (which can impact project feasibility) and restricts their overall portfolio management as older assets may need to be sold when maintenance becomes too costly.

33. DELWP advises that Council's should establish a strategic basis to help facilitate an effective negotiation of an Affordable Housing Agreement. This entails identifying affordable housing needs in the municipality and linking this to Council's request of developers/land-owners. The Social and Affordable Housing Strategy will help to establish strategic justification for Council's affordable housing requests at new development sites.

Options

34. Not applicable.

Conclusion

35. It is important to note that although councils have a part to play in increasing social and affordable housing, they are not the main player. Local governments across Victoria are committing to this topic in various ways and to varying degrees, with approaches ranging from advocacy programs through to the gifting of council assets. Increasingly, innovative ideas are sought to respond to the growing demand for affordable housing and given that this is an evolving area, a level of flexibility is required to capitalise on new information and approaches.

36. If Yarra Council is to continue to be a leading local government area with regard to social and affordable housing a bold policy position will need to be pursued that is rigorously evidenced and delivered with consideration of our partners and stakeholders.

37. The draft City of Yarra Social and Affordable Housing Strategy – Building for Diversity – will provide much needed clarity on Council's approach to increasing the supply of affordable housing to a range of target groups and income levels locally. It is focussed on the mechanisms within Council's control and seeks to make an effective contribution by optimising the way we negotiate for affordable housing at redevelopment sites, making best potential use of vacant or underutilised land or assets, working with partners, peers and stakeholders, and influencing other levels of government to make good decisions for housing equity.

RECOMMENDATION

1. That Council:

   (a) note the officer's report, the attached draft Social and Affordable Housing Strategy and background reports provided;

   (b) approve the draft Social and Affordable Housing Strategy for public exhibition and consultation, with submissions open until Friday 9 August; and

   (c) note the final Social and Affordable Housing Strategy will be returned to Council in September to consider for adoption.

CONTACT OFFICER: **Malcolm McCall**
TITLE: **Unit Manager Social Policy and Research**
TEL: **9205 5001**

Attachments

1⇩ DRAFT Social and Affordable Housing Strategy 2019
2⇩ Affordable Housing Financing Report to Yarra City Council - April 2019
3⇩ Report on Housing Demand and Affordability - March 2019
4⇩ Housing Needs in the City of Yarra - Consultation with Community Housing Organisations - 2019
5⇩ Understanding the PHRP Final report - Dr David Kelly and Professor Libby Porter May 2019

Attachment 1 - (DRAFT) Social and Affordable Housing Strategy - June 2019

Building for Diversity

Social and Affordable Housing in the City of Yarra

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CITY OF YARRA

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Strategic Direction 1 (SD1): Be a leading local government in realising affordable housing outcomes at new developments across Yarra. *58*

Strategic Direction 2 (SD2): Make effective and prudent material contributions to facilitate an increase in social and affordable housing. *60*

Strategic Direction 3 (SD3): Partner with other stakeholders to further the evidence base on affordable housing and deliver an increase in affordable housing in Yarra. *61*

Strategic Direction 4 (SD4): Continue to pursue evidence-based, strategic advocacy to other levels of government for improved social and affordable housing outcomes. *62*

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Mayor's foreword

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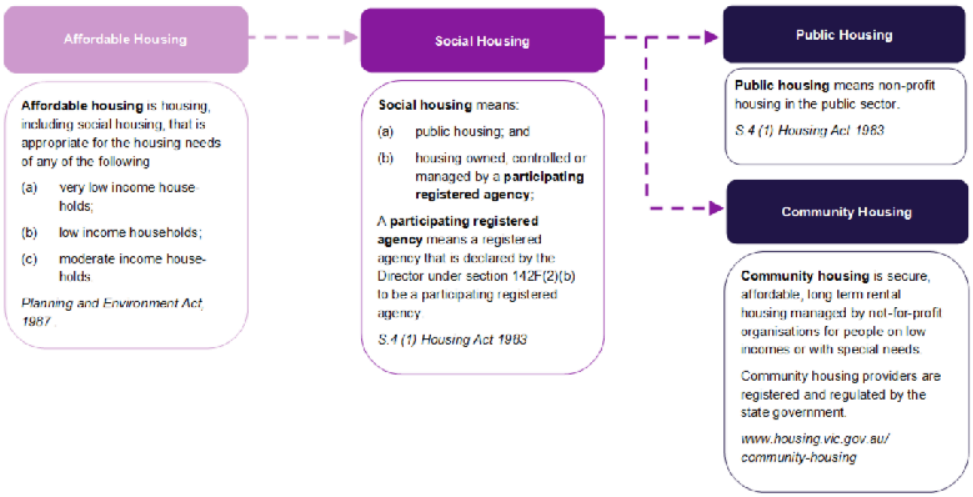
Definitions

Affordable Housing

Affordable Housing is various forms of housing solutions that can include Social Housing, but also includes other housing initiatives and or support services that provide for the housing needs of very low-income households, low income households and moderate-income households.

Figure 1: Housing types under the umbrella term of Affordable Housing



Source: Victorian Government DHHS, 'Affordable Housing voluntary contributions: Public Housing as an Affordable Housing contribution', June 2018

Low-to-moderate income households have been defined by the Victorian Government based on household income distribution derived from the most recent Census of Population and Housing undertaken by the Australian Bureau of Statistics. Very Low income is defined as less than 50 percent of median household income of Greater Melbourne, Low is 50-80 percent of median, Moderate is 80-120 percent of median and High is above 120 percent of median.

Table 1: Annual income ranges - households eligible for Affordable Housing (excl. social housing)

Household type	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to 25,220	$25,221-$40,340	$40,341 - $60,510
Couple, no dependent	Up to $37,820	$37,821 - $60,520	$60,521-$90,770
Family with one or two parents and dependent children	Up to $52,940	$52,941-$84,720	$84,721-$127,080

Source: Victorian Government Gazette, 29 May 2018

Housing affordability

It is important to distinguish between affordable housing (as defined above) and housing affordability, which is a 'general term, used in reference to the whole housing system, expressing the relationship between housing costs (prices, mortgage payments and rent) and household incomes.'[1]

Social Housing

Social Housing includes both Public Housing and Community Housing (as per the *Housing Act 1983*).

Table 2: Income limits for eligible households applying for social housing in Victoria

Household type	Weekly gross income for inclusion on the Victorian Housing Register	Weekly income for priority housing
Single	$1,003	$561
Couple	$1,535	$970
Family (one or two parents with dependent children)	$2,070	$1,005
Each additional dependent	$336	$35

Source: Social Housing Eligibility, HousingVic, DHHS, October 2018

Public Housing

Public Housing is non-profit housing that is delivered on behalf of the Government and or the relevant department (as per the *Housing Act 1983*).

It usually refers to rental housing that is targeted to very-low and low income households – predominantly those in receipt of Commonwealth income support such as the disability or aged pension – on an affordable basis (no more than 25 percent of income on rent). Public Housing is owned and managed by the State Government housing authority, or managed by community housing providers on the government's behalf. Tenure is not time limited but is subject to tenants meeting rental conditions contained in their tenancy agreement with the Department of Health and Human Services.

Community Housing

Community Housing is housing that is owned, controlled and or managed by a registered community housing agency.

It is targeted to low-to-moderate income and/or special needs households who meet income and asset tests, in accordance with the *Residential Tenancies Act 1997*. Community Housing is managed and generally owned by a non-government housing provider such as not-for-profit charitable organisations including housing associations, housing providers and cooperatives.

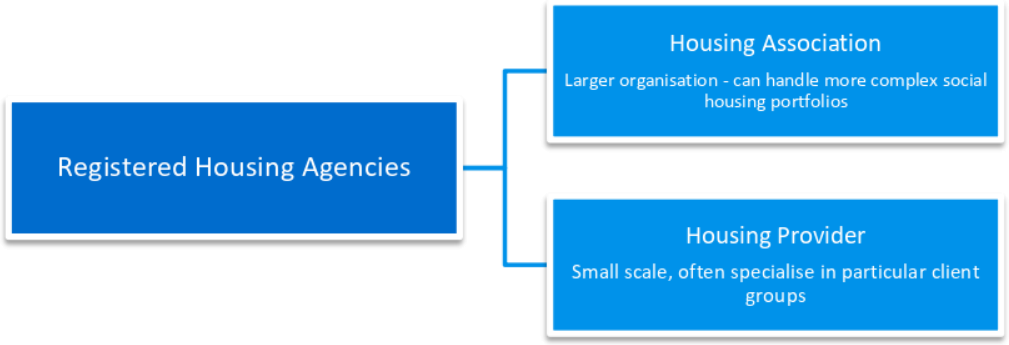
Rents are commonly capped at between 25 percent and 30 percent of household income and can be up to 75 percent of market rent. Many providers incorporate local support services and tenant participation in maintenance and management.

[1] Australian Housing and Urban Research Institute, Glossary, https://www.ahuri.edu.au/policy/glossary?result_1751_result_page=H (accessed 14/03/19)

Registered Housing Agency

Registered housing agencies are experienced not-for-profit organisations that provide and/or manage affordable rental housing for low income households. They are registered under the *Housing Act 1983* as either housing associations or housing providers and are regulated by the Victorian Registrar of Housing Agencies.

Figure 2: Types of registered housing agencies



Registered agencies seek to balance affordability for tenants and financial viability for the agency in a fair and transparent way. The rent paid by tenants enables registered agencies to largely pay for the costs of owning, maintaining and managing the agency's rental housing.[2]

Affordability is generally characterised by a tenant paying no more than 30 percent of their income as rent.

Registered Housing Association

There are currently a total of ten Registered Housing Associations (RHAs) in Victoria who own and manage affordable rental housing to lower income households. Housing associations are larger, more complex businesses with the skills, expertise and resources to manage, maintain and grow a viable social housing portfolio. They expand new housing through construction, purchase or acquisition, using a mix of government funds and private sector investment. They also manage housing properties owned by them or leased from other parties, such as the Director of Housing.[3]

Victorian Policy is that 75 percent of their social housing tenants must come from the Priority list of the Victorian Housing Register.

Registered Housing Provider

There are currently 30 Registered Housing Providers operating in Victoria. They range in size and primarily manage rental housing portfolios for other parties, such as the Director of Housing (DoH). Some housing providers own properties, however their growth is small scale compared with housing associations. Housing providers often specialise in particular client groups which may include disability housing, aged tenants and youth housing.[4]

[2] Victorian Housing Registrar, http://www.housingregistrar.vic.gov.au/Who-we-regulate (accessed 10 Dec 2018)
[3] Victorian Housing Registrar, http://www.housingregistrar.vic.gov.au/Who-we-regulate/Housing-associations (accessed 10 Dec 2018)
[4] Victorian Housing Registrar, http://www.housingregistrar.vic.gov.au/Who-we-regulate/Housing-providers (accessed 10 Dec 2018)

Victorian Housing Register

The Victorian Housing Register manages applications for long-term social housing in Victoria. The waitlist now combines public and community housing applications for housing so that people only need to apply once and can be considered for both types of housing.

Priority Access is given to those people who are homeless and receiving support, are escaping or have escaped family violence, living with a disability or have significant support needs and with special housing needs.

Supported Housing

Supported Housing is a type of Community Housing targeted to households in high need, often homeless or at-risk. It is coupled with other support services, and owned and managed by the government and/or a non-government housing provider.

Rooming House

A rooming house is a building where one or more rooms are available to rent, and four or more people in total can occupy those rooms. In most rooming houses residents share bathrooms, kitchens, laundries and other common areas.

Rooming house operators must comply with minimum standards set out in the Residential Tenancies (Rooming House Standards) Regulations 2012. These standards relate to privacy, security, safety and amenity in rooming houses.

Rooming houses are not necessarily an affordable housing product.

Crisis accommodation

Crisis and emergency accommodation includes a range of specialist services for people who are escaping family violence, homeless or at risk of homelessness, or in other emergencies.

These services are available 24-hours a day, however they are temporary and designed to immediately assist people in crisis to stabilise and move on to something more permanent.

Transitional housing

Transitional Housing is a supported short-term accommodation program. It acts as a stepping stone to more permanent housing in public housing, community housing or the private rental market.

People moving into transitional housing have often been victims of a change in circumstance. For example, a lost job has meant the rent can't be paid, a marriage break-up leaves one partner with no money or support, or a person may lose the support of – or can no longer live with – other family members.

A key element of transitional housing is that it's a temporary option, and tenants must be actively working with their support provider to apply for long-term housing.

Key workers

Key workers have been defined based on traditional key worker occupations (providing essential human services to the community) as well as a selection of occupations specific to the role and function of the Yarra economy.

Traditional occupations defined as key workers:

- School teachers
- Midwifery and Nursing Professionals
- Defence Force Members, Fire Fighters and Police
- Health and Welfare Support Workers (includes ambulance officers and paramedics)

Additional key worker occupations based on the role and function of the Yarra economy:

- Hospitality Workers (to support amenity required for business attraction)
- Child Carers (to support participation rates)
- Cleaners and Laundry Workers (to support operations of the hospital cluster)
- Automobile, Bus and Rail Drivers (to help access to jobs)

Department of Health and Human Services

The Department of Health and Human Services (DHHS) is an agency of the Victorian State Government. DHHS delivers policies, programs and services for children and families, women, gender and equality, sport and recreation health and wellbeing, ambulance services, public health, ageing, disability, mental health, alcohol and other drugs and housing and homelessness.

Director of Housing (DoH)

The Director of Housing is the body corporate established under section 9(2) of the *Housing Act 1983*. The Director of Housing, sits within DHHS and is the landlord of Victoria's public housing. The Director has powers to purchase, develop, lease and sell property.[5]

[5] VAGO 'Managing Victoria's Public Housing', June 2017

Headline data

6,000 households in housing stress

- It is estimated that over 6,000 Yarra households, 15 percent of households, are in housing stress (households with very low, low and moderate incomes spending more than 30 percent of income on mortgage or rent).
- Over 3,000 of those in housing stress are renting households on very low incomes.
- Almost 1 in 4 single households (23 percent) in Yarra are in housing stress.

3,570 households have an unmet need for affordable housing

- 9 percent of households (N=3,570) in Yarra are estimated to have an unmet need for affordable housing (homeless, marginally housed and households in long-term rental stress).

9.5% of households currently live in social housing

- 3,790 households, or 9.5 percent of households currently live in social housing, the highest number and proportion across Victoria.

697 people are waiting for social housing

- There are 697 applicants on the Victorian Housing Register North Eastern Melbourne (Collingwood, Fitzroy and Richmond), of which 355 are for Priority Access.

14 affordable private rental properties in Yarra

- There are 14 (0.7%) advertised private rental properties in Yarra that are affordable to people on statutory (Centrelink) incomes.

~1,000 homeless people

- There is estimated to be 1,000 or more homeless people in Yarra (AIHW: 1,070 homelessness services clients, Census 838 estimated homeless, and 29 rough sleepers in the StreetCount 2018).

85% of workforce live elsewhere

- 85 percent of those who work in Yarra live outside the municipality.

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Council's vision and commitment

Yarra City Council commits to protecting our vibrant and diverse municipality by supporting initiatives that lead to an inclusive and welcoming city for all. Sustaining a diverse population requires a diversity of housing available at prices that can be afforded by households with modest or low incomes. We want to see an increase in social and affordable housing in our municipality and are committed to equitable housing outcomes for our current and future population. Council will focus its attentions on the mechanisms within its control that result in a higher proportion of new housing being affordable to very-low, low and moderate income households.

> *Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*
>
> ***Article 25.1 of the Universal Declaration of Human Rights***

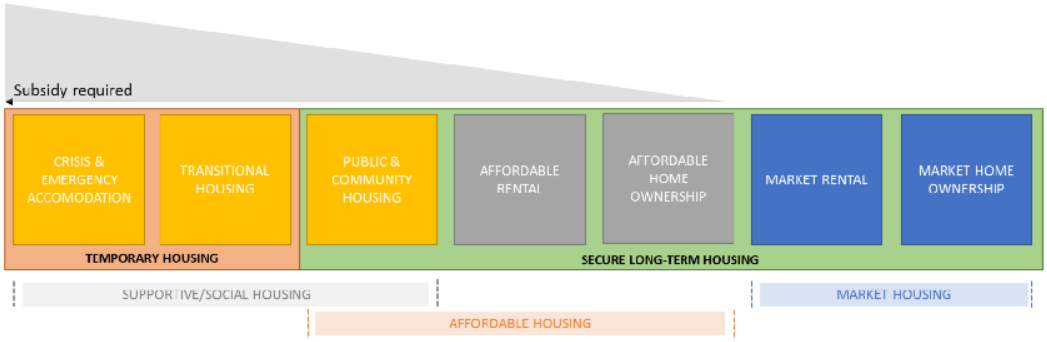
This strategy invites all levels of government to work together to resolve the affordable housing crisis.

1. Introduction

There is a commonly held view that there is a housing crisis across the country, manifesting primarily in urban centres with access to jobs, facilities and services. Across Australia dwelling prices have grown much faster than incomes, rising steeply from the mid-1990s. In Melbourne, house prices have increased by 50 percent from 2012 to 2018.[6]

House prices in the City of Yarra (Yarra) have increased at a rate of 130 percent between 2006 and 2016, as compared to a 63 percent increase in salaries. Overall, the population has become increasingly wealthy and lower and moderate income households have gradually become priced out of the local housing market. This has affected a range of income groups, from the increase in those sleeping rough on our streets, to key workers who are forced to travel ever long distances to work in our municipality or are placed under financial stress to remain here. What is clear is that the private market is unable to adequately address these issues and that there is a need for a diverse range of subsidised housing to accommodate the spectrum of affordable housing needs.

Figure 3: Housing spectrum



Source: Adapted from Whitzman, Newton & Sheko, 'Transforming Housing: Affordable Housing for All', 2015, in conjunction with Kate Breen, Affordable Development Outcomes, 2019

It is estimated that around 3,570 households in Yarra have an unmet need for affordable housing. This represents about 9 percent of the current population and is based on the number of persons who are homeless, marginally housed and households in long-term rental stress.[7]

In order to maintain a socioeconomically diverse population it will be important to consider the spectrum of affordable housing needs and products, and aim to ensure that affordable and accessible options are available to a mix of income ranges. In addition to supporting our most vulnerable in the community to have a safe and stable home, housing affordability is also about ensuring that those who are vital to our community and economy - including key workers- have local housing options that are affordable and appropriate to their needs.[8] Providing options and opportunities for people on moderate incomes to live affordably takes pressure off the system and further, will address the polarised nature of the current municipal housing market where there is a finite supply of social housing and the balance can only be afforded to rent or purchase by those with the high incomes.

> *'Today, home-ownership largely depends on income, and how wealthy your parents are. Housing is contributing to widening gaps in wealth between rich and poor, old and young. Lower income households are spending more of their income on housing, and are under more rental stress.' (Grattan Institute, 2018)*[9]

Access to safe, secure affordable housing is a right that should be afforded to all of our citizens and it is a pressing issue that all three levels of government need to work together to address. None of the current

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[6] Grattan Institute (2018) 'Housing Affordability: Re-Imagining the Australian Dream'
[7] ABS Census of Population and Housing, 2016, analysis by .id Consulting. Further explanation is available in Section 3.3.
[8] Further analysis on key workers is presented in Section 3.3.
[9] Grattan Institute, 'Housing Affordability: Re-imagining the Australian Dream', 2018

policy measures proposed by the State and Federal governments to improve the supply of social housing will be sufficient to meet the ever-growing need for social housing in our municipality and a shared effort is needed to find creative solutions. Recent changes to the *Planning and Environment Act 1987*, signal Victorian Government intent for local government to play a part in contributing to affordable housing supply through their role as planning authority. The impact in terms of dwellings provided through this process will likely be modest and will test the efficacy and capacity of partnerships between developers, housing agencies, councils and other players in providing affordable housing in the coming years.

In the Council Plan (2017-2021), Council affirms its ongoing commitment to social justice, diversity and inclusion. Affordable housing is a prime contributor to ensuring a diverse community in Yarra. Council has a long and proud tradition of advocating for better social and affordable housing outcomes and continues to support our current social housing residents, of which Yarra has the highest proportion in the state. Council will continue to research, educate, partner and directly invest to improve access to safe, appropriate and secure affordable housing.

This document outlines the strategies Yarra City Council will employ to increase the supply of social and affordable housing and moderate the inequities in the contemporary local housing market. These strategies are positioned within the context of current data and public policy and focusses upon those issues where Council can have the most significant impact.

1.1. Why Social and Affordable Housing matters

Council has long advocated for housing that best ensures the wellbeing of its community and has supported diverse models of housing suitable for households on low incomes within its municipality. Yarra was one of the first Councils to witness the rise of the large public housing estates in Collingwood, North Richmond and Fitzroy in the 1960s and 1970s, and later saw the development of a number of smaller, walk-up housing estates. The residents who live there are valued members of our community and Council has seen first-hand the fantastic outcomes that affordable housing can offer individuals, families and communities. As a result, Council has been a leader in advocating to the state government to deliver improved housing conditions for existing tenants and to further increase the supply of social housing supply locally.

Council has also contributed its own funds and assets to facilitate an increase in affordable housing and improved outcomes for social housing tenants in the municipality. A 40-year lease was granted to Yarra Community Housing (now known as Unison) to enable the redevelopment of a Council-owned building at 239 Brunswick Street into 14 studio-apartments. The project received funding approval under the Australian Government's Nation Building Economic Stimulus Plan and was completed in early 2011. The lease includes an option to re-new for another 40 years.

Yarra also administers a $50,000 per annum Community Housing Grant through our annual grants program. Launch Housing has been the recipient for the past four years and in 2019 they are delivering a Community Housing Tenants Support Program (CHTSP). This is the only assertive outreach program of its kind, which aims to support community housing residents to remain in their tenancies and prevent homelessness. The target population are people experiencing housing stress or at risk of homelessness. Twenty-one disadvantaged people will be supported through the program in 2019.

Social and affordable housing is important for our community because:

- A socially, culturally and economically diverse population requires a diversity of housing, including those that can be afforded by households with very low, low or moderate incomes.
- Access to safe, secure and affordable housing is a cost-effective way of achieving social and economic benefits.
- The decline in affordable housing in Yarra has placed an unfair burden on those households who can least afford to pay.

Furthermore, access to secure and affordable housing is integral to tackling social inequities. Housing affordability is an issue for a broad range of households and a number of groups face particular challenges when it comes to accessing appropriate and affordable housing. Council has identified nine target groups in Section 3.2 of the Strategy.

The following social inequities require particular consideration with regard to housing:

- We support the evidence-based model *Housing First* to address homelessness. *Housing First* is where individuals and families experiencing homelessness are provided secure, affordable housing as quickly as possible and then provided the supportive services needed to keep their housing[10].
- Reducing family violence and its effects requires victims having quick access to safe, affordable and appropriate accommodation and housing services. Family violence is the number one cause of homelessness for women with many victim survivors having to choose between their safety or the streets.[11]
- People with disability should have access to individualised and flexible housing and support options that are responsive to their needs and preferences. People with disability face a lack of housing options outside group homes and forced co-tenancies. Private landlords can be reluctant to rent to people with disability who may require housing modifications. There is a lack of alternatives to nursing homes for young people with high support needs, with young people occupying more than 20 percent of all aged care places in some parts of the country.[12]

1.2. Alignment with other State and Council policies

Yarra's Social and Affordable Housing Strategy sits within a state and local policy and legislative context as outlined below.

Table 3: State and local legislative and policy context

Legislative	• Planning & Environment Act • Housing Act • Residential Tenancies Act
State policy	• Homes for Victorians • Plan Melbourne • State Planning Policy Framework
Local policy	• Social and Affordable Housing Strategy • Housing Strategy • Local Planning Policy Framework
Local strategies	• Planning negotiations • Direct investment • Partnerships • Advocacy

[10] AHURI Brief: What is the Housing First model and how does it help those experiencing homelessness? (2018) Available at: https://www.ahuri.edu.au/policy/ahuri-briefs/what-is-the-housing-first-model (Accessed 27 May 2019).
[11] State of Victoria, Royal Commission into Family Violence: Summary and recommendations, Parl Paper No 132 (2014–16).
[12] Australian Human Rights Commission (April 2017). Available at: https://www.humanrights.gov.au/sites/default/files/PWD_and_Housing.pdf (Accessed 15 Mar 2019).

At a local level, this Social and Affordable Housing Strategy aligns with and responds to initiatives and resolutions presented in the following Council strategies and plans:

1.3. Local government's role in supporting Social and Affordable Housing

Local government has a critical role in shaping the spatial distribution of new housing in the municipality and influencing the diversity of dwelling types. Local government can support social and affordable housing through a number of routes, including its role as a planning authority, contributing land and buildings, partnering with and facilitating the work of other stakeholders and advocating to other levels of government.

Figure 4: Council's roles in supporting Social and Affordable Housing

It is important to note that although councils have a part to play in increasing social and affordable housing, they are not the main player. Local governments across Victoria are committing to this topic in various ways and to varying degrees, with approaches ranging from advocacy programs through to the gifting of council assets. Increasingly, innovative ideas are sought to respond to the growing demand for affordable housing and given that this is an evolving area, a level of flexibility is required to capitalise on new information and approaches.

Yarra City Council has a longstanding interest and commitment to increasing and improving social and affordable housing and will continue to position itself as a leading local government area in this space.

2. Strategy

Council has an overarching strategy to:

Ensure a diverse population by increasing the supply of affordable housing suitable to households at various income levels and requirements.

Council's four strategic directions flow from this strategy and are based on the roles identified for local government to support an increase of social and affordable housing supply at the municipal level. By pursuing these strategies, Council is seeking to:

1. optimise the way we negotiate for affordable housing outcomes at new developments;
2. make best potential use of vacant or underutilised Council land and facilities;
3. support our partners and peers to progress the dialogue on affordable housing and deliver more housing on the ground that is affordable to a range of households; and
4. influence other levels of government to make good decisions for housing equity.

Figure 5: Council's Four Strategic Directions

3. Background Report

3.1. Research and consultation

Social statistics

The forecast population of Yarra in 2019 is estimated at 100,305.[13] There are approximately 47,500 dwellings in the municipality in 2019, with an average household size of 2.1.[14]

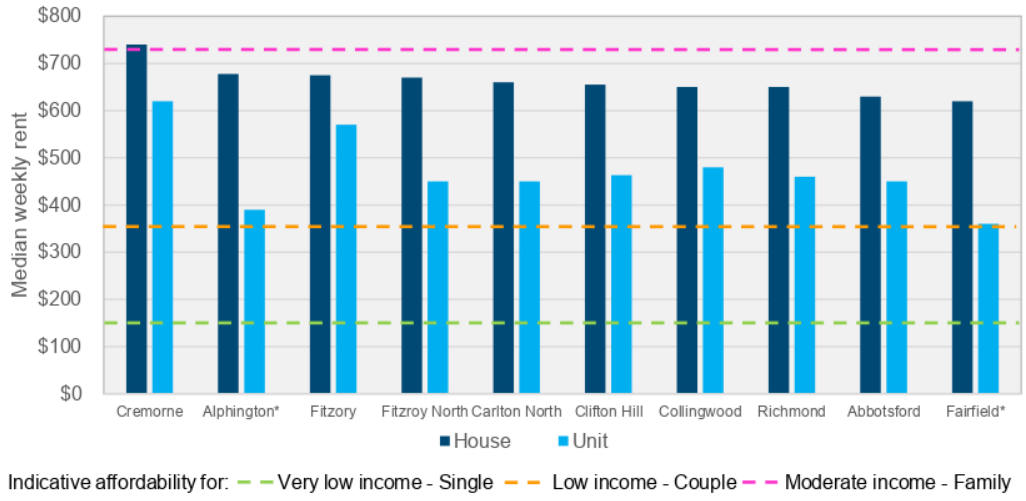
Yarra has been experiencing high levels of new supply of apartments and town houses via the private market with the number of dwellings projected to rise to over 62,000 by 2029. This represents an increase of 14,500 dwellings over 10 years, or an average of 1,450 new dwellings a year, and equates to a forecast residential population of 126,462 in 2029.[15]

The majority of these new dwellings will be apartments catering to smaller households, with a large proportion anticipated to be rented on the private market. Close to half of all apartments and units in Yarra are currently rented privately and most of Yarra's recent population growth is made up of private renters (+3,565 households between 2011 and 2016), a large proportion of whom were rental households in the highest rental quartile (paying more than $417 per week)[16].

Local rental housing remains expensive with virtually no new private rental houses or apartments in Yarra that are affordable to households with very low and low incomes. There are, however, opportunities to leverage this housing growth to generate social equity by encouraging social and affordable housing to be included in the new stock that is built.

Figure 6, below, compares median weekly rents across Yarra's suburbs against affordable price points for very low, low and moderate income.[17]

Figure 6: Median weekly rents in Yarra's suburbs (May 2019)



**This includes all of Fairfield and Alphington, including outside of Yarra*

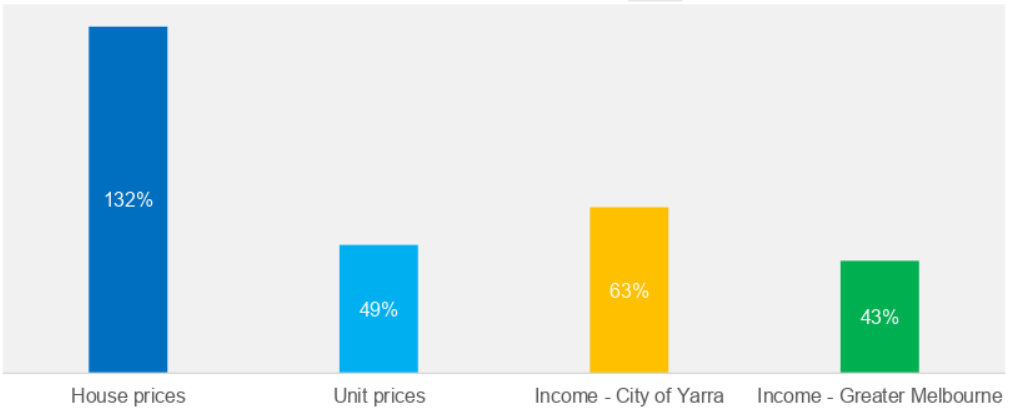
Source: realestate.com.au suburb profiles and 30% of income of Greater Melbourne income limits for a selection of very low, low and moderate income households

[13] Population and household forecasts, 2016 to 2041, prepared by .id the population experts, August 2018.
[14] Yarra City Council rates database, April 2019, counting general rates residential.
[15] Population and household forecasts, 2016 to 2041, prepared by .id the population experts, August 2018.
[16] ABS Census of Population and Housing, 2011 and 2016
[17] Based on analysis of realestate.com median weekly rent prices from May 2018-2019 and Greater Melbourne income limits for very low, low and moderate income households, assuming 30% of income is available for rent.

Figure 6 shows that moderate income families can afford a majority of rentals at the median price point, however, when looking to purchase the results are considerably more stark. The only affordable dwellings to purchase at the median price point are apartment units in Abbotsford, which are likely to be unsuitable to family living.[18] Housing affordability for families and moderate income workers is explored further in Section 3.2.

Figure 7 shows property prices and household incomes in Yarra and Greater Melbourne between 2006 and 2016. In this period, prices for medium and high density dwellings increased considerably but this trend seems modest when compared with the growth in house prices. Incomes in Yarra, as opposed to Greater Melbourne, have increased faster than purchase prices for medium and high density dwellings; however, this could be reasonably explained by the rising cost of housing attracting higher income earners to the municipality.

Figure 7: Income growth and dwelling cost growth - Percentage change 2006-2016, Yarra



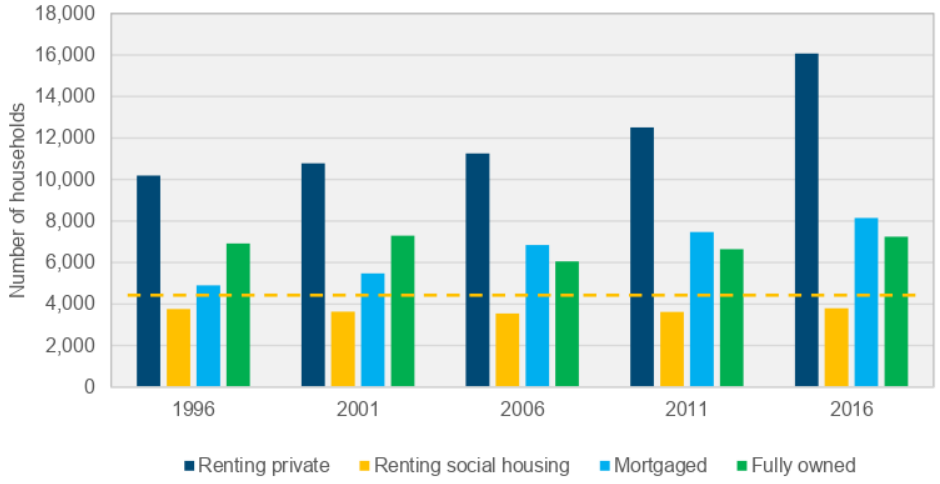
Source: Valuer-General Victoria, 2018 and ABS Census of Population and Housing, 2006 and 2016[19]

As a result of home-ownership becoming unaffordable to larger cohorts of the population, Yarra has seen long-term trends in household tenure shifting towards greater proportions of private rentals, a considerable decline in those who fully own their homes and a proportional decrease in social housing households.

Between 1996 and 2016, almost all of the population increase has been from households who are either renting or paying a mortgage, while the number of households that are fully owned or renting in social housing have remained fairly static. Households renting privately have increased by almost 6,000 (N) or 58 percent. Households with mortgages has also increased substantially by 3,000 (66 percent) and have become more common than those owned outright. The proportion of households living in social housing has decreased from 13.4 percent of households in 1996 to 9.5 percent in 2016. Figures 6 and 7 (below and overleaf) illustrate these trends.

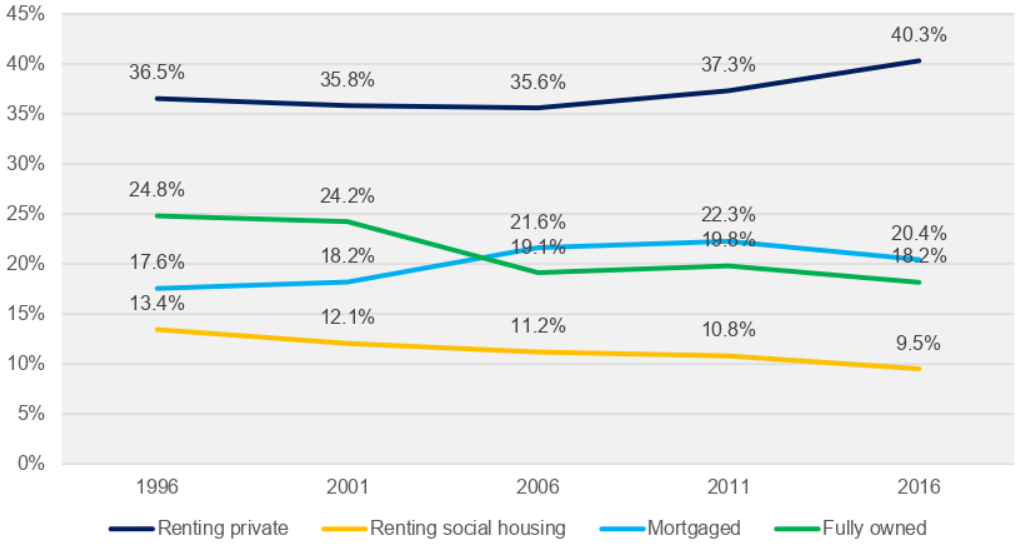
[18] Based on analysis of realestate.com median property prices from April 2018-2019 and affordable purchase points as estimated by Affordable Development Outcomes based on 30% of income being available to service a mortgage with an assumed 10% deposit, 25 year loan term and 7.2% interest rate over the life of the loan.
[19] As prepared by .id Consulting for Yarra City Council

Figure 8: Change in household tenure in Yarra, 1996-2016 (N)



Source: ABS Census of Population and Housing, 1996-2016

Figure 9: Change in household tenure in Yarra, 1996-2016 (%)



Source: ABS Census of Population and Housing, 1996-2016

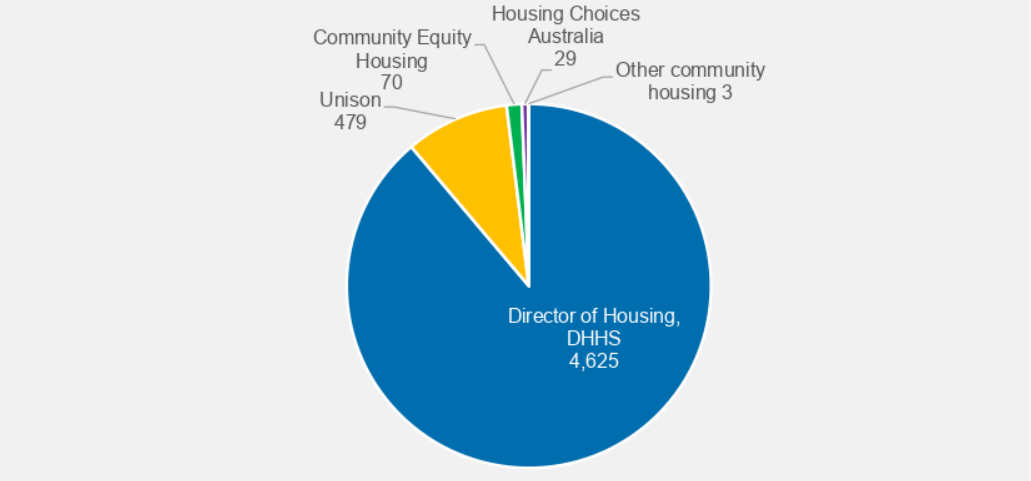
There have been recent reforms which have recognised that there will be a greater number of households who will be renting permanently. For example, there have been amendments to the Victorian *Residential Tenancies Act 1997* which are premised on offering greater control for private rental tenants by ensuring security of tenure and offering tenants more control over a range of issues including the right to undertake minor modifications, own a pet, as well as recognising the specific needs of family violence victims who are renting.

Social housing in Yarra

Despite only nominal growth in the number of social housing dwellings over the last 20 years, Yarra still has the highest number and proportion of public housing dwellings and residents of any local government in Victoria.

As of mid-2018, 11 percent of the 45,887 residential dwellings in Yarra (5,233) were social housing dwellings.[20] Of these 4,625 were public housing, 581 were community housing and 27 were rooming houses. Figure 10 (overleaf) shows the market share of social housing providers in Yarra. The Director of Housing retains the vast majority of social housing in Yarra with only about 12 percent let by registered housing agencies.

Figure 10: Share of Social Housing dwellings in Yarra – State and Community Housing Agencies



Source: Yarra rates database, June 2018

Current households and affordability

Yarra is characterised by the socio-economic divergence of its residential community. While over a third of households earn more than $2,400 per week, and 60 percent of employed workers are in managerial and professional occupations, 20 percent of households earn less than $740 per week and many are living with economic hardship and social disadvantage[21].

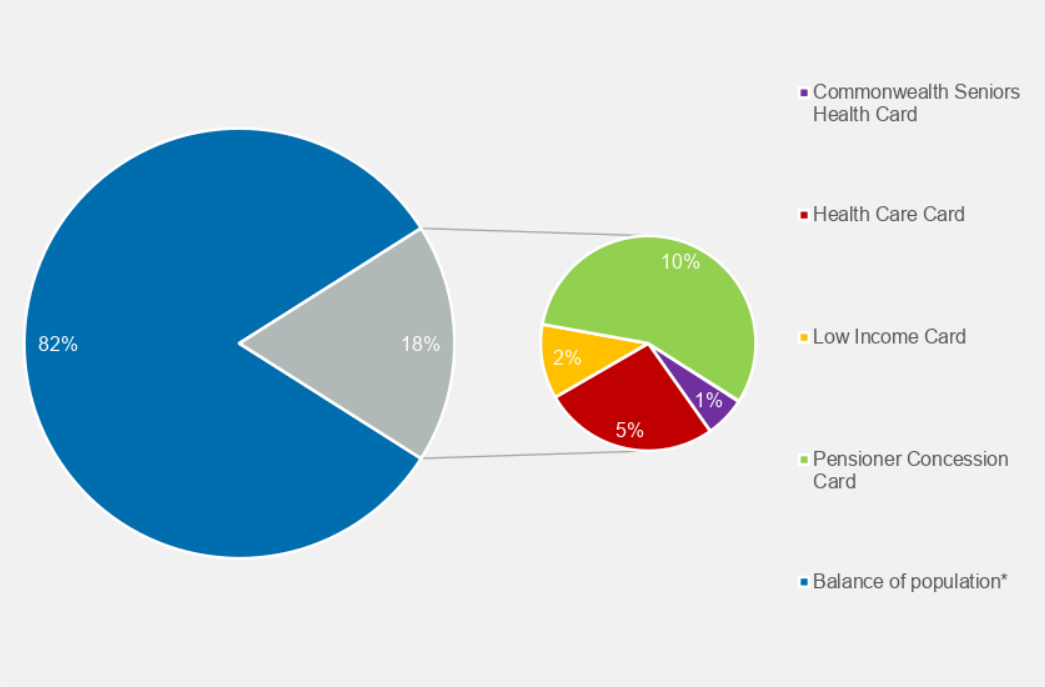
As of December 2018, there were:

- 4,753 recipients of the age pension
- 4,612 health care card holders
- 2,452 recipients of Newstart Allowance
- 2,526 recipients of the Disability Support Pension and
- 1,955 low income card holders living in Yarra.

Overleaf, Figure 11 further illustrates the divergence of Yarra's current population, with just under one-in-five residents currently in receipt of a Commonwealth Concession Card – implying very low or low incomes.

[20] Based on the City of Yarra rates database as at June 2018, including rooming houses (each bedroom in a rooming house is counted as a separate unit). N.B. There is a notable difference between the count (and proportion) of social housing from the 2016 Census and the 2018 Yarra rates database. The difference in numbers can be accounted for by the one-in-ten households who did not record a response for housing tenure in the Census, particularly renters. Therefore, the Yarra rates database is considered the more accurate source.
[21] ABS Census of Population and Housing, 2016

Figure 11: Yarra residents entitled to Commonwealth Concession Card, December 2018[22]



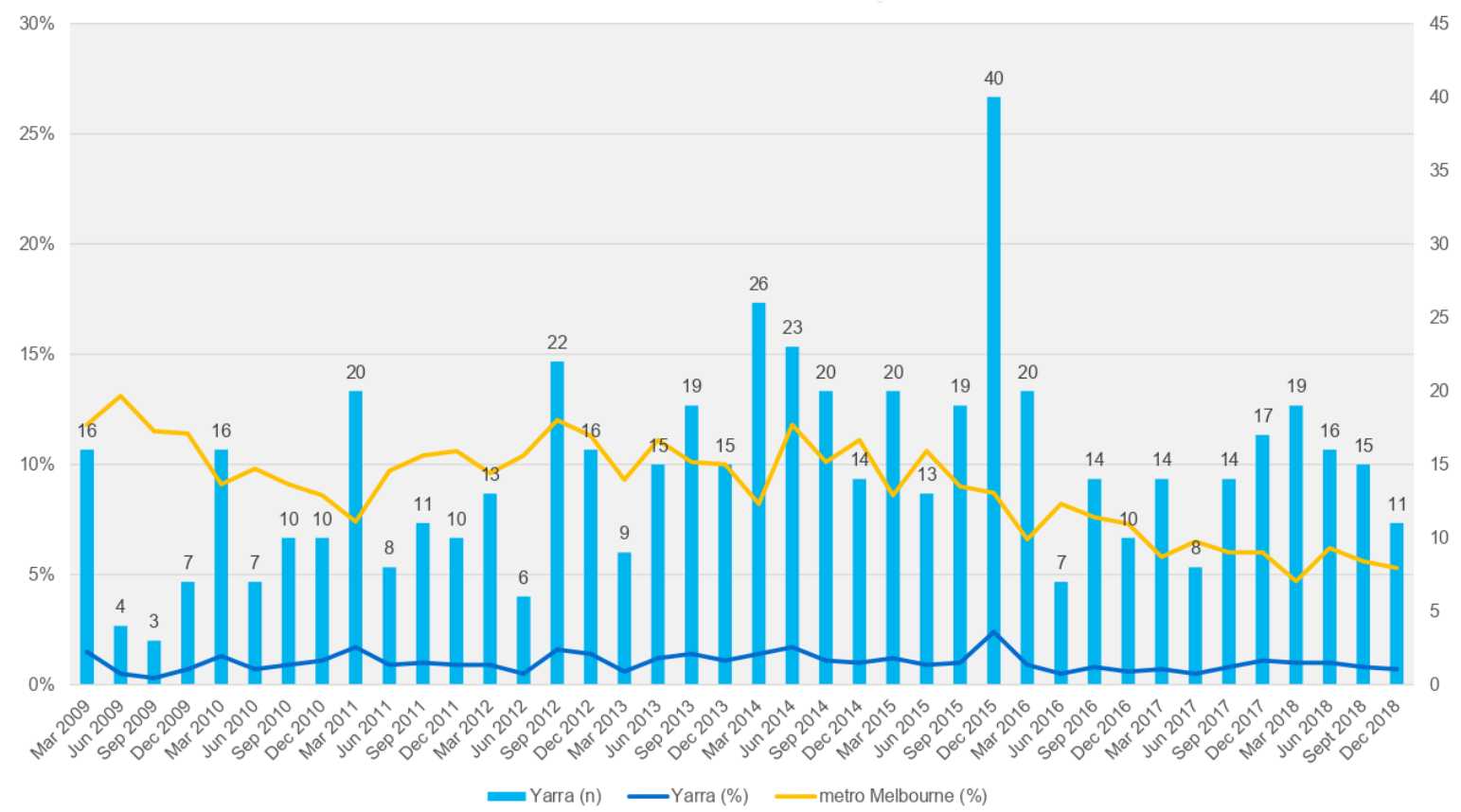
Source: Department of Social Services (DSS) Demographics, December 2018

Figure 12 (overleaf) illustrates the stark decline in the number of private rentals affordable to persons on Centrelink incomes over the past decade across Greater Melbourne and especially in Yarra.

The best period for affordability during this period was the December quarter of 2015 when 40 dwellings could be afforded (just 2.4 percent). By the December quarter 2018, the percentage of private rental properties advertised in Yarra that could be afforded by persons on Centrelink incomes was 0.7 percent (N 11) versus metro Melbourne at (also a very low) 5.3 percent. By comparison, almost half of the rental housing in non-metropolitan areas was affordable (47 percent), creating a social divide between the city and regional areas because of the cost of housing.[23]

[22] Available at: https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/distribution/dist-dga-3c69d15e-5ac1-48d9-9ae4-56957c63485a/details?q= (Accessed April 2019)
[23] DHHS, Affordable lettings by local government area, December 2018 quarter. Based on the supply of affordable new lettings as per Rental Tenancies Bond Authority data. The affordability benchmark used is that no more than 30 per cent of gross income is spent on rent.

Figure 12: Rental dwellings affordable for households on Centrelink incomes (2008-2018)



Source: DHHS, Affordable lettings by local government area, December 2018 quarter

Households in housing stress

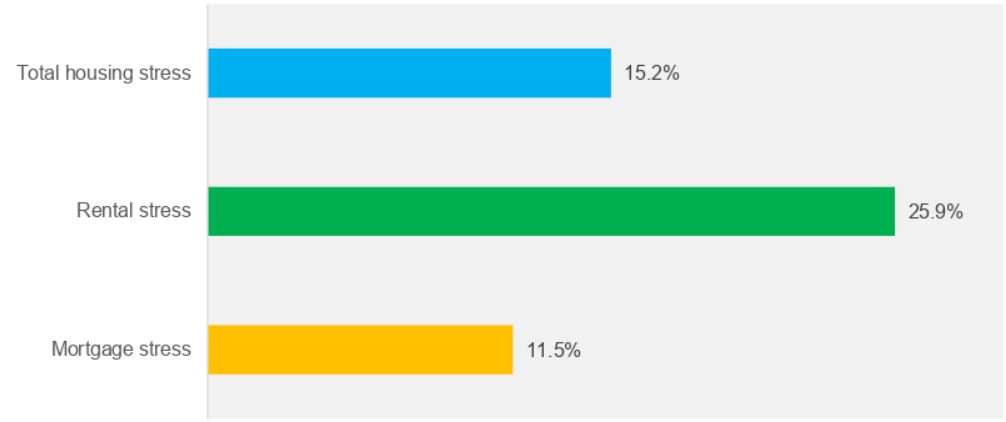
Lack of affordability, although most apparent at the lowest incomes, impacts households on a range of incomes.

Housing affordability is based on the relationship between a household's income and housing costs, and housing stress occurs when housing costs rise too far above incomes and households end up paying a large proportion of their income in housing costs. This reduces their capacity to spend on other household essentials, such as food and health.[24]

There are different ways to measure housing stress. The 30:40 indicator has been a preferred a method for defining housing stress and is based on when low income households (bottom 40 percent) spend more than 30 percent of their income on housing costs. More recently, however, the Victorian government legislated income ranges eligible for Affordable Housing based on very low income households (less than 50 percent of median), low income (50-80 percent of median) and moderate income (80-120 percent of median).[25]

In 2016, 15.2 percent (or 6,000) of Yarra's households were in housing stress. This is based on very low, low and moderate income households spending more than 30 percent of their income on housing costs (mortgage or rent). For renting households, this figure goes up to 25.9 percent as compared to 11.5 percent of households with a mortgage, as illustrated below.[26]

Figure 13: Housing stress in Yarra

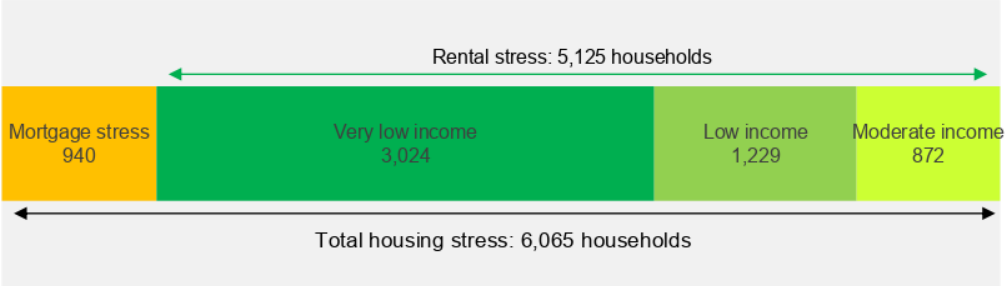


Source: .id Consulting Report 'Analysis of Housing Demand and Affordability', 2019. Data from ABS Census of Population and Housing, 2016

Of the 6,000 households in the very low to moderate income range spending more than 30 percent on housing, over 5,000 were renting and over 3,000 were rental households with very low income levels (see Figure 14 overleaf).

[24] AHURI Brief, 'Understanding the 30:40 indicator of housing affordability stress', 2016. Available at: https://www.ahuri.edu.au/policy/ahuri-briefs/2016/3040-indicator (Accessed 20 May 2019)
[25] As defined in Section 3AB – Specifications of Income Ranges in the *Planning and Environment Act 1987* for Greater Capital City Statistical Area of Melbourne.
[26] From .id Consulting Report 'Analysis of Housing Demand and Affordability', 2019. Based on data from ABS Census of Population and Housing, 2016

Figure 14: Breakdown of Yarra households in housing stress



Source: .id Consulting Report 'Analysis of Housing Demand and Affordability', 2019. Data from ABS Census of Population and Housing, 2016

In Yarra, particular household types are more susceptible to housing stress. Lone person households in the area are more likely to be in housing stress, with close to one-in-four of this household type in stress (2,712 households). This is compared with one-in-eight family households (1,114), and one-in-fifteen couple only households (676).

Of the 2,712 lone person households in housing stress 88 percent were rental households and almost half were rental households with very low incomes. The other household types showed similar splits with the greatest proportion of those in housing stress being very low income renters. Interestingly, when looking at households with a mortgage who are spending more than 30 percent on housing costs, a greater proportion are moderate income earners.[27]

Together, this data reveals what the challenges for affordable housing are in Yarra and who and how many households in the municipality are currently suffering housing stress, or unable to live in the municipality altogether.

There have been few opportunities to develop permanent safe and affordable housing, at volume, in the municipality. The long-term stagnation of social housing, coupled with ever increasing costs of private rental, let alone purchase, has meant those living on fixed incomes such as the pension, or whose incomes derive from lower paid and/or casual employment, would experience difficulties remaining or entering the local housing market.

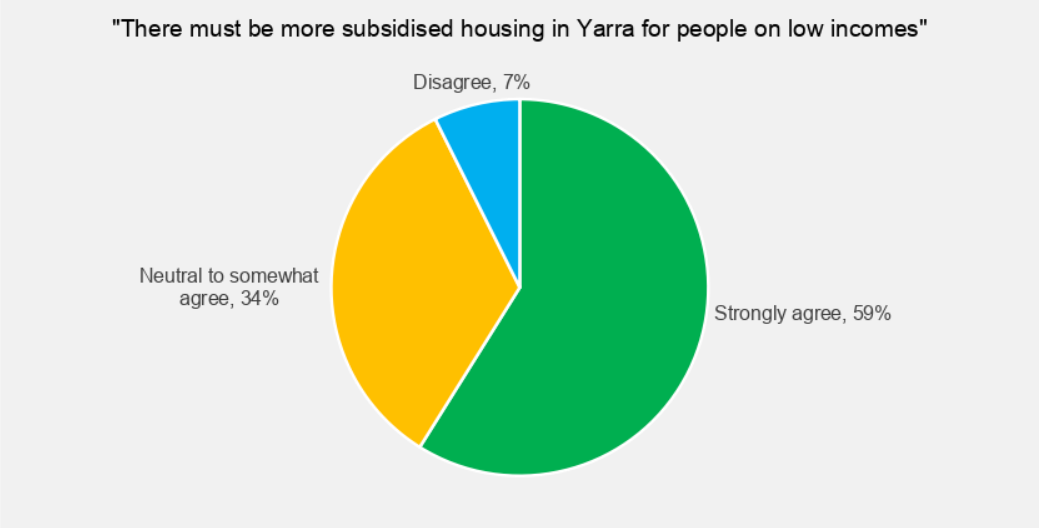
Social research

Community surveys

Results from Yarra's 2019 annual household customer satisfaction survey, a randomised sample of 800 households, showed strong agreement from the local community that there must be more subsidised housing in the municipality for people on low incomes.

[27] From .id Consulting Report 'Analysis of Housing Demand and Affordability', 2019. Based on data from ABS Census of Population and Housing, 2016

Figure 15: Community perceptions on increasing subsidised housing in Yarra



Source: Yarra City Council, 2019 Annual Customer Satisfaction Survey

The 2015 deliberative engagement, Liveable Yarra, found resident support for Council prioritising the development of affordable housing in the municipality as a way of maintaining economic and social mix. Respondents were in favour of more affordable housing in new developments to enable an increase in the number of dwellings available to people on low incomes, even if it came at an increased cost to other housing in the development or of higher density.

Yarra's 'Planning for the Future' Survey, a randomised household survey conducted in 2015 – the baseline study for Liveable Yarra – found that 72 percent of the 833 respondents agreed with the statement that 'new local developments should include a proportion of housing for people on low incomes' while almost two thirds (63 percent) disagreed that 'property developers are contributing enough to the community'.

Interviews with community housing organisations

Primary research was commissioned with community housing agencies with a known presence in Yarra to gain an increased understanding of housing need in the municipality. Results are presented in Section 3.2.

Stakeholder engagement

In preparation for this Strategy, Council hosted a workshop in April 2019 with stakeholders from community housing, property development, banking and finance, and academic sectors to discuss the current housing environment and how to make the most of it, considering the roles and responsibilities of the various stakeholders.

Meetings with individual organisations have also been arranged on an ad-hoc basis, including tenant associations, community housing organisations and developers.

Council held previous stakeholder forums in August 2015 and April 2016. In 2015, representatives from the community housing sector were consulted about appropriate measures for Yarra to adopt to facilitate the expansion of public and community housing. In 2016, Council met with the community housing sector and property development industry to enable each sector to discuss current development opportunities and find further potential for partnerships and collaboration.

3.2. Creating social equity and valuing diverse communities

According to the Local Government Act 1989, the 'primary objective of a local council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions'.[28]

Maintaining economic diversity has been linked to positive community benefits such as stronger levels of social trust between different economic groups, higher perceptions of local safety, and greater social acceptance of difference. Conversely, international evidence suggests that increasingly stark economic divisions, can lead to significant physical, psychological and social costs to the local community.[29] The continuing socio-spatial polarisation of Greater Melbourne is rightly a source of major concern.[30] The housing market dictates where people live in a city and can consolidate or intensify inequalities between different social groups. Geographic locations have different levels of access to employment, education, retail, recreation and services and lower income households may find themselves having to sacrifice better access to services for an affordable home.[31]

> 'Declining housing affordability…has spatial implications, as lower income households are pushed to areas with lower access to employment, services and infrastructure – often at the city periphery.'[32]

Introducing a range of housing products in well located areas such as Yarra can help to ameliorate the effects of socio-spatial polarisation in Melbourne. Providing safe, secure and affordable housing can also have positive economic, social, safety and health impacts at an individual and societal level.

Recent discourse is attempting to position social housing as essential infrastructure rather than a form of welfare. This is to highlight the wider benefits to society that come from ensuring stable and affordable housing to households and is hoped to support increased investment into the system. A recent AHURI report emphasises the economic and social benefits of social housing in promoting engagement in education and employment, and suggests developing a robust business case including cost-benefit analyses in order to re-position social housing as a form of infrastructure.[33]

There are a number of examples that support the cost benefits of subsidising housing to those in need, for example:

- Economic studies in Western Australia have identified health-related cost savings of providing social housing to people who are homeless or at risk of homelessness of up to $13,273 per person per year.[34]
- In England, a large-scale evaluation of the provision of affordable housing found that tenants identified improved health, life satisfaction, perceptions of safety and greater levels of social contact.[35]
- The City of Port Phillip has conducted a cost-benefit analysis of their Council's committed $26.6 million investment in community housing over the next 26 years and has estimated it would return $79.2 million worth of benefits. This included avoided health, justice and welfare costs, labour force engagement and community diversity and strengthening.

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[28] *Local Government Act* (Vic), 1989, Section 3C.
[29] Pickett and Wilkinson, *The spirit level: why more equal societies almost always do better*, 2009.
[30] As outlined in Bill Randolph & Andrew Tice (2017) 'Relocating Disadvantage in Five Australian Cities: Socio-spatial Polarisation under Neo-liberalism', Urban Policy and Research, 35:2, 103-121.
[31] Wulff, M and Reynolds, M (2010) Housing, inequality and the role of population mobility, AHURI Final Report No.158. Melbourne: Australian Housing and Urban Research Institute.
[32] Parliamentary Library & Information Service, Parliament of Victoria, 'Housing Affordability in Victoria', 2017
[33] Flanagan, K., Martin, C., Jacobs, K. and Lawson, J. (2019) *A conceptual analysis of social housing as infrastructure,* AHURI Final Report No. 309, Australian Housing and Urban Research Institute Limited, Melbourne.
[34] AHURI, 'What are the health, social and economic benefits of providing public housing and support to formerly homeless people?' 2016.
[35] Frontier Economics, 'Assessing the social and economic impact of affordable housing investment', 2014.

- SGS economics has demonstrated that there are measurable economic and social benefits for maintaining the supply of social housing in areas such as Yarra that are well located for employment and services.[36] The avoided social costs (such as health, crime, family support and other welfare services) further support the argument that social and affordable housing are a critical part of Yarra's economic viability.
- A review of the Social Housing Initiative under the federal government's Nation Building Economic Stimulus Plan found that for every dollar spent on construction, there was $1.30 benefit for the economy.[37]

The benefits of affordable housing are well documented, however, the mere existence of it is not sufficient in and of itself to produce good community outcomes. The existence of physically decaying public housing alongside concentrations of wealth can contribute to social divisions that lead to mistrust, community fragmentation and stigma.[38] The current physical separation of much of the social housing stock in Yarra therefore risks stigmatising its tenants if the quality of this housing is poorly maintained.[39]

There is a significant body of work on the concept of 'social mix' in high density public/private developments – meaning a mix of social and private tenures. This principle seeks to minimise any stigma attached to subsidised housing, ensure equality of outcomes in terms of dwelling standards and amenity and may also increase the likelihood of community cohesion and increased social capital for social housing tenants.[40] Ultimately it aims to reduce segregation between rich and poor.

Tenure-mixed developments should be tenure blind, meaning that private and public dwellings should not be able to be readily differentiated through either their appearance, quality or amenity and should have genuinely shared common areas. This can be achieved through a variety of typologies including unit-by-unit (also known as 'salt and pepper'), floor-by-floor, building-by-building or block-by-block mixing of public and private tenancies. Given the physical proximity and lack of differentiation between public and private in a unit-by-unit mixed development, this is more likely to result in social mixing, however from a practical tenancy management, strata fee or fit-out perspective some level of separation can be favourable (i.e. floor-by-floor or building-by-building). This is because it can be more expensive or inefficient for a community housing organisation or service provider to service tenants who are physically spread out.[41]

Social mix cannot be guaranteed by tenure mix however it reverses traditional approaches to development that have led to socio-economic segregation.

> *'The mixture of social groups in urban neighbourhoods can create vibrant, dynamic and sustainable communities; whether the variance amongst people differ on the basis of their household type, income, tenure, age, education, ethnicity or gender.'*[42]

Critics of the social mix approach however point to potential negative impacts of either displacement or gentrification.[43] It is important to note the subtle differences of its use when (1) introducing a subsidised housing component on an otherwise private development, versus (2) selling public land and introducing market housing alongside subsidised housing.

In the report, *Understanding the assumptions and impacts of the Victorian Public Housing Renewal Program* (2019), researchers from RMIT and Deakin argue that the use of a social-mix argument to justify the Public Housing Renewal Program enables the introduction of private housing on public land that was originally just for public housing, under the guise that this will benefit public/social housing residents

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[36] SGS Economics and Planning, 'Revisiting the Economics of Inclusionary Zoning', 2015, p. 12.
[37] KPMG, 'Social Housing Initiative Review', Housing Ministers' Advisory Committee, 2012.
[38] AHURI, 'Addressing concentrations of disadvantage in Australia', 2015.
[39] Morris, Jamieson and Patulny, 'Is social mixing of tenures a solution for public housing estates?', *Evidence Base*, 2012.
[40] Van den Nouwelant, R & Randolph, B (2016) 'Mixed-tenure development', UNSW.
[41] Ibid
[42] Higgins, D & Moore, T, 2016, 'Mixed Tenure Housing Developments: Salt and Pepper versus Silo Design', RMIT
[43] Ibid

through increased social capital, when it is in fact gentrifying neighbourhoods at a broader level and displacing current residents (temporarily if not permanently).[44]

3.3. Spectrum of needs and identified target groups

Affordable housing need and unmet need

An indication of local need for affordable housing can be gained from looking at data on demand for services, incidence of homelessness, household incomes relative to housing costs and other local knowledge. The following section helps give an understanding of the need and unmet need for affordable housing in Yarra.

Social housing applicants

The March 2019 Victorian Housing Register shows a social housing waitlist of over 41,600 applications across the state, of which about half were priority access applications. There are 697 people in the DHHS North Eastern Melbourne area (Collingwood, Fitzroy, Richmond) recorded on the Victorian Housing Register, with 355 of those applicants meeting the requirements for priority access. There are also 422 tenants currently in Collingwood, Fitzroy and Richmond who have applied to transfer to another location – suggesting that their current housing may be inappropriate to their needs.[45]

Despite this immense demand across the state the recent Australian Productivity Commission report on government services showed that the number of social housing dwellings in Victoria had decreased in the 10 years from 2009 to 2018. Furthermore, the Victoria Government was found to be spending the least (per capita) on social housing of all the states and territories in 2017-18 at $82.94, as compared to the national average of $166.93.[46]

There is simply not enough social housing to meet the current need, let alone the growing need related to estimated population increase in Yarra and across Victoria.

Additionally, in Victoria, where there is a relatively small proportion of social housing relative to need (as illustrated by the VHR waitlist and other data), allocation has come to be prioritised with eligibility access not only based on households with a housing problem (affordability, overcrowding, poor quality etc.) but most often overlayed with a range of complex issues such as mental illness, addiction and family violence.

Data from the Australian Productivity Commission shows that 90 percent of allocations to public housing in 2017-18 were to households with greatest need (homeless or at risk of homelessness) and 53 percent to households with special needs (disability, main tenants younger than 25 or older than 75, Indigenous). Community housing allocations for the same period were 85 percent to greatest needs and 51 percent special needs.[47] Registered Housing Agencies are required to allocate at least 75 percent of their dwellings to applicants on the VHR. Given this requirement and the statistics for recent allocations it is clear that most of their tenants are (priority needs) social housing residents and relatively few are allocated to moderate income households.

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[44] From a research project commissioned by the Cities of Moreland, Darebin and Yarra. Kelly, D and Porter, L (May 2019) 'Understanding the assumptions and impacts of the Victorian Public Housing Renewal Program', RMIT University Centre for Urban Research

[45] Victorian Housing Register and transfer list by local area, March 2019. N.B. The Victorian Housing Register now combines public and community housing through a centralised waitlist. While community housing applicants are being transferred there may be some changes to numbers and HousingVic notes that numbers will increase in the second half of 2019 as the merging is completed.

[46] Australian Productivity Commission, Report on Government Services 2019, Chapter 18 Housing

[47] Australian Productivity Commission, Report on Government Services 2019, Chapter 18 Housing. N.B. Special needs and greatest needs categories are not mutually exclusive, and tenants may fit into a number of categories within each group or across groups.

Homelessness and Housing Stress

In the .id Consulting report on housing demand and affordability, they define housing need as 'the aggregate of households unable to access market provided housing or requiring some form of housing assistance in the private rental market to avoid a position of rental stress.'[48]

Based on this definition, housing need is estimated for the following groups in Yarra:

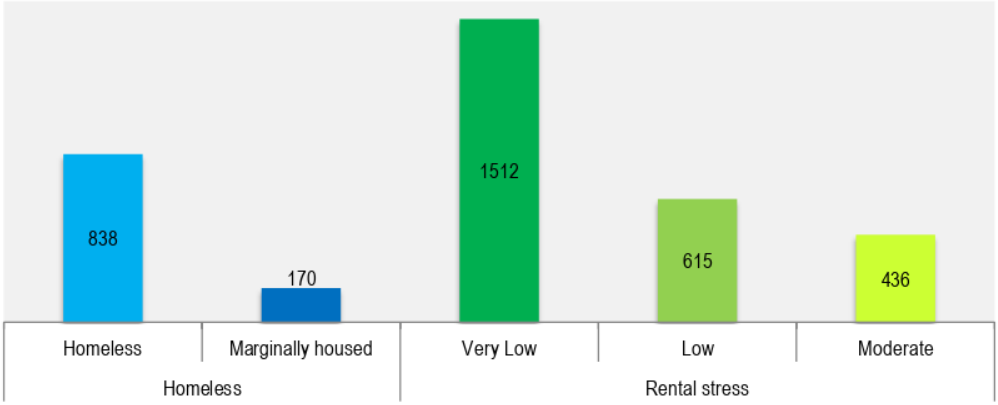
- Homeless
- Marginally housed
- Very low, low and moderate income households in long-term rental stress
- Households in social housing

Unmet need is based on the groups above, excluding social housing households as their needs are being met.[49] It is important to note that what is presented is an estimate of need based on the recorded population from 2016 and not an exact figure.

The most severe form of housing stress is homelessness, which is the inability to maintain an adequate standard of shelter for day-to-day life. In 2016, the ABS estimated a total of 1,008 homeless or marginally housed persons in Yarra, most of whom were living in over-crowded dwellings or boarding houses.

Temporary housing stress can be due to a number of factors such as short-term unemployment, a period of parental leave or households looking for more affordable housing following a separation. To estimate housing need, it is therefore assumed that 50 percent of rental stress is households in temporary stress. Based on these assumptions, it is estimated that around 2,563 rental households are in need of affordable housing.

Figure 16: Total unmet affordable housing need in Yarra



Source: ABS, Census of Population and Housing 2016, as prepared by .id Consulting

Together this amounts to 3,571 households, about 9 percent of all households, with an unmet need for affordable housing in Yarra in 2016. Given the expected population growth for Yarra in the coming 10-20

[48] From: Rowley, S., Leishman, C., Baker, E., Bentley, R. and Lester, L. (2017) Modelling housing need in Australia to 2025, AHURI Final Report 287, Australian Housing and Urban Research Institute, Melbourne, http://www.ahuri.edu.au/research/final-reports/287, doi: 10.18408/ahuri-8106901.

[49] N.B. Whilst rental stress data does not include those who have reported their tenure as 'social housing', it may include some households that live in social housing but didn't report their tenure and/or landlord. In 2016, about 10% of households did not state their tenure and/or landlord on Census night.

years, and without any major supply increases for social and affordable housing, this unmet need is likely to increase in future years.

The Household, Income and Labour Dynamics in Australia (HILDA) Survey is a household-based panel study that collects valuable information about economic and personal well-being, labour market dynamics and family life. Using longitudinal data from HILDA, a 2018 report examined the persistence of housing stress across time (2001-2016) and between household types. In the 2001 to 2004 period, 42.7% of those in housing stress in one year were also in housing stress in the next year. In the 2013 to 2016 period, this measure of persistence had increased to 49.2%. Persistence of housing stress was lowest for non-elderly couples, with or without children, and highest for elderly people, particularly singles, and single parents.[50]

Community housing organisation perspective on need

Interviews with Registered Housing Agencies with a presence in Yarra further clarify the local need for housing.[51] Respondents identified an expressed demand (i.e. based on current clients and applications) in Yarra coming from single people in receipt of a Disability Support Pension followed by those accessing Newstart. Currently, the highest number of community housing tenants in Yarra are between 25 and 54 years of age. Young people, aged 15-24 are the smallest cohort of community housing tenants in Yarra.

More recently increased demand had been identified for women (including older and younger women), older singles, people with a disability, moderate-income households, low-income workers and key workers.

Table 4 shows some of the comments made by the respondents.

Table 4: Selected quotes from interviews with Housing Agencies (2019)

Selected quotes (de-identified)
Older women in larger housing are wary of 'downsizing' due to their fear of not finding affordable housing in Yarra.
There is a road block, there is limited long-term affordable, secure housing for women in Yarra.
There is nowhere for younger women to go to be housed in Yarra.
Yarra is a preferred location for low income people with a disability, as the municipality has an extensive range of health and community services as well as good transport networks.
The casualisation of many occupations of the low income workforce [such as cleaners and hospitability workers] results in their lack of certainty regarding capacity to pay rents.
Consideration is being undertaken as to how to house low and moderate income workers who will be, or are, unable to afford to live in Yarra, and emerging lower paid occupations that will be in Yarra over the next 10 years.

Source: Beverly Kliger & Associates, 'Housing Needs in the City of Yarra: Consultation Report with Community Housing Organisations', April 2019

[50] Wilkins, Roger and Inga Lass (2018) The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16. Melbourne Institute: Applied Economic & Social Research, University of Melbourne.
[51] Beverly Kliger & Associates, 'Housing Needs in the City of Yarra: Consultation Report with Community Housing Organisations', April 2019

The report notes, however, that demand is often linked to what is available. In other words, larger families won't apply to community housing providers that are known to have mainly smaller dwellings. A number of the community housing providers remarked on the lack of family housing in Yarra that is affordable and appropriate and noted that the costs for them to acquire housing were too prohibitive.

> *'(it's a) challenge to purchase or build three-bedroom properties in Yarra, as it is too costly. We can develop larger housing in the West but not Yarra.'* (Interviewee)

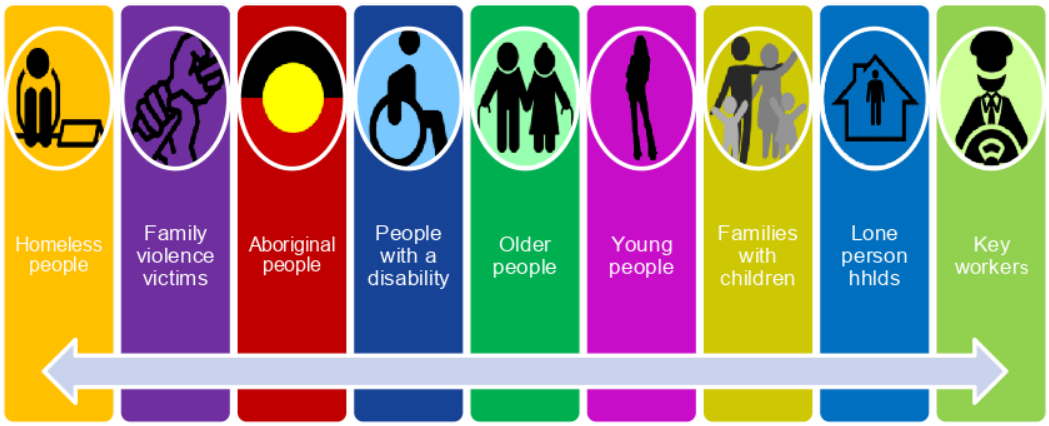
An important factor to consider is that housing in and of itself is not the only need that households have. They may also want to live near social and service supports and networks, require a particular type of dwelling, e.g. accessible for people with a disability or appropriate in terms of size for a family.

The following section identifies a range of target households specific to Yarra based on data and other equity considerations, and attempts to draw out some of the particular requirements for each of these groups.

Target households

Council has identified a number of target groups in Yarra that are struggling with housing affordability. These groups represent a range of needs and requirements, and highlight the breadth of the housing crisis.

Figure 17: Yarra target households

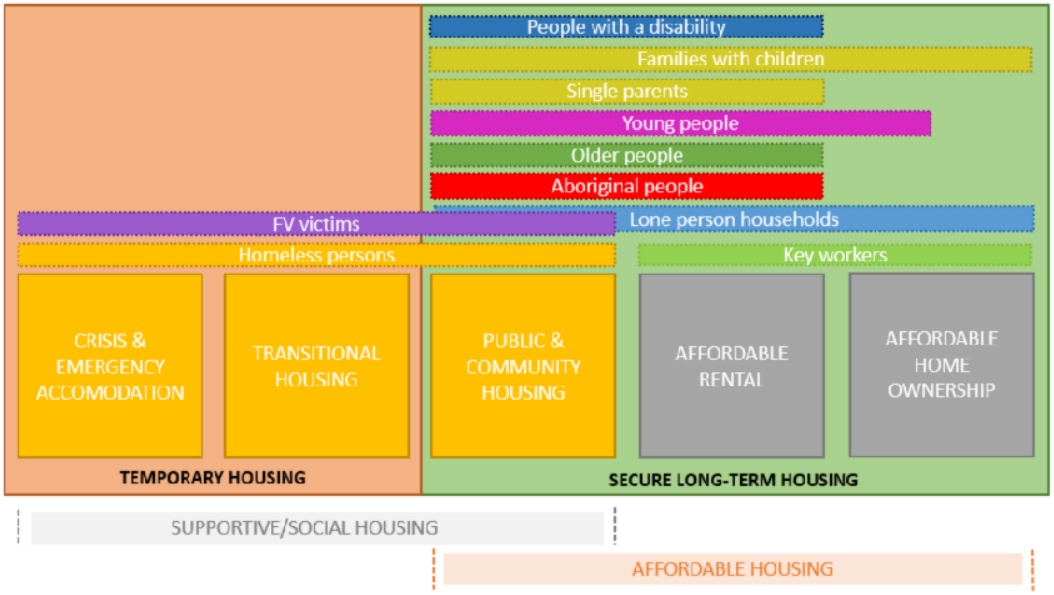


Council has chosen to focus on:

- vulnerable groups facing multiple barriers to participation in society in addition to housing, e.g. homeless people, family violence victims, Aboriginal people and people with a disability;
- groups with specific affordability concerns due to life-stage, e.g. older people, young people and families with children;
- those who are over-represented for housing stress – lone person households; and
- key workers in order to support our local industries and realise the multiple benefits of living near to where you work.

Households may belong to more than one of these groups and will have different incomes, from very low through to moderate, illustrating the need for a range of affordable housing products to ensure a truly diverse population. Figure 18, overleaf, shows an indicative representation of the breadth of affordable housing products needed to support the identified target groups.

Figure 18: Affordable housing products and target group needs



Homeless people

> *Homelessness can profoundly affect a person's mental and physical health, their education and employment opportunities, and their ability to fully participate in society.*[52]

The causes of homelessness are complex and homeless people often face a number of health and wellbeing issues, including financial, family violence, unemployment, mental health and addiction. Contemporary approaches to homelessness in many countries, including Australia, is however based on securing stable housing first and then addressing additional complex needs through targeted wrap-around services. This is known as the 'Housing First' model.

In Victoria, 1 in 54 people (116,872 clients) received homelessness assistance in 2017-18, higher than the national rate (1 in 85).[53] The top three reasons for clients seeking assistance were:

1. domestic and family violence (47 percent)
2. financial difficulties (40 percent)
3. housing crisis (37 percent)

Across Victorian specialist homelessness services (SHS) 37 percent of clients were homeless on first presentation. While nine-in-ten clients at risk of homelessness were assisted to maintain housing (primarily in the private market), less than three-in-ten clients who were already experiencing homelessness were assisted into housing (about two-thirds in private or other and one-third in social housing).[54] This shows the vastly greater success rate of maintaining housing for clients *before* they become homeless as compared to finding appropriate and affordable housing, with proper supports, for someone who is homeless.

In 2017-18 clients accessing homelessness services were predominantly female (64 percent), mostly single parents with children (34 percent) or living alone (31 percent) and 47 percent were not in the labour force.[55] For the same period in Yarra, 1,070 SHS clients were recorded of which 547 were female and 523

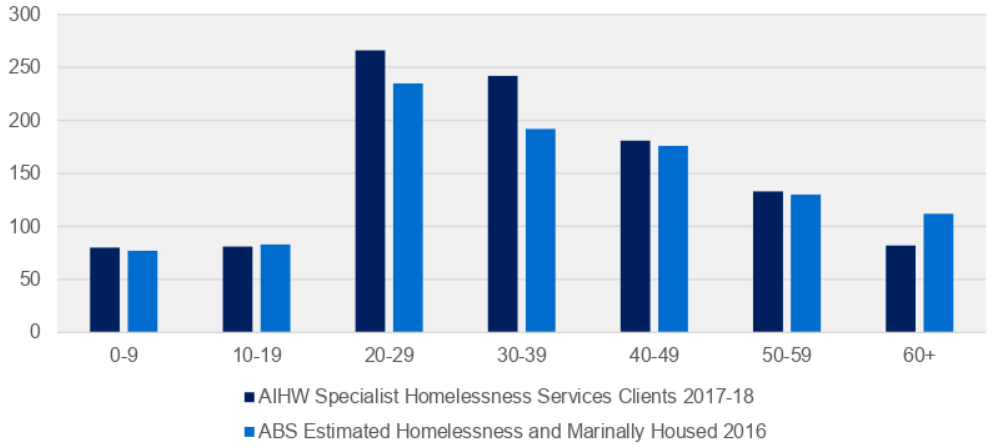
[52] Australian Institute of Health and Welfare, 'Specialist homelessness services 2017-18: Victoria', Australian Government.
[53] Ibid
[54] Ibid
[55] Ibid

male. A slightly higher proportion of those presenting were homeless (546 or 51 percent) as compared to 'at risk' (463). This is the inverse of state figures where a higher proportion of people accessing services were people at risk of homelessness.

The 2016, the ABS estimated a total of 1,008 homeless or marginally housed persons in Yarra. The homeless count was 838 persons. In Yarra the largest homeless group was persons living in boarding houses, followed by persons living in over-crowded dwellings. 64 were estimated to be experiencing primary homelessness (living in improvised dwellings, tents, or sleeping out).[56]

Interestingly, data on service users and ABS homelessness estimates show a similar age profile of homeless and at-risk persons in Yarra. Based on this data most homeless or marginally housed people in Yarra are relatively young, aged 20-29, followed by 30-39 years. Notably about 160 children were recorded in both data sets.

Figure 19: Yarra homelessness age profile



Source: AIHW Specialist Homelessness Services Clients, 2017-18 and ABS Census of Population and Housing: Estimated Homelessness, 2016

Number of homeless persons, as estimated through the Census, has essentially remained the same as in 2011 (844 homeless persons), however the outreach experience indicates an on-the-ground experience of consistent growth in people sleeping rough and an increasing complexity of incidents related to primary homelessness.

The rate of homelessness per 10,000 population was 95 in Yarra, the fourth highest local government area in Victoria and more than double that of Victoria (42 per 10,000).[57]

Specific homelessness responses (beyond an increase in affordable housing) will be addressed in Council's forthcoming Homelessness Strategy.

Safe and secure homes for family violence victims

Family violence is the number one cause of seeking homelessness assistance in Victoria.[58] Women are overwhelmingly the victims of family violence, with one-in-six women having experienced actual or threatened physical or sexual violence by a partner.[59] The relationship between family violence and

[56] ABS Census of Population and Housing, Estimating Homelessness, 2016.
[57] Ibid
[58] Australian Institute of Health and Welfare, 'Specialist homelessness services 2017-18: Victoria', Australian Government.
[59] ABS Personal Safety Survey, 2007.

homelessness is the result of the complex interplay of gender inequality, socioeconomic disadvantage, mental illness as well as poor access to income support and housing.[60]

Council has pledged its commitment to a future where all members of the community are protected from family violence. The City of Yarra's Council Plan (2017-2021) recognises the importance of promoting a gender equitable, safe and respectful community.

In 2017–18, the Australian Institute of Health and Welfare's annual reporting on specialist homelessness services identified that the top reason for Victorians seeking homelessness assistance was domestic and family violence (47%, compared with 39% nationally). In 2017-18 the family incident rate per 100,000 population in Yarra was 966.8 with the number of family incidents 950. This is lower than the Victorian rate of 1,176.7.[61]

There is a shortage of crisis and other social accommodation within Yarra and indeed Victoria to respond to the increasing reporting of family violence. Local housing agencies note the demand for long-term, affordable, secure and safe housing for women and their dependents escaping domestic violence. Whilst some transitional housing is available in Yarra, there is limited appropriate and affordable long-term for people to transition to. Some work is being done in the space of removing perpetrators from housing rather than displacing victims and it remains critical that Council provides ongoing support for the community through stronger advocacy, raising awareness and enabling provision of increased supply of social and affordable housing options.

Aboriginal people in Yarra

Fitzroy and Collingwood are areas of special significance to Aboriginal people – as the centre of Aboriginal affairs and political activism in Victoria, the birthplace of important Aboriginal organisations and importantly as a meeting place for Aboriginal people to link-in with family, community and services. In recent years, gentrification and the rising cost of living have pushed many Aboriginal people away from the area. In spite of this, Yarra is still a preferred place for Aboriginal and Torres Strait Islander peoples to live, meet up, work and access services.

At the same time data on Aboriginal housing and homelessness in Victoria show the enduring disadvantage of this community:

- 43 percent of Aboriginal people in Victoria own their homes as compared to 68 percent of Victorians;[62]
- 18 percent, almost 11,000 Aboriginal people, were in contact with homelessness services in 2017-18 as compared to 1.8 percent of Victorians;[63]
- Aboriginal people are over-represented as homelessness clients - 10.4% of homelessness clients in Victoria are Aboriginal yet they only make up 0.9% of the population.[64]

There is currently no dedicated Aboriginal social housing stock in Yarra.

A recent Paper produced by Aboriginal Housing Victoria (AHV) highlights some of the particular housing requirements of Aboriginal households, including cultural needs, caring for extended families and pathways from homelessness to long-term secure housing. They also note the need for specific supports around

[60] Robinson, C & Searby. R (2006) Accommodation in Crisis: Forgotten Women in Western Sydney, UTS Shopfront monograph series no.1 Sydney
[61] Crime Statistics Agency, Family Violence Data Portal, 2018
[62] ABS Census of Population and Housing, 2016 (as presented in Aboriginal Housing Victoria 'Key Data' graphic, available at: https://ahvic.org.au/cms_uploads/docs/web-key-data-housing-and-homelessness-victoria-.pdf)
[63] Productivity Commission, Table 19A.4 in Report on Government Services, 2019 (as presented in Aboriginal Housing Victoria 'Key Data' graphic, available at: https://ahvic.org.au/cms_uploads/docs/web-key-data-housing-and-homelessness-victoria-.pdf)
[64] Ibid

things such as the legal system, disability, alcohol and drugs, and family violence. AHV place a strong focus on self-determination for Aboriginal Housing.[65]

This data, together with Council's ongoing support for the Aboriginal community and its connection to Yarra, supports stronger awareness, and increased supply, of Aboriginal housing in Yarra.

Accessible housing for people with a disability

Across Australia there is a serious shortage of affordable, accessible and well-located housing for people with disabilities with current options including group homes and forced co-tenancies. [66] People with a disability tend to stay living with their parents for longer, are overrepresented in housing assistance programs and have relatively low rates of home-ownership.[67]

There are more than 6,000 Australians with a disability under the age of 65 living in aged care facilities.[68] The Commonwealth Government recently committed to the National Action Plan for Younger People in Residential Aged Care which involves getting all young people under the age of 45, who wish to leave, out of nursing homes by 2022 and those under the age of 65 by 2025. The plan will be funded under the National Disability Insurance Scheme which, when fully rolled out, is estimated to provide more than $700 million annually in funding for specialised disability accommodation.

People with disabilities face additional barriers to accessing suitable and affordable housing that are different to other cohorts of the population. They require homes that are accessible and adaptable, support informal support as well as independent living, and that encourage social inclusion, economic participation and health and wellbeing.[69]

> *People with disability are some of the most disadvantaged populations in Australia in terms of workforce participation, income, education, health and social participation.*[70]

The 2016 Census recorded just over 3,000 people or 3.5 percent of the population in Yarra who need help with their day-to-day lives due to disability (equating to a severe or profound disability). Disability correlates strongly with age and as many as 1 in 5 Yarra residents 65 years or older reported need for assistance with core activities.[71]

The vast majority of working age people (15 to 60 years old) with need for assistance are not in the labour force and only 8% are employed as compared to 75% for people who do not require assistance.

Interviews with local housing agencies showed a high demand from people on a disability support pension and it was expressed that Yarra is a good location for people with disabilities due to availability of support services.

Council has a strong commitment to supporting people with a disability to participate, contribute and be represented and the *Yarra Access and Inclusion Strategy* includes a strategy to 'Advocate and work collaboratively to ensure greater provision of accessible and affordable housing'.

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[65] Aboriginal Housing Victoria, Victorian Aboriginal Housing and Homelessness Summit - Documents and Background Papers, 2019. Available at: https://ahvic.org.au/communications-and-resources/vahhf (Accessed 30 May 2019).
[66] Australian Human Rights Commission (April 2017). Available at: https://www.humanrights.gov.au/sites/default/files/PWD_and_Housing.pdf (Accessed 15 Mar 2019).
[67] Wiesel, I. and Habibis, D. (2015) NDIS, housing assistance and choice and control for people with disability, AHURI Final Report 258, Australian Housing and Urban Research Institute, Melbourne, <http://www.ahuri.edu.au/publications/projects/p71053>.
[68] Senate Community Affairs References Committee. "Adequacy of existing residential care arrangements available for young people with severe physical, mental or intellectual disabilities in Australia." Commonwealth of Australia (2015).
[69] Wiesel, I. and Habibis, D. (2015) NDIS, housing assistance and choice and control for people with disability, AHURI Final Report 258, Australian Housing and Urban Research Institute, Melbourne, <http://www.ahuri.edu.au/publications/projects/p71053>.
[70] Ibid
[71] ABS Census or Population and Housing, 2016

Affordability for older people

Older people are susceptible to housing stress due to their reduced incomes and often increased expenses due to health issues. Older single women may face additional financial disadvantage due to lower superannuation or as a result of changed circumstances such as divorce or death of a partner.

> *The housing situation for older lower income renters differs from younger lower income renters in that they have finished their working life (and usually have low levels of wealth), they have very limited incomes (i.e. the age pension) and they lack future earnings potential*[72]

Many older people may be reticent to downsize from the family homes if there are limited affordable and/or accessible options in the local area, resulting in a mismatch of housing and need.

As people age they may become increasing frail and vulnerable and struggle to cope with stress and change, they may face physical disabilities or mental health concerns and can suffer from being isolated.

From an economic perspective, governments benefit from keeping people in their homes as long as possible, however there is a challenge in ensuring homes remain safe, secure, appropriate and affordable. Particularly for older people in the private rental market. [73]

There are about 9,000 Yarra residents aged 65 and over, making up 10 percent of the population. Yarra's older population have significantly lower earnings than the broader population with almost half earning less than $500 a week (roughly aligned with 'very low' income bracket for singles) as compared to 1 in 4 for the broader Yarra population aged 15 years and over.

Yarra's *Active and Healthy Ageing Strategy 2018-2024*, notes the importance of being able to 'age in place' and consultation with the community has brought up the issue of lack of affordable and appropriate housing for older residents in Yarra. Goal number five of the associated action plan identifies housing as a priority with a strategy to 'Advocate for diverse, affordable housing options for people 50+ that support a city for all ages.'

Young people struggling to enter the housing market

Young people are more likely to be in full or part-time study, have causal or low paid jobs as well as face unemployment. Young people living independently primarily live in group or share house situations, with most of these people either working or studying full-time.

There is a widening inequality between generations. The current cost of housing relative to incomes has resulted in multiple barriers for young people breaking into the housing market and increased reliance on parents to provide housing later into life, including assisting with a potential first home purchase.

> *'Family support is crucial for young people during the transition to an independent adulthood and a sustainable livelihood. When family support is weak or non-existent, young people are much more likely to experience homelessness and long-term disadvantage.'*[74]

Over the past 30-40 years young people have increasingly remained in the family home for longer. A 2016 report states that about a third of 20-24 year old Australians still live at home. Many also return home for periods even after they have left the family home. For young people who do not have this family support their options for housing can become limited and some end up becoming homeless.[75] Homelessness

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[72] AHURI Policy Issue Analysis, 'Supporting older lower income tenants in the private rental sector'. Available at: https://www.ahuri.edu.au/policy/policy-analysis/supporting-older-lower-income-tenants-in-the-private-rental-sector?gclid=EAIaIQobChMIxNKcmY294gIVmQsrCh0J8ww2EAAYASAAEgLF_vD_BwE. (Accessed 30 May 2019)
[73] Ibid
[74] David MacKenzie, Paul Flatau, Adam Steen, Monica Thielking (2016). The cost of youth homelessness in Australia: research brief. Retrieved from Analysis and Policy Observatory Website: https://apo.org.au/node/63479.
[75] Ibid

estimates from both the Australian Bureau of Statistics (ABS) and Australian Institute of Health and Welfare (AIHW) suggest that 20-29 year olds are the largest homeless group in Yarra.

The broader nationwide housing crisis greatly affects disadvantaged young Australians. Young people only make up 2.9 percent of main tenants in social housing across Australia and progress on Affordable Housing for young people scored only one out of four stars in a recent National Report Card on Youth Homelessness, meaning little progress had been made in the last 10 years.[76]

Affordable housing for young people is crucial to allow them to live independently, and particularly for the most disadvantaged young people who do not have family supports to rely on.

Lone person households

Lone person households are particularly susceptible to housing stress as they are reliant on one income to sustain their housing costs. Almost one-in-four lone person households in Yarra are in housing stress, with a majority of these being rental households on very low incomes.

About half of newly allocated public housing households in 2016-17 were single people living alone. Given that most of allocations are to priority households, many of these people would have additional needs overlayed with housing need. These include being homelessness or at risk of homelessness, having a disability, being younger than 25 or older than 75 or defined as an Indigenous household.[77]

Local community housing organisations also reported single person households as a majority of their tenants.

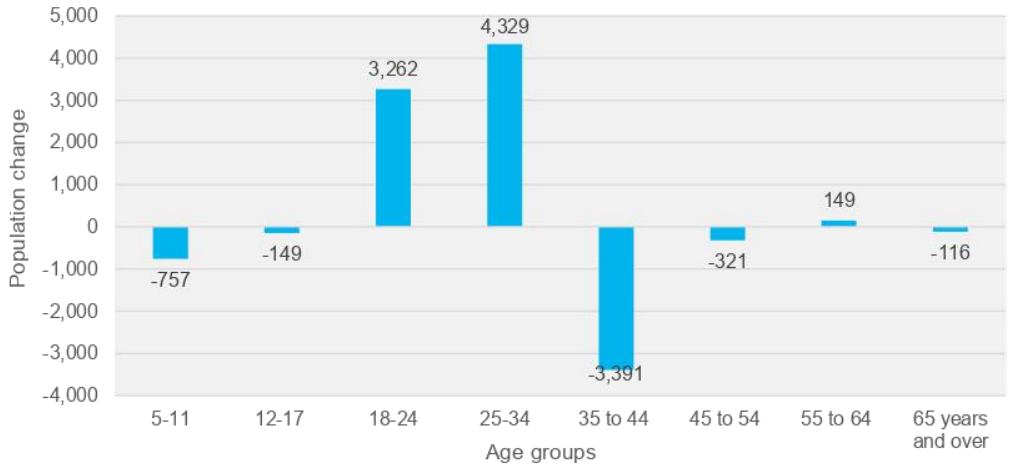
A 2017 Victorian Auditor-General's Report on Victoria's public housing states that current public housing stock is not configured to meet the growing demand for one and two bedroom dwellings, accounting for about 80 percent of applicants in 2016.[78]

Affordable and appropriate housing for families with children

Another group that is struggling to find affordable and appropriate housing in Yarra is families with children. In 2016, 15 percent of Yarra households were couples with children as compared to 34 percent across Greater Melbourne[79]. Between 2011 and 2016, Yarra lost more people than it gained for children up to 17 years old and adults in their mid-thirties to mid-forties suggesting families with children are leaving the municipality to find better matched housing elsewhere - often in outbound neighbouring municipalities.

[76] Youth Development Australia and National Youth Commission (2019) 'A National Report Card on Youth Homelessness'. Available at: https://apo.org.au/node/225611 (Accessed 31 May 2019)
[77] AIHW (2018) 'Housing Assistance in Australia 2018'. Available at: https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2018/contents/priority-groups-and-wait-lists (Accessed 27 May 2019).
[78] VAGO (June 2017) 'Managing Victoria's Public Housing'.
[79] ABS Census of Population and Housing, 2016

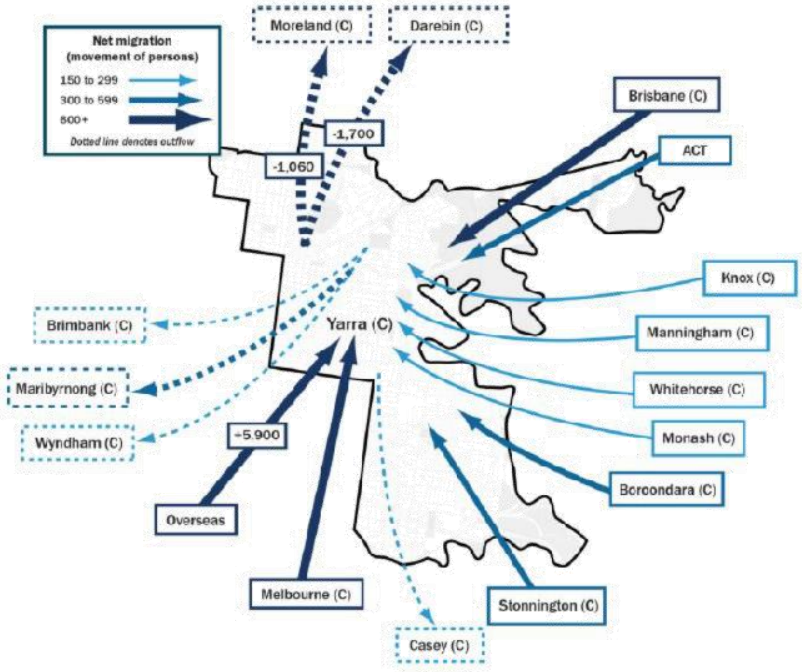
Figure 20: Age specific net migration for Yarra, 2011-2016



Source: ABS Census of Population and Housing, 2011 and 2016[80]

Figure 21 reinforces this picture, showing the major net in-flows of migration coming from overseas, inter-state and City of Melbourne, and major outflows to neighbouring municipalities like Darebin and Moreland.

Figure 21: Major net migration flows for Yarra – 2011-2016



Source: Analysis of ABS Census data (2011-2016) by .id Consulting

[80] Sourced from Migration Profile for Yarra by .id Consulting on https://profile.id.com.au/yarra/migration-by-age?AgeKey=105

A recent report from the Strong Foundations collaboration notes the proven importance of physical environments on a child's development. The report highlights the detrimental effects of housing instability, particularly for children in the first three years of life. Impacts are seen on a range of fronts including behavioural issues, educations outcomes, parental stress and capacity, social support networks and health. Housing instability and housing stress are often a more pressing issues for lower socio-economic groups and in particular single parent families.[81]

Many of Yarra's current families live in relative disadvantage with a disproportionate amount of families with children in social housing (17 percent). Of the more than 2,500 single parent families in Yarra, more than one-in-three live in social housing. Single parent families face additional struggles and across Australia have the highest rates of housing stress out of any family type.[82]

Despite these broader trends, the number of families with children has increased in Yarra in recent years. Given the available housing stock in Yarra this suggests that families are increasingly prepared to live in apartments in order to live in the area. Ensuring appropriate amenity to these families is rightfully a concern in the Yarra Housing Strategy (2018).

As noted in the previous section, there are challenges in developing affordable housing that is suitable for families in Yarra due to the high cost of land. In pursuing goals of socio-economic population diversity, increased efforts to include 'family-friendly' housing in new developments will need to be prioritised.

Key workers – living and working in Yarra

Affordable housing enables low-to-moderate income workers to live in areas that they may not otherwise be able to, and that improves their access to jobs, transport and services.

Escalating house and rental prices mean that there are limited numbers of key workers who can afford to live in Yarra. Analysis of median incomes for selected key worker groups located in Yarra[83] as compared to actual property sale prices and advertised rentals in the lower quartile show a slight improvement from 2012 to 2017 in overall affordability (49 percent up to 52 percent able to afford purchase, 60 percent up to 65 percent able to afford private rental), assuming the key worker is earning 50 percent of household income[84]. This seems to suggest that the large numbers of new high density dwellings being constructed are having a positive impact on affordability for key workers, but masks some differences between dwelling types and key worker groups.

Houses to purchase had gone up significantly from 2012 to 2017 and hospitality workers, who receive the lowest income, were significantly less able to afford housing (to buy or rent) as compared to defence force members, fire fighters and police, who earn higher salaries. The 2018 report on Housing Demand and Affordability by .id Consulting notes that, "[for] lone person households in key worker occupations, the results are stark. Only defence force members, fire fighters and police could afford more than 1 percent of the houses and units on sale in 2017. For rentals the story is slightly better, with around 20 percent of rental units affordable to midwifery and nursing professionals and over half affordable for lone households working as defence force members, fire fighters and police in Yarra." Figure 22 (overleaf) shows the proportion of house sales and rentals in the lower quartile affordable to key worker groups in Yarra.

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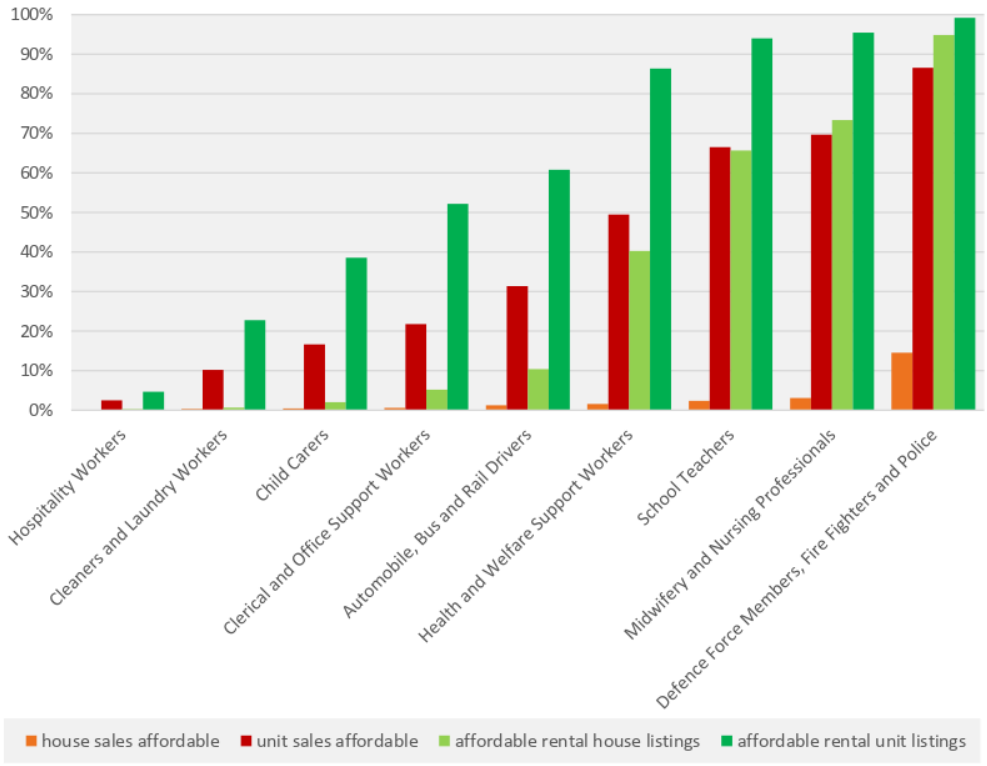
[81] PricewaterhouseCoopers Consulting for the Strong Foundations collaboration (April 2019), 'The first thousand days: A case for investment'.
[82] Wilkins, Roger and Inga Lass (2018) The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16. Melbourne Institute: Applied Economic & Social Research, University of Melbourne.
[83] Key workers are defined in a report by .id consulting for City of Yarra as school teachers, midwifery and nursing professionals, defence force members, fire fighters and police, health and welfare support workers, hospitality workers, child carers, cleaners and laundry workers and car, bus and rail drivers.
[84] N.B. An assessment of affordability is most useful in showing affordability of first home buyers and their ability to enter the market.

Figure 22: Proportion of dwellings in the lower quartile affordable for Yarra key worker groups, 2017



Source: Hometrack property sales and rental data, 2017 and ABS Census of Population and Housing, 2016, as prepared by .id Consulting for the City of Yarra

Local industry faces additional costs without an adequate level of key worker labour supply meaning lost time in worker turn-over and recruiting when workers find jobs closer to home. Workers also suffer when they have to pay additional costs in the form of transport costs, resulting in a fall in disposable income. The local area faces congestion and air pollution from workers driving to work. It is incumbent on municipalities such as Yarra which has a high concentration of skilled jobs to provide opportunities for key workers to live close to these jobs.

Currently, most of the workers employed in positions in Yarra live outside the municipality (85 percent). The largest employer is the health sector, which accounts for over a fifth of all jobs, closely followed by the retail food and accommodation sector. Research has shown that a poor relationship between housing and employment markets has an impact on local productivity.[85]

A comparison of key worker jobs located in Yarra for 2006, 2011 and 2016 and number of Yarra residents employed in these jobs suggest a decreasing proportion of key workers living locally. For example, in 2006 there were more Yarra residents working in hospitality (1,318) than there were hospitality jobs in Yarra (1,293). However, by 2016 there were almost 30 percent more hospitality jobs in Yarra (2,502) than hospitality workers living in the area (1,991). This applies to almost all of the key worker professions. For child carers in 2016, there were double the amount of jobs in Yarra (685) relative to child carers living in the area (335).

[85] AHURI, 'Making connections: housing, productivity and employment', 2015.

3.4. Policy context and initiatives

Governments impact the housing market at two levels. At a structural level they determine the system in which the market operates and at a direct level they intervene in the market where it is unable to provide for particular groups, or to achieve specific outcomes.[86]

Commonwealth Government

The Commonwealth Government provides national policy and funding to the social and affordable housing sector. Given the potential taxation and funding levers available to the Commonwealth Government, the Commonwealth Government has a principal role in capital funding for social housing and individual rent assistance schemes. A bi-lateral housing policy and funding arrangement also exists between the Commonwealth and State governments since 1945.

Funding initiatives

In 2018, the Commonwealth and state and territory governments developed a National Housing and Homelessness Agreement (NHHA) to cover the period from 2018 to 2023. This agreement aims to improve the supply of new housing across the housing spectrum, including social and affordable housing and the homelessness service system.

The NHHA will combine funding previously provided under the National Affordable Housing Specific Purpose Payment (NAHSPP) and the National Partnership Agreement on Homelessness (NPAH) and will provide around $1.5 billion per annum to state and territory governments from 2018-19. Under the NHHA, funding to state and territory governments will target jurisdiction-specific priorities including supply targets, planning and zoning reforms and renewal of public housing stock while also supporting the delivery of frontline homelessness services.

It also commits to the Commonwealth Government's National Housing Finance and Investment Corporation (NHFIC) to deliver:

- an affordable housing bond aggregator to provide lower cost and longer tenor finance to community housing organisations; and
- the National Housing Infrastructure Facility to provide grants, equity investments and concessional loans to build the critical infrastructure needed to bring forward the supply of housing.

The affordable housing bond aggregator aims to encourage greater private and institutional investment and provide cheaper and longer-term finance to registered housing agencies.

Tax concessions and assistance schemes

There is a variety of monetary and taxation programs at the Commonwealth level to provide incentives, which can impact on affordability both positively and negatively. For example, the First Home Owners Scheme, which is also supplemented by a state level scheme of Stamp Duty Concessions, increases the purchasing power of individuals but can result in increased market prices.

Commonwealth Rent Assistance (CRA) provides a capped 'top-up' income support for households on income-support payments, based on the rent households pay in the private or community housing market but not public housing. CRA does not contribute to new supply and affordability is not guaranteed.

The National Rental Affordability Scheme (NRAS), which commenced in 2008, provided financial incentives to developers to encourage development of housing that is available to rent at 80 percent or below of market rent. NRAS homes are not social housing – they are affordable private rental homes. The incentives were offered annually over a period of ten years. The original ten-year period has now come to an end, and under the current government NRAS is being wound down, with the first properties to participate losing their subsidy shortly.

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[86] Australian Government, Department of Social Services, Housing. Accessed from https://www.dss.gov.au/housing-support/programmes-services/housing on 17/12/18

The recently elected Coalition Government have proposed a First Home Loan Deposit Scheme to support eligible households (annual income up to $125,000 for singles and $200,000 for couples) to purchase a house with a deposit of only 5 percent. The scheme will start in January 2020 and be supported by up to $500 million being provided in equity through the NHFIC. In addition to a lower deposit home buyers won't have to pay lenders mortgage insurance (LMI) with the government underwriting their home loans and serving as guarantor.[87]

Victorian Government

The Victorian Government produces policy, plans for, incentivises, and is the main supplier and manager of social housing in the state. In June 2018 there were 64,295 public housing dwellings in Victoria (owned and managed by the state government).

The two key policies outlining the plans of the state government with regard to affordable housing are *Plan Melbourne 2017-2050* and *Homes for Victorians* (2017). The two documents outline a number of initiatives and funding streams to increase the number of social and affordable housing dwellings in Victoria, largely through public-private partnerships, but crucially sets no target of how many dwellings that need to be added in the coming period.[88]

The *Homes for Victorians* strategy aims to increase the supply of affordable housing in Victoria through:

- a $1 billion Social Housing Growth Fund;
- the development of 6,000 social housing dwellings;
- renewal of 2,500 ageing public housing dwellings;
- $100 million in low cost loans; and
- $1 billion in government guarantees to housing associations to enable them to expand their stock.

The strategy also introduces a couple of schemes that support households to access the private housing market. In Victoria there is a stamp duty exemption for first home buyers on homes up to $600,000 and cuts to stamp duty on homes valued up to $750 000, and the government is also trialling the co-purchasing of properties between first home buyers and the Government. This is done under the HomesVic Shared Equity Initiative whereby first home buyers earning up to $77,325 (single person) or $97,945 (multiple persons) can qualify for a home loan with a deposit of 5 percent or more. Applications opened in February 2018 and the scheme is available to up to 400 households. As of May 2019, 160 homes have been purchased.[89]

Acknowledging the increasing number and proportion of households who are renting, the Victorian Government is rolling out a range of rental reforms, starting by 1 July 2020 and including new long-term lease arrangements and other changes focussed on strengthening tenants' rights.[90]

The government has also identified 52 parcels of land across the state for development into social housing. These development opportunities are all intended to increase supply of social housing in partnership with the private sector.

Plan Melbourne 2017-2050, also includes a focus on increasing affordable housing, including opportunities to expand the supply of social housing. It outlines how the Victorian Government will:

- utilise government land to deliver additional social housing via trialling an inclusionary housing pilot on six surplus sites;
- streamline decision-making processes for social housing proposals;

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[87] Available at: https://www.liberal.org.au/latest-news/2019/05/12/helping-australians-buy-their-first-home (Accessed 31 May 2019)
[88] Infrastructure Victoria have estimated a need for approximately 30,000 new affordable dwellings across Victoria within 0-10 years. In 'Victoria's 30-year Infrastructure Strategy', December 2016.
[89] Information available at: https://www.vic.gov.au/homesvic-shared-equity-initiative (Accessed 27 May 2019)
[90] Further information available at: https://www.vic.gov.au/rentfair-rental-reforms-victorians (Accessed 27 May 2019)

- strengthen the role of planning in facilitating and delivering the supply of social and affordable housing; and
- create ways to capture and share value uplift from rezoning.

Funding initiatives

The Victorian Property Fund (VPF) grants program is a two-stage funding round to support housing development projects that will increase the supply of affordable and environmentally sustainable community housing for low income and disadvantaged Victorians. Over three years (2018-19 to 2020-21), $21 million has been reserved for grants.

The Social Housing Growth Fund is an initiative where the Victorian Government will act as guarantor for up to $1 billion in loans for private and philanthropic developers who wish to develop social housing. The $1 billion fund will be used as leverage and investment returns will underpin funding agreements for projects.

The Social Housing Growth Fund provides an ongoing mechanism for the Victorian Government to partner with the community, private, not-for-profit and local government sectors to deliver housing assistance to Victorians. It has two underlying programs to support this.[91]

The Build and Operate Program (BOP) applies to the construction of new social and affordable rental housing on non-Victorian Government land. The new social and affordable dwellings could be part of mixed developments including private housing, or any other form of development that a consortia may wish to propose. It is comparable to the commercial 'Build to Rent' model, with the difference being that rental dwellings will be affordable and operated by registered housing agencies. The Director of Housing will be listed on any certificate of property title and there will be regular competitive funding rounds.

The New Rental Developments Program (NRDP) involves recurrent funding to lease new dwellings from the private sector to registered housing agencies to increase the availability of social housing rental stock and facilitate investment in new social housing for the rental market. The Victorian Government, through DHHS, will provide funding to cover the gap between private rent income and affordable rent income.

There is also $100 million in low-cost loans to be made available to registered housing associations.

The Social Housing Investment Planning (SHIP) Grants provided up to $200,000 to local governments for work on strategies, feasibility studies and affordable housing projects. There has been one funding round in 2018.

Victorian Government Inclusionary Housing pilot

As part of the initiatives announced in *Plan Melbourne* the Victorian Government will be piloting inclusionary zoning for affordable housing on limited surplus government land to create 100 new social housing units. This process will market-test the capacity of both property developers and housing providers to work together on different sites and provide an indication of the possible community housing yields. Pilot sites went onto the market at the end of 2017 and each site will have an advisory committee to give recommendations on the appropriate rezoning and to consider the concept plan.

It is intended that these pilot projects will inform the government's development of future planning legislation, policy development and statutory controls to support greater provision of affordable housing. The outcomes of these pilot projects may result in changes in planning policy and powers to achieve affordable housing and at that time it will become clearer what further planning measures are possible for Council to consider. It will be important to monitor the work being undertaken and determine how it can provide an improved planning policy framework and controls.

[91] From the Department of Health and Human Services, https://dhhs.vic.gov.au/victorian-social-housing-growth-fund (Accessed 17 December 2018)

Public Housing Transfer

The State Government has committed to transferring 4,000 public housing dwellings to the community housing sector.[92] This will enable community housing providers to gain additional revenue from the Commonwealth Rent Assistance, which tenants in public housing are not eligible to receive. Conditions for tenants are expected to be unaffected, however it needs to be carefully monitored at the local level to ensure that no tenant is disadvantaged by the process.

Public Housing Renewal Program

The Public Housing Renewal Program (PHRP) is part of a long-term plan of the Victorian Government to renew rundown and poor standard residential buildings on and around housing estates, especially walk-up stock, by introducing new private housing on site with the profits generated to pay to refurbish or replace dwellings. The earmarked assets are purported to be beyond maintenance and are not DDA compliant, meaning disability or aged clients can't use them.

The Government has committed $185 million for renewal of nine public housing estates.[93] In total, eleven sites will be renewed in Stage 1 (including two that are funded by the DoH) all in prime locations near social and health infrastructure and jobs and transport. These estates make up 2.9 percent of Victoria's public housing.

The Government had originally committed to delivering an additional ten percent in social housing across these sites. The first three renewals to progress are at North Melbourne, Northcote and Preston and are being delivered by developer MAB Corporation in collaboration with community housing provider HousingFirst (formerly Port Phillip Housing Association). The increase in social housing post redevelopment is fifty percent and a portion of the private housing is also to be priced for First Home Buyers. Tenants who return will go from public housing to community housing and will need to claim Commonwealth Rent Assistance. The new housing is also expected to have fewer multi bedroom dwellings.

DHHS consulted with tenants and stakeholders in 2017 to inform the redevelopment a walk-up housing estate in Noone Street, Clifton Hill but the redevelopment of this site has not yet progressed.

The PHRP could deliver additional social housing, however, there are likely to be some detrimental aspects for existing tenants and community. In its submission to the Legislative Council's Legal and Social Issues Committee (LSIC) Inquiry into Public Housing Renewal, Council communicated its reservation about the form of private investment on public land posited in the PHRP and expressed its concerns that the then proposed uplift of ten percent in social housing slated for Noone St and other sites was not large enough to warrant the loss of public ownership of the land. Council also expressed its concern about the net loss of social housing bedrooms and the disruption of the process for tenants, as well as the lack of overall financial transparency and community input into the design and planning implications.

The report of the LSIC recommended that there be greater transparency regarding the financial implications of the program and evidence that any funds received from sales to private developers are cordoned off for investment in more social housing. It also questioned the adequacy of the proposed ten percent uplift in social housing dwellings. LSIC reported that the consultation process with tenants, neighbours and other stakeholders had been poorly handled because of the continually unclear parameters of the redevelopment program. These are all issues which had been identified by Council in its submission.

A critical policy analysis of the PHRP by researchers at RMIT and Deakin expressed concern over the loss of public land to private developers through the 'real-estate development model', the loss in total number of bedrooms, the impacts on residents of displacement and the evidence base supporting purported 'social

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[92] As per: https://dhhs.vic.gov.au/management-transfers (Accessed 28 May 2019). In July 2012, in its submission to the Victorian Government Discussion Paper Pathways to a Fair and Sustainable Social Housing System and Social Housing, Council opposed the transfer of ownership or management of public housing in Yarra to community housing providers.

[93] The first round of redevelopments have since been announced with a 50% increase in dwellings across three estates, but a reduced number of bedrooms overall.

mix' benefits. The authors also question 'the capacity for the program to genuinely address the "housing crisis" with small increases in unit numbers'.[94]

To date, the State Government has not published information from an asset management perspective on the state of the existing dwellings across these sites (i.e. the numbers that could be maintained or must be upgraded or replaced) or provided a transparent reasoning for why they are pursuing this particular model of redevelopment (public-private partnership) instead of completing upgrades or redevelopment through an arm of government (e.g. Development Victoria).

3.5. Planning tools: Affordable housing in new developments

The two principal State Government policies outlining plans for housing and development in Victoria, *Homes for Victorians* (2017) and *Plan Melbourne 2017-2050* signal the role of the planning system in facilitating the supply of affordable housing, whilst acknowledging that the planning system alone cannot address all the issues pertaining to housing affordability.[95]

Local government is the responsible authority for the processing of the majority of land-use and development plan applications, rezoning of land and seeking amendments to the local planning scheme from the Minister for Planning. At present, in Victoria, affordable housing can be facilitated by the planning system through a voluntary planning negotiation with a developer or land-owner, generally expressed in a Development Plan Overlay (DPO) and/or a Section 173 Agreement (S173).

A DPO requires an overall plan to be prepared to the satisfaction of the responsible authority to co-ordinate land uses and development over a defined area or site. It requires the preparation of a Development Plan that sets out conditions for land uses and development. This has been used in some situations to negotiate the inclusion of provisions for affordable housing as part of the overall development outcome.

The most common mechanism to facilitate the supply of affordable housing is through a voluntary (but legally binding) agreement between a responsible authority (generally a local council) and a landowner to deliver affordable housing as part of new developments. The power to enter into the agreement arises under Section 173 of the *Victorian Planning and Environment Act 1987*.[96] The agreement sets out conditions or restrictions on the use or development of the land, or to achieve other planning objectives relating to the land. The agreement can be registered over the title to bind future owners and occupiers of the land to the agreement. Before any planning permit is granted, the owner/s of the land must enter into the agreement with the responsible authority to the satisfaction of the responsible authority. The agreement is enforced in the same way as a permit condition or planning scheme. These agreements are normally entered into as part of the rezoning or development application process.

A S173 can be placed on a site in perpetuity, for a predefined number of years (e.g. 10-15 years) or until the affordable housing has been transferred to a registered housing agency. Notably, many registered housing agencies have expressed concern over S173s that are put on a site in perpetuity as this limits their borrowing capacity (which can impact project feasibility) and restricts their overall portfolio management as older assets may need to be sold when maintenance becomes too costly.

Voluntary Planning Negotiations

The Victorian State Government issued some important changes and clarifications with regard to social and affordable housing in June 2018. The Department of Environment Land, Water and Planning (DELWP) state that the objective of the recent changes to the *Planning and Environment Act 1987* (The Act) is to facilitate the supply of affordable housing through the planning system.

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[94] From a research project with Moreland, Darebin and Yarra. Kelly, D and Porter, L (May 2019) 'Understanding the assumptions and impacts of the Victorian Public Housing Renewal Program', RMIT University Centre for Urban Research.
[95] Available at: https://www.planning.vic.gov.au/policy-and-strategy/affordable-housing (Accessed 17 December 2018)
[96] Available at: https://www.planning.vic.gov.au/policy-and-strategy/affordable-housing (Accessed 18 December 2018)

The changes to the Act are also intended to provide a framework that allows for innovative approaches to the delivery of affordable housing and flexibility for parties when reaching an affordable housing agreement.

Three changes were made to the Act that came into effect on 1 June 2018:

- Adding a new objective to the Act "*to facilitate the provision of affordable housing in Victoria*" and thereby affirming that the facilitation of affordable housing is a legitimate concern of the planning system.
- Providing a definition of affordable housing – "*affordable housing is housing, including social housing, that is appropriate for the housing needs of very low, low, and moderate-income households*".
- Affirming the use of Section 173 agreements for voluntary affordable housing agreements "*...a Responsible Authority may enter into an agreement with an owner of land for the development or provision of land in relation to affordable housing*".[97]

Further guidance from DELWP outlines the requirements for a Responsible Authority to establish strategic justification for an Affordable Housing request, identify value to support the delivery, ensure clear land-owner agreement and not unduly impact commerciality of the development, give regard to a Registered Housing Agencies support for the proposal and test it against the definition and list of matters (as outlined by the Minister for Planning).[98]

The Victorian Government is also considering how councils can provide support through measures such as reducing third party appeal rights, fast-tracking planning approvals and providing exemptions from some planning requirements such as car parking or enabling increased building heights.[99]

Implication for Council

The changes emphasise that the planning system has a role in facilitating affordable housing and provides a shared definition of what affordable housing means, including allocated income brackets defining very low, low and moderate incomes with respect to affordable housing that is not social housing. These categories are derived from calculations based on 50 percent, 80 percent and 120 percent of median incomes in the Greater Melbourne (see Table 1). DELWP has also developed a sample S173 Agreement to assist councils in leveraging affordable housing through the planning system.

These changes do not give any power to councils to require affordable housing, nor does it specify preferred proportions (e.g. 5 percent or 10 percent) or specific triggers (e.g. dwelling yield, floor space or monetary value). What the changes do achieve is removing ambiguity by providing a statutory definition of affordable housing and further protection of the legitimate practice of requiring affordable housing outcomes by agreement that many Councils, including Yarra, were already exercising.

It is notable that the sample agreement includes the possibility of cash contributions from developers to be considered as an affordable housing contribution. These donations could be to Registered Housing Agencies or to approved trusts or bodies, in lieu of housing stock. This opens up possibilities for councils to direct cash funds to affordable housing providers or to create trust to direct development funds toward affordable housing projects.

Importantly, when considering a payment in lieu of delivery a council needs to consider:

- the urgency of need (i.e. is it more likely that dwellings will be delivered faster in-situ);
- weather high local land costs and smaller cash contributions will result in difficulties/long-time frames for realising outcomes with cash; and
- the importance to the council of social mix (i.e. realising this goal for each respective development).

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[97] Available at: https://www.planning.vic.gov.au/policy-and-strategy/affordable-housing (Accessed 18 December 2018)
[98] Ibid, including Ministerial Notice 'Specified Matters udner Section 3AA(2)', 17 May 2018
[99] The state government has included this as an option in implementing *Plan Melbourne 2017-2050*

Cash contributions have traditionally been more common in an inclusionary zoning setting and applied in particular circumstances, such as if the number of dwellings is too few to realise on site, there are particularly high body-corporate costs or it is a non-residential building.[100]

Key stakeholders

There are three principal negotiators in the delivery of affordable housing through the planning process: developers/land-owners, councils and Affordable Housing owners/operators (generally Registered Housing Agencies), as well as a number of supporting parties. The main stakeholders and their roles and requirements are outlined in Table 5 below.

Table 5: Key Stakeholders – Financing, Development and Management of Affordable Housing

Stakeholder	Role	Key financial requirements
Land-owner	May be planning applicant and developer or may own land for other purpose and sell a permitted or non-permitted site for others to develop	Appropriate return on land, reflecting value in market, cost of sale
Developer	• Commercial, profit-driven entity • Purchaser of land • Developer of land • Typically planning applicant	Development margin that supports a required Rate of Return on investment after costs and taxes, including financing costs
Affordable Housing owner and/or operator	• Owner and/or manager of Affordable Housing • Housing low to moderate income households	• Positive revenue (rent) relative to costs to maintain a viable not-for-profit business • Access to subsidy • Access to low-cost, long-term financing
Council	• Planning authority • Facilitator • Balancing community needs	Maximum community benefit
State Government	• Legislative and policy • Owner and manager of Public Housing • Direct investor in Social and Affordable Housing • Provision of support for home owners	Value for money / public benefit for investment
Financier and/or investor	Provider of funds for land acquisition and/or development on expectation of financial return	Rate of Return on the investment that is commensurate to the level of risk, time and quantum of investment

Source: Adapted from Affordable Development Outcomes report for City of Yarra 'Affordable Housing Financing', April 2019

Increased awareness of other stakeholders' roles and requirements will help Council to understand and balance the needs of different players. Understanding the basic financials of development economics is also core to making informed and realistic requests for affordable housing outcomes. The following section explores this further.

[100] Kate Breen (2015) 'International approaches to facilitating affordable housing outcomes and their application to Victoria, Australia', 2014 AV Jennings Churchill Fellowship.

Financing Affordable Housing

The main challenge in securing affordable housing at new developments is the funding gap – essentially the difference in revenue that can be achieved from selling or renting something at market value as compared to selling or renting at a subsidised rate (which can range from high to low).

> *'Affordable Housing that is appropriate, affordable and allocated to lower income households at a below-market rent or purchase price is not typically delivered by commercial property developers unless it has been directly or indirectly subsidised, typically by government.'*[101]

In order for affordable housing to be delivered through a private sector development it needs to be commercially viable for the owner/developer as well as commercially sustainable for the registered housing agency to both purchase in the first instance and to own and operate long-term. Therefore, there needs to be a recognition of the process, risks and capital costs required to build dwellings and to ensure the long-term management of a dwelling as affordable housing.

Property development is a complex commercial enterprise entailing significant costs and risks over a considerable period of time.

Developers require an adequate rate of return of costs relative to risk and investor (equity and lender) requirements. Increases in costs – from for instance an affordable housing component – that are not countered by an increase or offset in revenue can mean that a project is no longer viable and therefore won't proceed.

Housing Agencies must in turn receive an adequate income to meet all tenancy management and building operating costs (rates, owner corporation costs, insurance and property and tenancy management), as well as servicing debt and all from below-market rental revenue. As charities housing agencies can draw on taxation benefits such as GST exemptions to reduce costs but this is in itself is not sufficient. In instances where housing agencies have not received a subsidy, such as land at cost or a government grant, they will be incapable of delivering the highest subsidy affordable rental product (social housing). If instead they have to essentially leverage their own assets and income, the likely best outcome that may be achieved is affordable housing products such as key worker housing or shared-equity schemes.

At the time of writing, the Victorian Government was providing some grants and alternate financing, complemented by lower interest borrowing facilities supported by the Commonwealth Government that can help bridge the funding gap.

State Government has directed that there should be clear value generation coming from the planning process to improve development viability. Council can make contributions to offset the costs of affordable housing delivery through planning incentives – such as additional yield or streamlined decision making – or rezoning – enabling a higher value use of the site.

> *'Under voluntary planning negotiations the way the capital costs of a dwelling will be met must be clearly understood and agreed, which in part requires assurance that there is sufficient value available to the developer to offset costs.'*[102]

Where no value generation is present, other subsidy or funds will be required to meet the developer's costs and the developer and investor hurdle rates.

Kate Breen of Affordable Development Outcomes has produced a report for Council on Affordable Housing Financing, including modelling of different cost and foregone revenue implications of various delivery models. Table 6 (below) shows the different cost impacts for various models (gifting of land through to gifting of completed dwellings) and the flow on effects in terms of tenure, household allocation (very low to moderate) and the potential outcome in terms of dwelling yield.

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[101] Report for Yarra City Council by Affordable Development Outcomes (April 2019) 'Affordable Housing Financing'.
[102] Ibid

Table 6: Potential outcomes arising from different delivery models

Model	Relative cost impact for developer	Potential Tenure	Likely Allocation / Household targeting	Reliance on third party investment (indication of delivery certainty / risk)	Potential number of dwellings (relative)
Gifting of Land	Low	Social and Affordable Rental and/or Affordable ownership (Shared Equity)	Mix very low, low and moderate income	High – depends on Housing Agency funding construction which is likely to also require government funding	High
Sale at 30% discount / developer contribution	Low	Affordable Rental and/or Affordable ownership (Shared Equity)	Low to moderate income	High – depends on Housing Agency securing significant funding and/or finance or an individual securing a mortgage	Moderate
Sale at 40 – 50% discount	Moderate	Social and/or Affordable Rental	Low to moderate income	Moderate to high – depends on Housing Agency securing funding and/or finance. Less reliance on government funds if financing can be secured	Low to moderate
Gifting of completed dwellings	High	Social and/or Affordable Rental	Very low to low income	Low / none	Low

Source: Affordable Development Outcomes report for City of Yarra 'Affordable Housing Financing', April 2019

The report also models cost impacts based on the median unit value in Yarra. Assuming a development with a total yield of 100 units, each with a market value of $582,000,[103] the indicative total cost to the developer of providing ten of these dwellings for affordable housing under various delivery models is:[104]

- Gifting of land without dwellings: $417,000
- Sale of dwellings at 30% discount to market value: $640,000
- Sale of dwellings at 40-50% discount to market value: $1.22-1.8 m
- Gifting of completed dwellings: $4.3 m

This is a very useful starting point to begin considering when and what Council can aim for in a negotiation with a developer on a site-by-site basis, understanding that there are very different price implications for the delivery model with flow-on effects in terms of the quantity that can be delivered and to whom.

Inclusionary zoning

Inclusionary zoning generally refers to statutory planning controls requiring development proponents to incorporate certain facilities or features on their site, or pay a cash-in-lieu contribution for this obligation to be discharged off-site. It is often used to mean that property developers are required to set aside a

[103] Median unit value in City of Yarra in 2018, from Victorian Valuer-General (2018) 'Guide to Property Values'.
[104] Costs are highly indicative and do not take into account site specific considerations or the foregone opportunity cost to the developer, which is greater than the cost impact

percentage of their final dwellings for use as affordable housing. Inclusionary zoning is not currently applied in Victoria.

Council has long been an advocate for inclusionary zoning and has been part of previous efforts to introduce inclusionary zoning approaches in inner city Melbourne. In 2007, the Inner Melbourne Action Plan (IMAP), which at the time included the Cities of Melbourne, Port Phillip, Stonnington and Yarra, developed a model of inclusionary zoning to maintain at least 6 percent of housing in the inner city for low income households through a contribution rate to apply to new developments.[105] This proposal was not accepted by the Victorian Government.

Inclusionary zoning is currently used to cover affordable housing provisions in other jurisdictions in Australia, including:

- City of Melbourne – 15 percent affordable housing target but only applies to the development of Council-owned land.
- South Australia – a state affordable housing target announced in 2005, for achieving 15 percent affordable housing in all new significant developments, including 5 percent high needs (public) housing. The planning provisions were initially restricted to the redevelopment of government sites, but are increasingly applied when major new residential areas are released or rezoned to allow higher density development.
- Queensland – site-specific affordable housing initiatives were delivered under the auspices of its Urban Land Development Authority (ULDA) who applied a combination of land supply, barrier reduction, affordable housing incentivisation and inclusionary zoning to large renewal sites in Brisbane.
- New South Wales – 2 percent of housing in specified zones to comprise of affordable housing. Developers can include affordable housing on site or pay an affordable housing levy.

Inclusionary zoning has also been applied extensively and with significant outcomes in the United Kingdom and United States of America. In England between 2015 and 2016, 12,866 affordable housing units (43 percent of total affordable housing output) were delivered through inclusionary planning requirements and about 12 per cent of annual housing completions in San Francisco are affordable dwellings produced through inclusionary zoning or impact fee requirements. Similar schemes apply to more than 500 cities across the United States.[106]

Yarra: current policy and recent outcomes

Council has already achieved affordable housing outcomes by negotiating during the rezoning process with the development proponent for the inclusion of a proportion of affordable housing through Development Plan Overlays and supported by a Section 173 Agreement.

Yarra's Local Policy Planning Framework (Clause 21.05-2) also includes a specific provision where affordable housing can be considered as a basis for supporting developments in activity centres or Strategic Redevelopment Sites that are more than five or six storeys in height.

In addition, Yarra has developed a *Policy Guidance Note: Affordable Housing Outcomes at Significant Redevelopments* (updated Oct 2018), which sets out Council's intentions with regard to facilitating social and affordable housing at major redevelopment sites.

Yarra's Policy Guidance Note

In order to stimulate development of additional affordable housing, Council endorsed a *Policy Guidance Note: Affordable Housing Outcomes at Significant Redevelopments (Policy Guidance Note)* in 2017.[107] The guidance note communicate Council's expectation to realise at least a percentage of affordable housing

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[105] http://imap.vic.gov.au/index.php?page=affordable-housing, viewed 23 January 2017
[106] Gurran, N., Gilbert, C., Gibb, K., van den Nouwelant, R., James, A. and Phibbs, P. (2018) Supporting affordable housing supply: inclusionary planning in new and renewing communities, AHURI Final Report No. 297, Australian Housing and Urban Research Institute Limited, Melbourne, http://www.ahuri.edu.au/research/final-reports/297, doi: 10.18408/ahuri-7313201.
[107] The Policy Guidance Note was updated in October 2018 following the changes to the *Planning and Environment Act*

units, to be managed by registered housing agencies, in sites of rezoned land likely to yield around 50 dwellings or more. The Guidance Note informs developers on Council's rationale and vision for affordable housing contributions and was endorsed at the Council meeting of 21 November 2017 after community and stakeholder consultation and updated by Council resolution in October 2018 to increase the percentage of affordable housing from 5 percent to 10 percent and update the definitions.

When assessing adherence to the Development Plan Overlay relating to affordable housing allocations, Council will:

- define affordable housing as per the Victorian Government Gazette 29 May 2018, with specific income ranges for very low, low and moderate income households; and
- offer appropriate assistance in connecting proponents to registered housing agencies.

Council has already had success in securing affordable housing through the planning process. Major sites where negotiations for affordable housing have been secured with developers and community housing agencies, include:

- Alphington Paper Mill Site
- GTV9 Richmond
- North Fitzroy Gasworks

Several additional sites are currently being negotiated.

4. Strategic Directions

Strategic Direction 1 (SD1): Be a leading local government in realising affordable housing outcomes at new developments across Yarra.

Council has had success in achieving affordable housing outcomes at several major redevelopment sites. Council will continue to use the statutory means at its disposal and in doing so, will seek outcomes that increase the supply of affordable housing and promote the viability of the community housing sector.

SD1 will be realised through the following strategic directions:

SD1.1 Enhance Council policy and practice in regards to affordable housing agreements at redevelopments

Direction 1.1.1	Council recognises the essential cost differences - and corresponding levels of subsidy required - in delivering different affordable housing products (i.e. affordable to purchase and affordable to rent for very low, low or moderate incomes) and in varied built form and dwelling typologies (multi-unit developments, semi-detached and detached housing).
Direction 1.1.2	Council's expectation for affordable housing requirements from development proponents will be adjusted in accordance with presence or absence of subsidy from other levels of government or where incentives are provided by Council.
Direction 1.1.3	In instances where the Schedule has a Development Plan Overlay, Council will continue to request Housing Diversity Reports from proponents and will also request project feasibility studies to better facilitate negotiations.
Direction 1.1.4	At its discretion, Council will consider agreements that enable a Registered Housing Agency to sell dwelling stock that has been acquired through an affordable housing requirement to help these organisations in the securing of debt to grow their portfolios and in enabling financially sustainable management of their total housing portfolio.
Direction 1.1.5	The needs of target groups will be addressed by Council through the identification of development opportunities and the facilitation of dialogue between the relevant service providers, Registered Housing Agencies and development proponents.
Direction 1.1.6	To demonstrate strategic justification, Council will publish up to date statistics on demand for affordable housing for the municipality to its website and make reference to these within the Policy Guidance Note on Affordable Housing in Significant Redevelopments (the Policy Guidance Note).
Direction 1.1.7	The Policy Guidance Note is to be updated to have new provisions in regards to target households and key workers. • Insert a provision within the Policy Guidance Note regarding Council's objective to secure housing for identified target households, which are as follows: homeless people, victims of family violence, Aboriginal people, people with a disability, older people, young people, families with children, lone person households and key workers. • Insert a provision within the Policy Guidance Note regarding Council's objective to secure housing for key workers (i.e. school teachers, midwifery and nursing professionals, defence force members, fire fighters and police, health and welfare support workers, hospitality workers, child carers, cleaners, laundry workers, automobile, bus and rail drivers)

Direction 1.1.8	New assessment criteria are to be developed for considering: • when an affordable housing requirement has been triggered (e.g. based on residential floor area, dollar value or dwelling yield); and • how requests for the quantum and type of dwellings, including numbers of bedrooms, are to determined. Upon completion, Council commits to considering whether the Policy Guidance Note is to be amended to include these assessment criteria.
Direction 1.1.9	An investigation is to be completed in regards to whether there are particular circumstances where cash-in-lieu of dwellings delivered in-situ is either warranted or advantageous and how such funds could be managed (for instance a trust). Upon completion, Council commits to considering whether the Policy Guidance Note is to be amended to include these assessment criteria.

SD1.2 Seek quality, "tenure blind" outcomes at developments which are to include affordable housing

Direction 1.2.1	Council expects that any affordable housing should be integrated seamlessly in new developments, meaning it is not readily distinguishable from private housing by its form and aesthetics.
Direction 1.2.2	Council expects both affordable and private dwellings to have equal access to all communal indoor and outdoor spaces.
Direction 1.2.3	Council expects affordable housing dwellings should be built to a high standard in terms of durability (i.e. decreases costs associated with upkeep and maintenance) and DDA requirements (i.e. designed for all ages and abilities).

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Strategic Direction 2 (SD2): Make effective and prudent material contributions to facilitate an increase in social and affordable housing.

Council owns land and buildings across the municipality. This strategy proposes to investigate Council contributing its own assets, such as air space above car parks or community facilities, for social and affordable housing. Additionally, Council will continue to contribute grants or other seed funding to support projects contributing to affordable housing.

The best way to manage any potential development on Council land would be determined by the *Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land* (2009). The process will be subject to careful Council deliberation to ensure the best outcome for the municipality is achieved.

Direct investments by Council for affordable housing outcomes would illustrate that affordable housing is a significant priority for this Council.

SD2 will be realised through the following strategic directions:

SD2.1 Continue the Community Housing Grant

Direction 2.1.1	Council recognises the benefits for our vulnerable communities that arise from the annual Community Housing Grant. The Community Housing Stream sits within the broader Council Community Grants Program, with $50,000 provided annually to support local affordable housing initiatives.

SD2.2 Investigate the merits of gifting Council assets including air-space

Direction 2.2.2	A report on the financial and practical feasibility of developing affordable housing through Council property assets, including air space is to be provided to Council for its consideration.
Direction 2.2.3	Within the framework of its Property Strategy, Council will give due consideration as whether any assets earmarked for renewal or disposal could be suitable for affordable housing and on what terms (commercial or non-commercial).

Strategic Direction 3 (SD3): Partner with other stakeholders to further the evidence base on affordable housing and deliver an increase in affordable housing in Yarra.

Effective relationships are key to good outcomes. Council will continue to play its role as facilitator of direct outcomes and as a valued partner in research and advocacy. Working across regions and sectors produce synergies, scale and impact.

SD3 will be realised through the following strategic directions:

SD3.1 Work in partnership with key stakeholders

Direction 3.1.1	A Yarra Social and Affordable Housing Advisory Committee is to be established to share information about housing programs locally and knowledge of effective policy and practice beyond the municipality. The Committee will advise Council on relevant issues and opportunities as required.
Direction 3.1.2	Council will continue to create the platforms and forums by which all principal stakeholders (e.g. Registered Housing Agencies, developers, bankers, academics and government representatives) can forge relationships and establish a clear understanding of each other's roles and requirements.
Direction 3.1.3	Council will continue to facilitate connections between developers and registered housing agencies, both opportunistically and proactively.

SD3.2 Learn from and collaborate with our peers

Direction 3.2.1	Council will continue to be an active participant in inter-Council forums and work with peak bodies such as the MAV and VLGA to address the shortage of affordable housing.
Direction 3.2.2	Council will maintain a courageous and constructive dialogue with the Victorian Government and its agencies (esp. DHHS and DELWP) to enable sharing of information and achieving the best outcomes for our community, especially low income households.

SD3.3 Academic partnerships

Direction 3.3.1	Council will continue our proud tradition of effective collaborations with academics and academic institutions.

SD3.4 Facilitate planning applications for Registered Housing Agencies

Direction 3.3.4	The streamlining of planning approvals to support Registered Housing Agencies is to be investigated and a report is to be provided to Council for its consideration.
Direction 3.3.5	The merits of, and means by which, affordable housing development proponents could be exempted from third party appeals, parking requirements and height provisions is to be investigated. A report is to be provided to Council for its consideration.

Strategic Direction 4 (SD4): Continue to pursue evidence-based, strategic advocacy to other levels of government for improved social and affordable housing outcomes.

To be effective in planning for our strategic advocacy in the area of social and affordable housing it is vital to understand the main issues, opportunities and challenges, stay up to date on policy changes and maintain constructive relationships with our peers and partners.

We will continue to monitor population changes including demand for social and affordable housing and support our current social housing residents. Council will seek to make well-informed decisions in the interest of our current and future community and capitalise on any opportunities that arise through new grants and programs. We will prioritise fair treatment of current residents, particularly those who are vulnerable, and seek to influence other levels of government to make sound decisions that support social and affordable housing outcomes.

SD4 will be realised through the following strategic directions:

SD4.1 Proactively monitor the legislative, policy and funding environment

Direction 4.1.1.	Council will continue to respond to relevant Federal and State Government reviews and inquiries in relation to affordable and social housing as they arise.
Direction 4.1.1.	Council will monitor the performance of National Housing and Homelessness Agreement (NHHA) and the initiatives of the Commonwealth Government (e.g. National Housing Infrastructure Facility and the Aggregator Bond, First Home Loan Deposit Scheme) and Victorian Government (the Victorian Inclusionary Housing Pilot on government land, Social Housing Growth Fund, HomesVic Shared Equity Initiative, Victorian Property Fund, Public Housing Transfer and Public Housing Renewal Program).

SD4.2 Advocate for appropriate tenant services and management that puts the tenant's needs first, irrespective of landlord

Direction 4.2.1	Council supports a no disadvantage standard for social housing tenancies. Over the coming years, many tenants of social housing will be residing in dwellings managed by community housing providers and not the Director of Housing (through DHHS). Tenants of community housing should be afforded the same rights as tenants of public housing.
Direction 4.2.2	Council believes wrap-around services (social, health and financial) should be readily accessible for social housing tenants. Tenants of social housing live with social inequities and many tenants are living with complex physical and/or mental health conditions.
Direction 4.2.3	Council supports initiatives which help people at risk of becoming homeless to maintain their tenancies and seeks continued and adequate resourcing for programs like 'Tenancy Plus' (formerly known as the Social Housing Advocacy Support Program).

SD4.3 Advocate for the Victorian and Commonwealth Governments to close the funding gap

Direction 4.3.1	The funding gap is the difference in revenue that can be achieved from selling or renting something at market value as compared to selling or renting at a subsidised rate (which can range from high to low). Affordable housing is subsidised housing and Council requests that both the Victorian Government and Commonwealth Governments provide the necessary grants to Registered Housing Agencies for capital costs (developing and/or purchasing stock) or rental subsidy (long term head leases of privately owned dwellings).

SD4.4 Ensure community benefit from any redevelopment of public housing is maximised

Direction 4.4.1	The Public Housing Renewal Program (PHRP) is a $185 million program led by the Department of Health and Human Services (DHHS) to redevelop ageing public housing estates into "modern, mixed-tenure neighbourhoods". Council acknowledges that some public housing stock, especially 'walk-ups', is rundown and poor standard, including non DDA compliant, and housing should be fit for purpose.
Direction 4.4.2	Council seeks the publication of asset management data in regards to the condition of the 1,100 dwellings within the PHRP, along with any other dwellings into the future. Data on the current occupancy or vacancy of the dwelling should also be published. Until such information is provided, Council believes there is no way for the community to feel confident that dwelling refurbishments were unfeasible or that the PHRP represents public value.
Direction 4.4.3	Council holds reservations regarding the social benefits of 'public private partnerships' (PPPs) as this method of redevelopment may generate quick wins and short-term revenue relief at the expense of gains for the community. Council asks that the Victorian Government articulate, and evidence, how future development value uplift is being captured by the government for public benefit. The Victorian Government should disclose the profit delivered to the government and developer consortia and be transparent about any future reinvestment of profits.
Direction 4.4.5	Council holds significant concerns that vulnerable public housing tenants will be negatively impacted by the PHRP in both the short and longer term. A principal objective of the PHRP or any future renewal program should be providing existing households with a sincere and genuine right of return. Council wishes to see a like-for-like housing commitment (i.e. replacing a three-bedroom with a three-bedroom dwelling) so that current households are not disadvantaged by the redevelopment and each has a genuine option to return

SD 4.5 Advocate for inclusionary zoning

Direction 4.5.1	Council continues to support the introduction of inclusionary zoning into the Victorian Planning Provisions, to be employed either at specific precincts or for regions. Inclusionary zoning is a requirement for developers to supply a proportion of new developments as affordable housing. This can be seen as a form of legitimate value capture in that some of the benefits to a developer in rezoning land is returned to the community in the form of affordable housing.

AFFORDABLE DEVELOPMENT OUTCOMES

Affordable Housing Financing

Report for Yarra City Council
April 2019

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Disclaimer

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Executive Summary

Overview of the Paper

Yarra City Council (the Council) is committed to facilitating an increase in Affordable Housing in its municipality. To support this objective the Council is developing a Social and Affordable Housing Strategy. Affordable Development Outcomes was engaged the Council to provide a Report on Affordable Housing financing to inform the strategy development.

The objective of the Report is to provide the Council and key stakeholders with an understanding of residential development financing, and specifically, Affordable Housing financing and feasibility, particularly as it relates to the negotiation of outcomes on privately owned land.

The Report highlights a range of key drivers, constraints and obligations of investors, property developers and Registered Housing Agencies to secure financing and funds to develop housing and then manage it in the long-term as Affordable Housing.

The Report covers:

1. Key concepts, including Affordable Housing definition and translation into planning practice, and an overview of the range of Affordable Housing programs and their key characteristics;
2. The overarching policy context in relation to Affordable Housing delivery in Victoria with emphasis on the State Government framework in relation to voluntary planning negotiations;
3. Key stakeholders and their roles, responsibilities and requirements to invest and deliver residential development, and specifically, to invest, deliver and/or manage Affordable Housing that may be negotiated through a planning process;
4. Emphasis on the critical role of investors in residential development and Affordable Housing delivery and their requirements in relation to risk and return;
5. Key operational and financial factors that influence a Registered Housing Agency's capacity to invest, borrow funds and support Affordable Housing outcomes;
6. Potential Affordable Housing programs and delivery models that could be agreed through a planning negotiation and key financial considerations and impacts of each approach; and
7. Potential planning incentives that would enhance value and/or reduce costs and improve the feasibility of Affordable Housing being delivered by way of a planning negotiation.

Affordable Housing Context

Affordable Housing is defined under the *Planning and Environment Act 1987* as housing, including Social Housing, that is appropriate for the housing needs of very low, low or moderate income households.

Affordable Housing covers a spectrum of programs from crisis accommodation, social rental housing and affordable home ownership. Social Housing is a type of Affordable Housing that is owned or managed by either the State Government (public housing) or a not-for-profit Registered Housing Agency (community housing) and rented to very low or low income households.

Ultimately to address the level of Affordable Housing demand therefore requires the Federal and State Governments to be investing at scale, using the range of funding, financing, planning and land tools they have available.

Financing, Funding and Delivery

As a below-market product, Affordable Housing that is appropriate, affordable and allocated to lower income households at a below-market rent or purchase price is not typically delivered by commercial property developers unless it has been directly or indirectly subsidised, typically by government.

The development of Affordable Housing by the private sector will therefore only occur if it is viable for the land owner/developer to progress a project and in turn, structure an Affordable Housing inclusion that is commercially viable. Management of this outcome over time as Affordable Housing must also be sustainable, with not-for-profit Registered Housing Agencies as the primary owners and operators of this form of housing responsible for ensuring a viable long-term operating cash flow.

Two key aspects of funding, financing and delivering housing and specifically Affordable Housing that the Report highlights are critical to understand:

1. The process, risks and capital costs required to build a dwelling; and
2. The process, risks and costs required to ensure the long-term management of the dwelling as Affordable Housing that is appropriate, allocated and affordable for lower income households in need.

These aspects are explored in detail in Part B of the Report and summarised in Table 1.

Area	Key Aspects
Residential Property Development and Feasibility	• Property development is a complex commercial enterprise entailing significant costs and risks over a considerable period. • Delivery of housing supply depends on development companies actively delivering projects at scale. A range of factors and risks influence and determine whether a development proceeds. • Developers require an adequate return on costs that is relative to risk and with high regards to their investor requirements. If an appropriate rate of return is not realised a project will fail. • Costs are incurred over a considerable period with returns on investment only realised at the completion of a project when revenue from sales is received and after taking into consideration all costs. • A project is highly dependent on the availability and cost of funding which is ultimately controlled by investors who require demonstration of sufficient market interest and a return on their investment relative to the risk and time frame. • Key issues a developer needs to assess and manage from a risk perspective include costs and revenue assumptions, availability and cost of funding, planning processes and outcomes, project timeframes and construction risk. • Assumptions are made at the pre-acquisition stage to determine the Residual Land Value (the price the developer will pay for the land). A developer will take a degree of risk in relation to the development potential of a Site when determining its value. • Costs represent a significant proportion of a development feasibility. Increases in costs that are not countered by an increase or offset in revenue will impact on the developer and investor return and as a result, mean the development is not viable and able to proceed. • An Affordable Housing inclusion does not generate the same return as market sales and may therefore have a negative impact on overall project viability both due to the costs needing to be met and the impact of the foregone opportunity cost on project viability (i.e. the lost opportunity to sell the dwelling at full market revenue has a cumulative impact on the overall revenue and ability to meet the return hurdle).
Affordable Housing Development, Feasibility and long-term provision	• Federal and/or State Government grant funding has been the traditional means of investment in Affordable Housing in Australia. • Whilst there is some new State Government investment, such as the Social Housing Growth Fund, these funds are limited, with future investment availability and terms unknown.

Area	Key Aspects
	• Not-for-profit Registered Housing Agencies are regulated by the government to own and/or operate Affordable Housing for very low to moderate income households. Regulation by the State appointed Housing Registrar provides a high level of oversight of an Agency's performance. • Housing Agencies must receive adequate income from rent to meet all operational costs if they are to ensure organisational and project viability. • Housing Agencies utilise the limited rental revenue to meet all tenancy management and building operating costs. This includes rates, owner corporation costs, insurance and property and tenancy management. • Operating costs and rental revenue assumptions must be carefully managed by a Housing Agency over the life of a building or dwelling. The below-market rental revenue is a significant constraint on a Housing Agency's capacity to save and/or borrow funds for new projects. • A Housing Agency generally has no capacity to borrow funds if a dwelling is to be rented to very low income households as the rent from these households is unlikely to generate a surplus of funds once operational costs are met. • Some larger Housing Agencies have a limited capacity to contribute to the capital costs of Affordable Housing development by utilising equity or by accessing debt financing from investors/lenders and repaying these funds over time. • As a charity a Housing Agency can also draw on taxation benefits to reduce costs such as GST exemptions which provide a small contribution to reducing costs of development and operations. • There is some (limited) examples of the private development sector funding or co-investing to meet the costs of constructing Affordable Housing, typically on sites where other government support or land is provided such as through public housing renewal. • Constraints on title and/or on an Agency's ability to rent a property in addition to the regulatory requirements and objectives to support low income households can impact on revenue and constrain an Agency's ability to borrow and invest in a development.

Table 1: Key aspects of development feasibility and Affordable Housing development feasibility and provision

Investors

Investors in the capital construction and delivery and then the long-term operations and future renovation and eventual replacement of Affordable Housing are critical. The requirements of the investor – which can include multiple parties – is therefore paramount if there is going to be a viable project and in turn, Affordable Housing delivery.

The range of investors in residential development and/or Affordable Housing and their requirements to invest are set out in Part B. Investors include:

- Federal or State Government through direct provision and development, provision of land, grants, loans and/or tax offsets or incentives;
- Institutional and wholesale investors in bonds issued by the National Housing Finance Investment Corporation (NHFIC);
- Local Governments though provision of land and/or planning dispensations or processes that improve development feasibility;
- Institutional funds such as a superannuation entity or real estate trust, who take a long-term view to investment and returns;
- Standard mortgage funders such as banks;
- Registered Housing Agencies through land, equity or management of philanthropic funds;
- Individuals in rental housing through structured arrangements such as occurred under the National Rental Affordability Scheme (NRAS); and
- Individuals in home purchase for household needs.

Investors ultimately require demonstration of the viability of a project before they invest. This entails careful examination of all project cost and revenue assumptions, and an assessment of all the potential risks and mitigations to ensure that the investment will be appropriately managed and the required return realised.

The level of return an investor requires is commensurable to the level of risk they see in a project and with regards to the time value of their investment. Governments also require comfort that their investment is appropriately managed and results in the agreed social outcomes being maintained over time.

Planning system inputs and voluntary negotiations

One means by which the costs of Affordable Housing delivery could be theoretically supported is through the provision of planning incentives or potentially by the change of use of a site to a higher value as a result of a rezoning or permit approval process.

The State Government recently updated the *Planning and Environment Act 1987* to require local councils to consider how they will facilitate the provision of Affordable Housing as an objective of planning. To further this objective the Government is supporting local governments to engage in negotiations with land owners to achieve an Affordable Housing inclusion on privately owned land by way of a planning approval process.

The State Government has not set a mandatory or minimum Affordable Housing requirement or preferred program outcome or delivery model to apply to negotiations but directs that there should be a clear value generation by either application of a planning tool or approach that improves the development viability.

The State Government guidance emphasises:

- Outcomes must give regards to the commercial requirements of a developer to deliver the project and the Affordable Housing inclusion;
- Affordable Housing inclusions must be clearly and voluntarily agreed on a site-by-site and individual planning application basis;
- Affordable Housing program outcomes and delivery models that may be agreed can range from the gifting, discounted sale or leasing of land or dwellings to a Registered Housing Agency through to the sale of dwellings to households under an affordable home purchase arrangement such as a Shared Equity program;
- When negotiating an Affordable Housing contribution, the Council must remain cognisant of the overall development feasibility and the potential cost impacts of any arrangement on a per dwelling basis and on overall project viability.

Under voluntary planning negotiations the way that the capital costs of a dwelling will be met must be clearly understood and agreed, which in part requires assurance that there is sufficient value available to the developer to offset costs. Value from the planning process may come from the change in use (rezoning) or through the provision of other incentives such as additional yield or a streamlined decision-making process that either increase the project value or reduce costs.

In absence of this value, other subsidy or funding will be required to meet the developer's costs and the developer and investor return hurdles.

The availability of third-party investment to support Affordable Housing delivered through voluntary planning negotiations is constrained, particularly if the housing is intended to be rented to very low or low income households. Any negotiated outcome that relies on a third-party investor must therefore give regards to the investor's requirements to purchase as to manage outcomes over time if it is to be commercially viable and achieve a long-term Affordable Housing outcome.

Council's Policy Position

The Council recently updated its Policy Guidance Note *Affordable Housing Outcomes at Significant Redevelopments* (October 2018) that sets out an objective to achieve 10 per cent Affordable Housing on strategic sites as a result of rezoning approval. The Council's priority is for dwellings to be built and gifted for use as Social Housing, which represents the highest cost impact for a developer.

Determining a Financially Viable Affordable Housing Outcome

Hypothetical modelling in Part C highlights that different tenures and delivery models have different cost and foregone revenue implications for a developer. A number of the scenarios also require a Registered Housing Agency to bring funds to purchase properties or develop land either through grants and/or equity and/or debt.

Under a voluntary negotiation the State Government guidance requires that the land owner and the Council determine what is commercially viable with regards to the value generated by the planning process and/or other planning incentives. This will require the parties to consider and balance several variables including:

- The number or percentage of dwellings provided as Affordable Housing;
- The intended household allocation – with any requirement for a housing agency to purchase a dwelling likely to require them to adopt a discounted affordable rental model and allocate dwellings to lower to moderate income households;
- The likelihood of the outcome being delivered, noting that the overall development must be commercially viable in order for the Affordable Housing component to be delivered;
- The acceptable level of dependency on other parties funding or investment, particularly on future Government grants and where a Housing Agency will need to secure debt finance.

This is further explored in Part C and highlighted in Table 2.

Model	Relative cost impact for developer	Potential Tenure	Likely Allocation / Household targeting	Reliance on third party investment (indication of delivery certainty / risk)	Potential number of dwellings (relative)
Gifting of Land	Low	Social and Affordable Rental and/or Affordable ownership (Shared Equity)	Mix very low, low and moderate income	High – depends on Housing Agency funding construction which is likely to also require government funding	High
Sale at 30% discount / developer contribution	Low	Affordable Rental and/or Affordable ownership (Shared Equity)	Low to moderate income	High – depends on Housing Agency securing significant funding and/or finance or an individual securing a mortgage	Moderate
Sale at 40 – 50% discount	Moderate	Social and/or Affordable Rental	Low to moderate income	Moderate to high – depends on Housing Agency securing funding and/or finance. Less reliance on government funds if financing can be secured	Low to moderate
Gifting of completed dwellings	High	Social and/or Affordable Rental	Very low to low income	Low / none	Low

Table 2: Potential outcomes arising from different models

Indicative Costs of Affordable Housing Delivery

Different Affordable Housing programs and delivery models have different cost impacts. This ranges from 100 per cent of costs that need to be met under a gifting scenario to a 15 to 80 per cent reduction in revenue under a discounted sale or land gifting model.

To support the Council's understanding of the financial aspects of Affordable Housing delivery, a high-level assessment of the cost to a developer of providing Affordable Housing into different tenures and program outcomes (rental and ownership) through various hypothetical delivery models has been undertaken, set out in Part C.

This high-level assessment highlights the potential cost impact; being the costs a developer is assumed to have to incur after accounting for any revenue, and the foregone opportunity cost impact; being the lost market value (revenue) as a result of the dwellings not being available for sale to the market. Scenarios covering gifting of land, gifting of dwellings, and sale of dwellings at different discount rates are tested.

The modelling of cost impact, summarised in Table 3, indicates that on a hypothetical development scenario of 100 apartment units with an average market value of $582,000,[1] the cost of delivering 10 per cent of dwellings (10 dwellings) as Affordable Housing could range from $740,000 to over $4.3 m.

Indicative cost of providing land that is capable of being developed for 10 units	$417,000
Indicative cost of selling 10 dwellings at a 30 per cent discount to market value	$640,000
Indicative cost if 10 dwellings were sold at a 40 – 50 per cent discount to market value	$1.22 - $1.8 m
Indicative cost of constructing and gifting 10 dwellings	$4.3 m

Table 3: Summary of potential cost impact of different delivery models

These costs are highly indicative and do not take into consideration site specific considerations or the foregone opportunity cost to the developer, which is greater than the cost impact. For ten dwellings the foregone opportunity cost, assuming an average market sale price of $580,000 per dwelling, is estimated to range between $75,000 and $580,000 per dwelling depending if they are sold at a discount or gifted.

As highlighted in Table 2, the type of Affordable Housing outcomes that may eventuate from these different models may also vary, with a gifted outcome potentially more likely to result in a Social Housing arrangement, whilst a sale at a 30 per cent developer contribution may only be viable for a shared equity home purchase outcome.

Yarra City Council's aspiration for ten percent of housing to be gifted may require, through negotiation, agreement to either a reduction in the number or percentage of dwellings delivered or support for a different delivery model. Gifting of dwellings also raises other financing issues for a developer as they require the financing of costs without any expectation of revenue.

Conclusion

The Report seeks to significantly enhance the Council and its stakeholder's understanding of the range of financing factors that impact on residential development and specifically Affordable Housing development and the capacity of the Council to pursue further negotiated planning agreements that result in 'on-the-ground' Affordable Housing outcomes.

It sets out the range of financial considerations and different program and delivery model options that impact on development financing and feasibility and delivery and Affordable Housing financing and long-term management. It

[1] Victorian Valuer General (2018) Guide to Property Values 2017, Median unit value in City of Yarra in 2018 was $582,000

highlights the critical role of investors and their needs to ensure appropriate return on their investment relative to risks.

It emphasises that Affordable Housing as a below-market response depends on the provision of a significant level of subsidy or investment, particularly if the scale of need is to be addressed. In the case of voluntary planning negotiations, this subsidy is required to be generated from the planning process or provision of other incentives to then be translated to a gifting, sale or long-term lease arrangement.

The setting out of different delivery models and the potential cost impact of each on a per dwelling basis highlights the level of investment that is potentially required.

The Council is encouraged to draw on the learnings within the report and apply a commercial lens to the negotiation of Affordable Housing outcomes to ensure that the delivery of housing that is appropriate, affordable and allocated to lower income households can be viably achieved in agreement with land owners.

Glossary

Affordable Housing

Affordable Housing is defined in the *Planning and Environment Act 1987* as housing, including social housing, that is appropriate for the housing needs of very low, low and moderate-income households. For the purposes of this definition:

- Very low-income households are defined as households earning less than 50 per cent of the gross median household income;
- Low income households are those earning less than 80 per cent of the gross median household income; and
- Moderate income households are those earning less than 120 per cent of the gross median household income.

Maximum income bands for these household groups are published by the State Government for Greater Melbourne and the Rest of State and should be referred to when determining household eligibility.

Affordable Housing should be priced (whether mortgage repayments or rent) so these households are able to meet their other essential basic living costs (generally no more than 30 per cent of income) and be 'Appropriate' for the household's needs which includes consideration of affordability, type, tenure, location, allocation, integration and housing need.

Social Housing

Social Housing refers to Public Housing (owned and managed by the Director of Housing); and housing owned, controlled or managed by a participating Registered Agency (registered as a Housing Association or a Housing Provider).

Registered Housing Agency

A not-for-profit organisation that is a company limited by shares or guarantee, an incorporated association, or a co-operative, registered under the *Victorian Housing Act 1983,* regulated by the Victorian Housing Registrar, with a purpose to own, manage and/or develop affordable rental housing. An Agency may be registered as a Housing Association or a Housing Provider.

Housing Affordability

Housing affordability refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household income. Housing affordability is particularly an issue for lower income households who have reduced financial resources available to meet housing costs.

Eligible Household

A household that meets the established criteria for an appropriate Affordable Housing program, typically an income limit and asset test.

End Recipient

The intended recipient of an Affordable Housing benefit created as a result of a planning negotiation.

Housing Stress

A lower income household (those in the lowest 40 per cent of incomes) is considered to be in 'housing stress' when it is paying more than 30 per cent of gross household income on rent (the '30/40 rule').

Shared Equity

A form of housing purchase where a component of equity is left in the transaction by either the developer, housing provider, philanthropy, State Government (HomesVic) or Council. Equity can come in the form of grants, foregone value or translation of a land contribution to an equity holding. The equity is typically between 20 to 30 per cent of the market value of the asset. Under separate agreement this equity is required be repaid by the home owner either by way of future repayment on the sale or refinancing of the property or a fixed sum dependant on the intentions of the equity contributor. Two Shared Equity programs are currently operating in Victoria – State Government HomesVic pilot and a not-for-profit driven model 'BuyAssist Australia'.

Key Financial Terms:

Residual Land Value (RLV)

The Residual Land Value is the estimated underlying land value of a site excluding any fixtures or building. It is calculated by estimating the total revenue and subtracting from this total all estimated total development costs, including the required profit (determined as a percentage of costs). The difference is considered the residual land value. A Residual Land Value assessment calculation informs the price an investor or developer will pay for a site if they are to develop and receive their required return.

Highest and Best Use

The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.

Development Risk

Development risk is the actual or potential risks associated with the delivery of a project and the likelihood of the risks arising and impacting on the developer achieving their required development margin and/or Internal Rate of Return and delivery of the project. Development risks include planning, environmental / contamination risks, construction risks and market risks such as changes in conditions that impact on the ability to sell units to the market.

Development Margin

The development margin is one means of expressing the hurdle or return a developer needs to demonstrate for a project to be financed and delivered. The development margin is expressed as a percentage of the total development costs.

Internal Rate of Return (IRR)

The Internal Rate of Return (IRR) is the estimated profit of an investment using a discount rate to determine the Net Present Value of a proposed investment. An IRR check enables an investor to measure how well a project or investment is expected to perform over time and enables a point-in-time comparison between one investment option to another or to determine whether or not a particular project is viable.

Net Present Value

The Net Present Value (NPV) is the total present value of a project after taking into consideration the revenue and costs over a forecast period of time and discounting those back to the value of funds in today's dollars. Net Present Value is a standard method for an investor to assess the time value of money and to assess and compare long-term investment opportunities.

Discounted Cash Flow

A Discounted Cash flow is a method to estimate the present day value of an investment based on its future cash flows by using a discount rate to all revenues and costs. If the value calculated through a discounted cash flow analysis is higher than the cost of the investment, the opportunity is considered positive for potential investment.

Interest Rate Cover Ratio (ICR)

The Interest Rate Cover Ratio is a calculation that an investor uses to check the ability of a recipient project to pay the expected interest on borrowings based on the anticipated project revenue. i.e. it is a check to confirm that the revenue from sales will be sufficient to cover the costs of borrowing. Many financiers will build in a sensitivity buffer to future rate rises to gauge the capacity to service. This sensitisation can be up to 2 per cent.

Time Value of Money

The time value of money (TVM) is the concept that money available in the present time is worth more than the identical sum of money in the future due to its potential capacity to earn money over time. The principle is that assuming money invested today can earn interest, that any amount of money is worth more the sooner it is received. TVM is also sometimes referred to as present discounted value. In relation to development and investment, "time is money" as the value of the money the investor has now is not the same as it will be in the future and vice versa. The longer a development process takes the greater the value of an investment erodes to the point it is not a sufficient return.

Loan to Value Ratio (LVR)

A Loan to Value Ratio is a method of calculating the value of the loan funds as a percentage of the value of the end 'on completion' product value of a project. For example, a LVR of 50 per cent means the investment comprises 50 per cent of the expected end market value of the development on completion. LVR is a measure used by investors to manage risk, for example a lower LVR provides an investor with comfort that in the event of a loan default the asset could be sold, and the investment recovered.

Loan to Development Cost Ratio (LDCR)

A loan to development cost ratio is similar to a LVR, calculating the peak anticipated debt including any capitalised interest against the total cost of the development. Financiers typically look at funding between 70 per cent to 80 per cent of the total cost of the project. Some financiers only capture the hard costs e.g. exclude the soft costs such as land holding costs, rates etc.

Value capture

Value Capture is the process of capturing or sharing a percentage of the value provided as a result of an action or intervention, such as investment in infrastructure or provision of a planning incentive or planning decision. It is typical in large scale infrastructure projects to either assist in cost-recovery, incentivise private investment and support social outcomes.

Foregone Opportunity Cost

The Foregone Opportunity Cost is the value of an asset such as a dwelling that is not realised (foregone) and is therefore no longer available for the developer to sell and achieve a market return. For example, the gifting of a dwelling into an Affordable Housing purpose is a foregone opportunity to sell that dwelling at market price and therefore input that revenue into the project feasibility and support overall project returns.

If gifting is not offset by incentives such as additional development yield and market sale capacity, the value of the gifted dwelling will need to be recovered through either other revenue increasing, or a reduction in the residual land value or the development margin and/or Internal Rate of Return.

Part A: Context

Policy Context

Commonwealth Government

Policy settings and actions of the Commonwealth Government, including fiscal and social policy, impact on the funding and financing for housing development, impacting broader housing affordability. This includes macro and micro level population, economic and taxation policies, as well as specific policy and funding agreements in relation to Social Housing and homelessness services, welfare provision, and assistance for first home buyers.

Monetary policy (interest rates) is determined by the Reserve Bank of Australia (RBA) and this influences the behaviour of borrower and lenders, economic activity and the rate of inflation. These policies and how they play out in the market are all influenced by wider global factors. The Commonwealth also sets the rules for foreign investment including in development and property acquisition.

The Commonwealth Government can also specifically impact on Affordable Housing supply through direct investment.

National Housing and Homelessness Agreement (NHHA)

Funding arrangements between the Commonwealth and State and Territory Governments for Social and Affordable Housing provision and maintenance and homelessness service delivery is provided through the National Housing and Homelessness Agreement (NHHA). Under the Agreement, the Commonwealth will provide Victoria with an estimated $2.0 billion over the first five year term, commencing with $395.5 million in 2018-19. Victoria is required to match the Commonwealth's homelessness funding estimated at $122.8 million over the period. This funding is committed.

National Housing Finance and Investment Corporation and Bond Aggregator

The National Housing Finance and Investment Corporation (NHFIC) is a new corporate Commonwealth entity established in June 2018 that is responsible for managing a new National Housing Infrastructure Facility (NHIF) with the Federal Government committing an initial $1 billion over five years which will provide finance in the form of loans, equity investments and grants to local, state and territory governments, government corporations and community housing providers to support housing-related infrastructure projects.

NHFIC has also established an Affordable Housing Bond Aggregator to drive efficiencies and cost savings in the provision of Affordable Housing by providing lower cost and longer-term financing to Registered Housing Agencies. The Bond Aggregator works by issuing bonds on the market for investors to buy-in, with the funds then leant out to Agencies in the form of low-cost financing.

Commonwealth Rent Assistance

Commonwealth Rent Assistance (CRA) is a Commonwealth Government subsidy provided direct to households that rent in the private market and are in receipt of a Government support payment or Family Tax Benefit. CRA is intended as a supplement to the payment to assist households to meet housing costs and reduce housing stress. It is paid directly to the household and is capped at a maximum payment regardless of rent. Households in community housing managed properties are eligible for CRA whilst households living in public housing are not.

Home ownership assistance

The Commonwealth Government intervenes in the market to support home ownership and private investment in rental housing through provision of taxation benefits, particularly negative gearing and capital gain discounts for investors, and provision of support to first home owners through grants and a small savings initiative that are intended to support households to access to purchase their first home.

State Government

The *Housing Act 1983* and the *Planning and Environment Act 1987* are the key legislative frameworks that relate to Affordable Housing delivery in Victoria. The focus of the Housing Act is on the delivery and management of Social (rental) Housing for very low income households. The Housing Act also establishes a regulatory system for not-for-profit housing agencies who own and/or manage Social and Affordable Housing ('Registered Housing Agencies').

The facilitation of the provision of Affordable Housing became an objective of the *Planning and Environment Act 1987* on 1 June 2018. This objective is supported in the State Planning Policy, which includes objectives and strategies to increase housing choice in terms of type, tenure and cost and encourage a significant proportion of new development to be affordable for households on very low to moderate incomes.

Homes for Victorians, and *Plan Melbourne* set out the State Government policy commitments in relation to Affordable Housing facilitation, investment and delivery. The strategies reflect that there are several tools the Government can use to facilitate increased Affordable Housing outcomes including the application of government land, funding, financing and land-use planning instruments and support for Housing Agencies to grow stock through partnerships.

Key State Government investment and policy initiatives currently being implemented under Homes for Victorians include:

- Social Housing Growth Fund – providing capital and recurrent grants to Registered Housing Agencies to deliver and manage new Social Housing supply;
- Low cost loans and loan guarantees for Registered Housing Agencies;
- Support for home buyers through a shared equity pilot program HomesVic;
- Sale of underutilised government land with a Social Housing requirement; and
- Investment in public housing renewal.

The State also invests in other public infrastructure that impacts on land values, particularly when these significantly improve local amenity, such as new train lines, open space or educational facilities.

Whilst the State Government has not mandated a requirement for developers to include Affordable Housing in a project, they have committed to a range of planning initiatives including:

- Clarifying that planning has a role in relation to Affordable Housing delivery through establishment of a new objective of planning 'to facilitate the provision of Affordable Housing';
- Establishing a definition of Affordable Housing in the *Planning and Environment Act*;
- Supporting and providing guidance for Responsible Authorities and land owners to enter an agreement in relation to Affordable Housing agreements on privately owned land;
- Streamlining planning processes for public housing redevelopments;
- Committing to develop a value share tool in the case of rezonings.

Regulation of Not-for-Profit Housing Agencies

The State Government regulates the provision of Affordable Housing that is owned, managed or operated by a not-for-profit Housing Agency by way of the *Housing Act 1983* which establishes a Housing Register, a range of performance standards that a registered agency must meet and a position of Housing Registrar. The Housing Registrar has powers to register and monitor the performance of registered agencies. Failure to meet any measure of a standard may result in intervention by the Housing Registrar and in a worst-case scenario, could result in de-registration. Performance standards apply regardless of the size of the registered agency but are tailored depending on whether the organisation is registered as an Association or a Provider.

Voluntary Planning Negotiations

In 2018 the State Government released policy guidance to support Responsible Authorities and land owners to undertake voluntary negotiations and reach agreement to an Affordable Housing inclusion as part of the planning approval process.

The guidance sets out the steps and evidence required to underpin a Responsible Authority's decision to seek an agreement with a land owner, which includes requirements to:

- Establish a strategic justification for a proposed Affordable Housing request;
- Identify value to support the Affordable Housing being delivered;
- Ensure clear land owner agreement prior to the application of any requirement in the planning controls;
- Give regards to a Registered Housing Agency's support for the proposal;
- Not unduly impact on the commerciality of the development; and
- Refer to and test a proposal against the definition and list of matters.[2]

The State Government guidance also highlights the importance of giving regards to the commercial viability of delivering a negotiated Affordable Housing outcome and emphasises that contributions should not unduly impact on development progression, market supply or affordability.

Part C of the Report outlines potential delivery models that could be negotiated and agreed to be delivered through a planning process, and highlights the key financial considerations of each.

Local Government

Local Government generally has a limited role in the direct provision of Affordable Housing and homelessness support in Australia.

Local Government is however responsible for developing and implementing local land use planning and administration in accordance with the *Planning and Environment Act 1987*, the Victorian Planning Provisions (VPP) and Planning Policy Framework (PPF). Councils typically have several policies that relate to housing, planning and community development.

Yarra Council has objectives in its current Housing Strategy and its Policy Guidance Note *Affordable Housing Outcomes at Significant Redevelopments*, to seek to increase the supply of Affordable Housing in the municipality. An Affordable Housing Strategy is currently being developed and is expected to set out the evidence base of need and the range of actions the Council will pursue, including in relation to voluntary planning negotiations.

[2] Department of Environment, Land, Water and Planning (2017) Planning mechanisms for Affordable Housing, https://www.planning.vic.gov.au/policy-and-strategy/affordable-housing, last updated 2/11/18

Defining Affordable Housing at the Planning Application Stage

In 2018 the Victorian *Planning and Environment Act 1987* was updated to include the following definition of Affordable Housing:

> *'Affordable Housing is housing, including social housing, that is appropriate for the housing needs of any of the following - very low income households; low income households; and moderate income households.'*

This definition includes key elements defining what constitutes 'Affordable Housing'. These concepts are:

- 'Housing' – a built form that is suitable for a household to live in;
- 'Social Housing' – a type of Affordable Housing that is owned or operated by the State Government (public housing) and/or a Registered Housing Agency (community housing);
- 'Appropriate' – is appropriate for occupation by a very low, low or moderate income household in terms of location, size, amenity, built form, integration within the building and/or neighbourhood; and
- 'Very low, low and moderate income households' – the household groups, determined by income, that are the intended recipients of Affordable Housing.

Affordable Housing as a built form therefore provides appropriate and affordably priced shelter, amenity and ideally long-term housing security for the household. It may be in the form of an apartment, townhouse, duplex or free-standing house.

The key difference to market housing is that Affordable Housing is specifically targeted and priced to be affordable and available for lower income households and is appropriate for their household needs in terms of location, size and amenity, thereby ensuring households do not face undue economic stress and compromise in other essential expenses or find themselves homeless.

Affordable Housing covers a spectrum of program and tenure responses including supported, crisis and transitional housing, Social Housing (Public and Community Housing), disability housing, discounted rental housing, shared equity home ownership and home ownership (Figure 1).

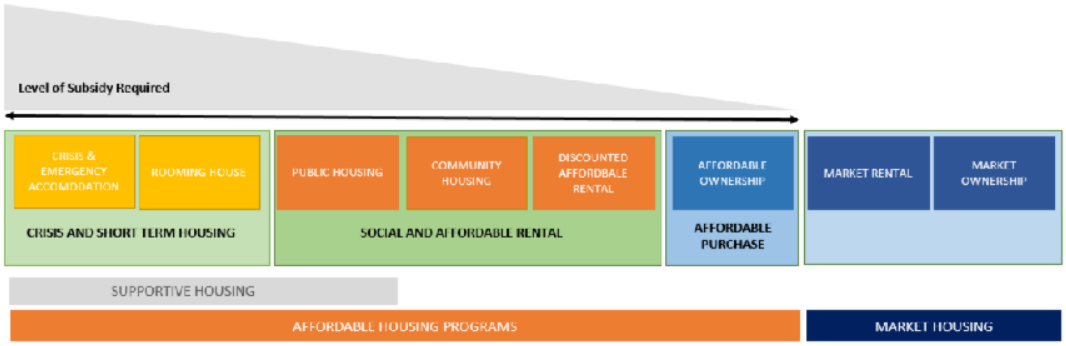


Figure 1: Housing spectrum illustrating Affordable Housing programs (Whitzman, Newton & Sheko, 2015 - Adapted by Affordable Development Outcomes and City of Yarra)

The State Government has published income bands that define who very low, low and moderate income households are (Table 4) and has set out a list of 'matters that are required to be given regards to' when determining the appropriateness of the intended built form for these households (Figure 2).

This provides a framework for Councils and developers to translate the definition at the planning application stage to assess the likelihood of a proposed built form resulting in an appropriate Affordable Housing outcome.

Household type	Very low	Low	Moderate
Single adult	Up to $25,220	$25,221 - $40,340	$40,341 - $60,510
Couple, no dependent children	Up to $37,820	$37,821 - $60,520	$60,521 - $90,770
Family (1- 2 adults with dependent children)	Up to $52,940	$52,941 - $84,720	84,721 - $127,080

Table 4: Greater Melbourne Affordable Housing income bands, 2018-19 (gross household income per annum)

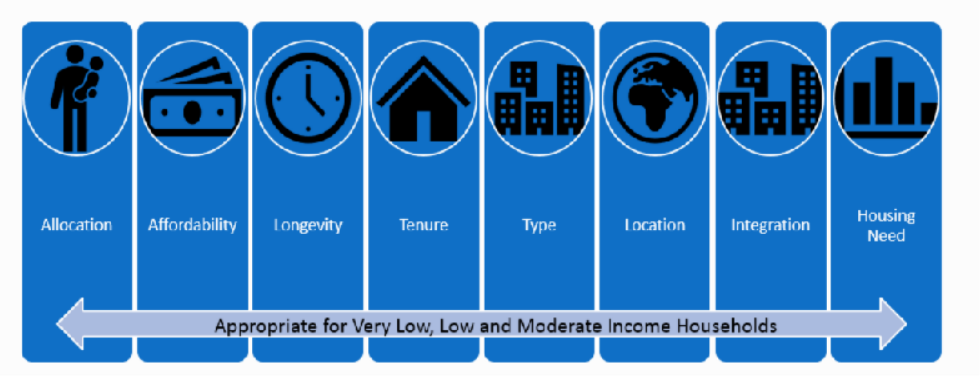


Figure 2: State Government published Matters required to be considered when assessing 'appropriateness' of proposed Affordable Housing

Affordable Housing Programs

Table 5 highlights three types of programmatic outcomes that are all considered to be Affordable Housing and that subject to the evidence of local need, could be agreed to be delivered through a voluntary planning negotiation. In the case of Social Housing, it is expected the housing would be owned and/or managed by a Registered Housing Agency, not the State Government.

Other emerging programs such as rent-to-buy and build-to-rent could also deliver Affordable Housing if appropriately structured. If proposing a different arrangement, the Council or developer will need to demonstrate how the expected built form will meet the State Government definition and list of matters to ensure the resulting housing outcome will be appropriate, affordable and allocated to very low, low or moderate income households.

Housing Program	Key Characteristics
Social Housing	• Social Housing is rental housing that is owned or managed by the State Government (public housing) or a Registered Housing Agency (community housing). • Social Housing is rented to households that meet Government published income eligibility and asset requirements and that are registered on the Victorian Housing Register, which categorises applicants into 'priority access' and 'register of interest' households. • A Registered Housing Agency is a not-for-profit incorporated organisation with a purpose to own and/or operate housing for lower income households. Agencies undergo a process of registration through the State Government appointed Housing Registrar and are registered as either an Association or a Provider. Agencies must meet a range of performance standards and reporting obligations and are also regulated by the Australian NFP and Charities Commission and the Australian Taxation Office. • Social Housing outcomes that may be agreed under a planning negotiation are expected to be owned and/or managed by a Registered Housing Agency. • Rent for dwellings managed by Registered Housing Agency is generally set at a maximum of 30 per cent of household income plus Commonwealth Rent Assistance. • Social Housing generally provides a significant level of assurance as to the long-term provision of the housing for tenants, with housing generally 'for life'.
Affordable Rental Housing	• Affordable rental housing is housing that is provided at a discount to market rent to households that meet Social Housing or *Planning and Environment Act* Affordable Housing income eligibility requirements. Generally, a minimum 25 per cent discount is provided to ensure a Housing Agency maintains its charitable tax status. • An affordability test applies, with rent expected to be set at either a discount to market or no more than 30 per cent of a household's gross income. • Affordable rental housing may be provided on a long-term basis if owned by a Registered Housing Agency or could be for a set period of time such as dwellings rented under the National Rental Affordability Scheme (10 years).
Shared Equity Home Ownership	• Shared equity home ownership is a program whereby a household that has some (limited) capacity to borrow funds is able to purchase a dwelling through an affordable purchase shared equity arrangement. • Typically, the household borrows between 70 and 80 per cent of the value of a property from a bank, with the remaining percentage or 'social equity' provided by either a government grant, a land contribution or a developer contribution in the instance of a voluntary negotiation. • Shared equity programs require an appropriately regulated arrangement to be put in place to source an eligible purchaser and for the social equity to then be appropriately secured and captured on future sale. This requires the initial social equity contribution to be appropriately secured, for instance by a second mortgage. • On the future sale of the dwelling by the first purchaser the proportional equity provided at the start (i.e. 20 – 30 % of market value) is repaid based on the property's (future) market value. • The State Government is piloting a shared equity program HomesVic, where the government is providing the social equity. There is currently one not-for-profit supported model, BuyAssist Australia, operating in Victoria that can facilitate and manage shared equity outcomes and secure the developer contribution and other

Housing Program	Key Characteristics
	Housing Agencies are also investigating participation in similar programs as part of "staircasing" residents into home ownership. • In a planning negotiation the land owner would meet the land and development costs with the purchaser paying the agreed (reduced) proportion of market value at settlement. The difference between the market value and the amount paid by the purchaser is the social equity that is then secured. • The land owner does not receive a return on their contribution, rather the social equity is reinvested in accordance with an agreement between the social equity holder and the Council.
Affordable home purchase	• Affordable home purchase entails the sale of dwellings at the established market price to low or moderate income households if the market price of a property is demonstrated to be affordable for that household without a subsidy or discount. • This is a potential new model for Victoria that is operational in other jurisdictions and is a way for a greater number of Affordable Housing being achieved on a site without a cost impact for the developer. A sale program is required that ensures only eligible households that meet the defined income bands are able to purchase the property (requiring a process of income verification). • The model will only apply in areas with lower market prices and where the dwelling is clearly appropriate in size, amenity and quality for the purchasing household. • The model does not require the dwelling to be secured or managed as Affordable Housing in the long term as there is no subsidy or discount that is required to be secured, rather it can encourage more lower priced dwellings to be delivered in an area.' • If a discount is required, then the product should revert to a shared equity arrangement where the discount or contribution is appropriately secured for reinvestment. • Affordable home purchase models are expected to result in a higher number of outcomes and are also expected to be coupled with a Social and/or Affordable rental arrangement as part of a negotiation.

Table 5: Summary of Key Affordable Housing models

Key Stakeholders

Table 6 highlights stakeholders that have key roles in the financing, development or management of Affordable Housing and whose requirements to operate and invest are critical to understand.

Stakeholder	Role	Requirements to operate and invest	Key Financial Requirements
Land owner	• Owner and vendor of land for development • May be planning applicant and developer or may own land for other purpose and sell a permitted or non-permitted site for others to develop	• Market interest and capacity to purchase a site • Planning capacity and certainty as to use • Incentives to divest (i.e. an appropriate return)	• Appropriate return on land, reflecting value in market, cost of sale (including potential costs of securing a planning permit)
Developer	• Purchaser of land for development • Developer of land • Typically planning applicant	• Certainty and stability of market and government conditions • Clear and timely planning controls and approval processes • Access to finance • Labour force and material availability • Capacity to innovate and appropriately manage risks	• Development margin that supports a required Rate of Return on investment after costs and taxes, including financing costs
Financier and/or investor	• Provider of funds for land acquisition and/or development on expectation of financial return	• Certainty and stability of market and government conditions • Access to funds • Liquidity of funds • Security over the investment • Repayment of debt	• Rate of Return on the investment that is commensurate to the level of risk, time and quantum of investment
State Government	• Legislative and policy • Owner and manager of Public Housing • Direct investor in Social and Affordable Housing • Provision of support for home owners	• Regulatory oversight • Community support • Partnerships • Effective administration • Assurance as to the outcome	• Value for money / public benefit for investment
Affordable Housing owner and/or operator	• Owner and/or manager of Affordable Housing	• Partnerships • Access to stable, long term funding (subsidy) • Access to low cost funds • Flexible tenant selection • Opportunities to extract value and manage • Flexible asset management	• Positive revenue (rent) relative to costs to maintain a viable not-for-profit business • Access to subsidy • Access to low-cost, long-term financing

Table 6: Key Stakeholder and roles

Investors

Investors in property development and Affordable Housing delivery are critical. Without some internal investment capacity supported by investment (typically debt financing) from an external investor such as a bank a developer cannot deliver a project and a Housing Agency cannot purchase and/or develop.

Investors include governments, housing agencies, and financial institutions. Individual home purchasers are also investors in their own home as are a large number of 'mum and dad' investors in private rental.

A summary of key investors is outlined in Table 7.

Investors often require another investor party to also invest to support a development or purchase. For example, a developer may have the funds to invest and purchase a parcel of land but will require significant bank funding to meet the costs of construction, just as an individual may have a deposit saved but requires a bank loan to purchase their own home or an investment property.

On a residential development project, up to 80 per cent of the total development value could come from external investors, generally provided as debt financing that is required to be repaid at the completion of the development. For a Housing Agency, debt financing is generally limited due to the lower rate of return (lower rents that can service the debt) with banks requiring a lower Loan to Value Ratio. For a Housing Agency to develop land and/or to purchase properties that are negotiated through a planning process, other sources of investment are expected to be required, primarily capital or recurrent grant funding from government.

Of note:

- State and Federal Governments are crucial investors in Affordable Housing, providing funding in the form of grants, low-cost loans, or tax offsets or direct investment in public housing renewal. Significant new government investment is required to address demand;
- Whilst not a significant investor to date, institutions such superannuation funds invest in some scale in residential property and have indicated an interest in new models such as long-term market based 'build-to-rent' (long term single ownership rental buildings) and Affordable Housing. A key challenge for consideration is the risk weighted return expected from this asset class. Various State and Federal Government initiatives seem to be pointing to alleviating this risk hurdle (NHFIC and Treasury Guarantee);
- Registered Housing Agencies are key investors in Affordable Housing with their business mission and operations structured around this objective.
- Individuals are also investors both in private rental housing and in home purchase. Residential projects depend heavily on individuals committing to purchase a dwelling in a pre-sale period in order for a developer to secure construction finance. Any Affordable Housing requirement that adversely impacts on the pricing of market dwellings is subsequently not going to be viable as the developer will not be able to reach pre-sale hurdles and deliver the project.

Registered Housing Agencies

As the only regulated entities to own and/or manage Affordable Housing and subsequently the preferred managers of outcomes delivered through a planning negotiation, Registered Housing Agencies are singled out as key stakeholder and investor. Of note, Housing Agencies are:

- Mission driven organisations with a clear charitable objective to increase Affordable Housing supply for lower income and vulnerable households;
- Regulated by the State Government to own, manage or operate Affordable Housing, particularly Social Housing that is rented to very low and low income households, requiring Agencies to adhere to and report on a range of regulated performance standards;

- Highly experienced property and tenancy managers of Affordable Housing, with clear systems in place to confirm household income eligibility and to determine the allocation of properties with regards to social objectives, conditions of grant funding and requirements to maintain a charitable status;
- Have significant regards to the long-term operational viability of any single project as well as overall organisational viability to ensure the mission can be delivered;
- The preferred State Government vehicle of Social Housing growth, with often exclusive access to funding opportunities such as the Social Housing Growth Fund;
- Experienced in partnering with governments, Councils and the private sector and bringing together different investment sources to realise an outcome;
- Limited due to their operating structure to generate any or significant revenue that can then support borrowings.

As long-term investors in Affordable Housing, Registered Housing Agencies are very well placed to inform a planning negotiation to determine the optimal program and delivery model, and to provide comfort that any Affordable Housing outcome will be appropriately managed and allocated to households in need.

Housing Agencies depend on other investors to provide funding and financing to support the capital costs of development. Whilst Agencies accept and adhere to Federal and State Government condition in relation to grant funding and subsequent household allocation requirements, restrictions on the use of a property that are placed on title as a result of a planning negotiation are an issue as they can impact on a lending institution's capacity to finance a project and/or an Agencies ability to manage and allocate the property in response to need over time.

Investor	Key Characteristics
Governments	• Federal and State Governments have a long history of investing in Social Housing, particularly in Public Housing, albeit this investment has been limited and varied over time relative to demand. • Investment has included provision of land, grants and tax incentives to Registered Housing Agencies, developers and investors and direct government investment in public housing development and renewal. • New models of investment include low cost loans and upfront and long-term grant funding particularly from the State (for example, the Social Housing Growth Fund and debt guarantee).
Land Owners	• Land owners invest in property for a range of reasons including to use the site for a direct business purpose or to rent the asset to another entity for a rental return. • The owner of land identified for development may also be a developer entity that has purchased a site for the purposes of redevelopment or may be an entity that has owned the land for some time and is now seeking to enhance their land value to then on-sell a rezoned or permitted site. • Land owner objectives and consideration of feasibility and risk can vary depending on their status and objectives. • Land owners are driven to achieve the highest and best value for their land and will only willingly sell the land if there is an acceptable return. Land may also have an existing revenue generating use that a land owner will take into consideration when looking to sell a site.

Developers	• Property developers are diverse organisations ranging from small, boutique companies through to listed property companies that operate nationally. The scale and type of development a developer will undertake typically reflects their experience and capabilities. The developer may have owned the land for a long period or may have recently acquired the site.
	• Property development is a commercial business that trades in assets to make a risk-adjusted return to the development company and its investors, to then support further land trade and development. Ensuring an appropriate profit is a fundamental requirement to ensure organisational viability and project delivery.
	• Developers draw on equity sources to support land acquisition and development and typically depend heavily on access to financing to support project delivery.
	• The level of return or development margin varies considerably depending on a range of factors including:
	  • Sources and costs of finance and the terms of repayment;
	  • Risks associated with the development and the estimated costs and time associated with mitigating or removing these risks. Risks include remediation, planning financing availability, construction risk and uncertainty and changes in market conditions;
	  • The time frame that is estimated to be attributed to progressing the development;
	  • Market conditions which impact on revenue and sales rates (timing);
	  • Costs including construction costs and government taxes and charges;
	  • The internal rate of return that is required to ensure a profitable business after costs and taxes.
	• Checks a developer will make to determine whether a project is likely to be viable an the price they will therefore pay for land include assessing the development margin (profit after costs including taxes) and the Internal Rate of Return – the return on the investor's funds taking into consideration time cost of money.
	• A developer's experience has a significant influence on the ability to manage the process and risks and is a key consideration of project investors who are seeking to invest to generate a return on funds that is relative to the risk they take and how this compares to other investment options.

Registered Housing Agencies	• As the primary ownership and/or managers, not-for-profit Registered Housing Agencies are key long-term investors in Affordable rental Housing supply.
	• A housing agency's capacity to invest is dependent on and limited by the below-market revenue it receives as rent, the project operating costs and the overall portfolio approach and capacity. Agencies must be able to respond to cyclical and long-term maintenance costs to ensure long-term portfolio sustainability.
	• Limitations on who an agency can tenant a property to, and therefore what rent can be charged, and the operating costs are critical variables that influence how much return (equity) an Agency has to invest in a project.
	• As not-for-profit entities, Registered Housing Agencies can access charitable taxation benefits such as GST exemption. Some agencies can play a developer role when they have access to land which can also enable them to deliver housing that does not depend solely on a achieving a development margin.
	• The amount an Agency could borrow from an investor is limited by the below-market revenue and the value of assets it can offer as security and depends on:
	  • Project return available to meet borrowing costs;
	  • Appropriate level of securitisation available to secure the loan against in the case of a default;
	  • Financiers assessment of risk; and
	  • Organisational risk appetite and capacity.

Investor	Key Characteristics
Financial institutions	• Authorised Deposit-taking institutions (ADIs) in Australia are the primary source of debt finance for housing development and investment in Australia for both developers, Registered Housing Agencies and individual home purchasers and investors. • Traditionally delivered through mainstream banks, ADIs provide mortgages and charge interest over a set time frame. Bank financing supports construction and purchase of sites and/or competed dwellings by individuals or organisations including developers and Housing Agencies. • Critical measures of an institutions assessment in determining the availability and cost of mortgage funds that may be provided is serviceability (ability to repay) and loan-to-value ratio (LVR) – the amount of funding provided relative to the end value of the project or dwelling. • A maximum loan of 50 - 80 per cent of the expected end market value of a project is a typical hurdle for developers and individual investors and provides comfort to the bank that in the case of default the bank could sell the asset and recover their investment. • Bank financing for Housing Agencies has traditionally required a lower LVR, with ranges between 16 and 65 per cent and has been generally provided on shorter 3 – 5 year terms due to the below-market nature of the investment. Given the nature of the business model, bank financiers pay more attention to the underlying operational efficiencies (Earnings before interest, tax, depreciation and amortization (EBITDA)/servicing) capability of the Housing Agency than the LVR.
Institutional Investors	• Institutional investment is undertaken by banks, superannuation funds or pension funds or trusts that use cash reserves (equity), bonds or finance raised through other investor sources. • Institutional investors typically trade in the stock market and may also have funds invested in property – typically commercial or industrial through direct investment or through property trusts. Some institutional investors have a development entity arm (such as CBUS or ISPT) which undertake development for the parent institution. • Institutional investors in property require a significant scaled portfolio that delivers long-term, stable rate of return. Institutions typically discount the value attributed to capital gains instead focussing on rental yield over time. Liquidity of investment (ability to readily translate to cash) is important for institutional investors. • Whilst institutions are yet to invest in residential property or Affordable Housing in Australia at any scale as it is not yet considered a tradeable asset class providing the liquidity required, there is increasing indicators of interest from ethical and responsible investors both institutional and wholesale/sophisticated. • Institutional investment in residential housing and Affordable Housing overseas is common where the asset class is treated more as 'infrastructure' and the project returns backed by government, thereby reducing the risks of investment. It is expected institutional backing will increase over time in Australia line with overseas examples. NHFIC bond issuance is one such example of changes.
Individuals	• A significant proportion of Australian households are investors in property through purchase of the family home (owner-occupiers). • Typically, a household uses savings and potentially accesses First Home Owners Grants, together with debt (mortgage funds) to purchase, with the equity position increasing over time as loan funds are repaid. • Home purchasers depend on traditional bank financing which requires evidence of the household's ability to pay back the funds. • Capital gains for these households are relevant in that they increase the household's equity position and their ability to either purchase a new dwelling, invest in other property or realise value on a future sale.
Retail Investors	• Private rental housing in Australia is nearly all owned by individual investors (private landlords). As with owner-occupiers, the majority of investment to purchase these dwellings is sourced from ADIs. • Retail investors also depend on capital gains which depends on prices increasing and the investor realising a return on the future sale of the property. Individual investors are able to negatively gear their investment if the total costs including interest on the loan is greater than total income. • Retail investors may also hold assets through Self-Managed Superannuation Funds which provides access to taxation and capital gain discount benefits. • A number of individuals invested in property under the National Rental Affordability Scheme which provided a tax benefit in exchange for investors receiving a lower rental and allocating dwellings to rent by lower income households.

Table 7: Overview of different investors

Attachment 2 - Affordable Housing Financing Report to Yarra City Council - April 2019

Part B: Residential Development and Affordable Housing Financing and Feasibility

Residential Development Overview

An understanding of the development process, the underlying commercial and financial structures of the development phase is critical to understand as without a viable overall development, the delivery of Affordable Housing will not be achieved. Understanding the financing and feasibility of the operational phase is therefore also critical when considering how a potential Affordable Housing contribution could be structured within a planning negotiation.

Table 8 summarises the key sources of funding and financing within the various stages of development and operations. Each has different financing, costs, revenue and risk assumptions that impact on the viability of delivery and long-term management.

Stage	Typical Sources of Funding and Financing
Land acquisition	• Development company equity • Investors • Bank financing
Development - Holding costs	• Land owner equity or potentially bank financing
Development - Planning permit process	• Development company equity
Development - Construction	• Development company equity (small proportion) • Bank financing or other investor funds (large proportion)
Development - Affordable Housing sale	• Individuals purchasing under an Affordable Housing Purchase option using equity (savings) and bank financing (mortgage) • Commonwealth or State Government grants and low-cost loans • Registered Housing Agency equity or debt
Operational - Affordable Rental Housing management	• Rental revenue • Potential recurrent government subsidy under the Social Housing Growth Fund (limited)

Table 8: Key phases and sources of funding and finance

Development Feasibility

It is important to understand the principles and influences on residential development feasibility more broadly prior to examining each phase in detail and the implications for Affordable Housing delivery. Ensuring the feasibility of a development proposal is critical – if a developer does not expect to generate a sufficient return then the project is not viable and will not proceed. A projected rate of return must also be demonstrated to the developer's financier if they are to secure development finance.

The process of development feasibility involves an iterative method of setting and updating a range of assumptions, with the process part 'science' and part 'art' with developers needing to make an assessment as to the likelihood of a cost or revenue assumption being achieved. The soundness of a development feasibility therefore heavily depends on the reliability and certainty of a range of assumptions that are inputted in to the model and the risks of these assumptions not being realised.

Early in the process a developer would typically use a simple feasibility to determine the indicative project viability and Residual Land Value. At the point of a planning application a developer will have undertaken a number of iterations and 'long-form' feasibility that is informed by detailed analysis and independent advice on cost and revenue assumptions. This feasibility will factor in interest rate payments over time and consider peak debt, project Internal Rate of Return (IRR) (return from the project to then pay interest and investors), and equity IRR (return on equity funds provided by the investor or development company).

Two key sets of assumptions underpinning any feasibility are broken into revenue and costs. These can change considerably over the development timeframe and include several sub-components reflected in Table 9. Key cost stages, assumptions and potential impact on viability is further outlined in Attachment 1.

Timing Stage	Key Cost Inputs	Key Revenue Inputs
Pre-acquisition	Preliminary Due diligence	-
	Land acquisition	-
	Purchase taxes	-
Pre-development	Further due diligence	-
	Planning approval	-
	Marketing and Sales	-
	Legal	-
	Land holding taxes	-
Development	Site remediation	-
	Early works	-
	Construction	-
Across project timeline	Project financing	-
Practical Completion and Settlement	Legal	Sale of property on practical completion

Table 9: Development Costs and Revenue Assumptions

A developer will typically assess the indicative viability of a development prior to acquisition by estimated each cost and revenue to then calculate the indicative Profit or Return on Costs, and how this compares against a required Internal Rate of Return (IRR) measure. Some investors also use other profit checks including margin and discount rate.

This process supports a developer to determine the 'highest and best use' and in turn the Residual Land Value of a potential development site, taking into consideration a multitude of factors including the likely cost and timing of planning, market and development risk, feasibility and return expectations.

The costs are notably emphasised with significant costs incurred over the acquisition and development phase prior to any revenue being received. Revenue is significantly dependent on interest and capacity of external parties and market conditions – risks that are difficult to predict. If costs escalate then either revenue must also increase or the profit or the value of the land will be impacted. Too great an impact will make a project unviable.

Figure 3 provides an illustration as to the estimated breakdown of costs on a dwelling with a market value (estimated revenue) of $500,000.

It highlights the significant proportion of costs that are required to purchase land and develop and meet other costs such as fees and charges before an investor return before tax and reinforces the large percentage of revenue that is required to meet costs.

In this example:

- 55 per cent of costs, or $250,000 is in construction plus a further 20 per cent, or $100,000, in land costs; and
- A 15 per cent return on costs or $75,000 is expected before tax is paid. [3]

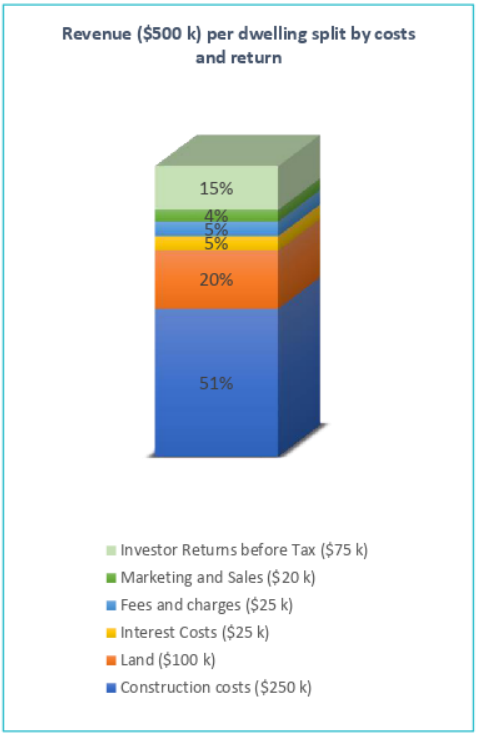


Figure 3: Hypothetical development Scenario – revenue split by costs and returns

Examples of standard industry hurdle rates at the pre-development feasibility assessment stage are summarised in Table 10.

	Land Subdivision	Speculative Office development	Pre-committed Office development	Pre-committed and pre-sold Office
Margin/Profit	20%+	25%	15%	10%
Internal Rate of Return	15 – 20%	20%	15%	10%
Discount Rate	20%	20%	15%	10%

Table 10: Indicative required rates of return

[3] Adapted from Affordable Housing Industry Advisory Group and Affordable Development Outcomes (2019) Affordable Housing Masterclass

Time Value of Money

The time value of money (TVM) is an important concept in relation to understanding development feasibility and process. The concept of TVM that money available in the present time is worth more than the identical sum of money in the future due to its potential capacity to earn money over time. A developer and/or an investor must therefore consider the time it will take for a return to be made on their investment and whether this return is greater or less than if they did not make the investment and instead put the funds into another immediate interest generating investment. This is because the value of the money the investor has now is not the same as it will be in the future and vice versa.

The longer a development process takes, the greater the value of an investment erodes to the point it is not going to generate a sufficient return. Risks, outlined below, that impact on the development timeframe once a development proceeds therefore impact on the value of the investment and can result in an investor seeking to withdraw from the project, or the development margin being significantly eroded to compensate.

Risk

An assessment of risks and identification of mitigations is critical with risks assessed and refined during each stage of the feasibility process. An investor will also give significant regards to the risk profile of a project before determining whether to invest and the cost of the investment funds (the risk-adjusted Required Rate of Return).

A prudential development management approach will therefore seek to understand the risks associated with each assumption and will then either adjust the assumption, allocate a provision against it (a contingency) or adjust the required rate of return by increasing the development margin that is required to reflect the risk profile (increased risk requiring a greater return).

Key development risks include land or building related risks such as environmental, contamination, structural issues, risks associated with planning approval, design and construction, financial risks associated with the structure, availability and cost of funds, the procurement method and construction price, program and market risks.

The developer needs to carefully manage cost and revenue assumptions through the project lifecycle to ensure that assumptions are upheld, or where there are changes, that these can be mitigated by other factors to ensure that the investor requirements and company return requirements can be met.

Sensitivity testing assists the developer and investor to understand the impact of different variables in order to focus on those areas with the greatest feasibility impact. Weightings on the likelihood of the risk occurring support decision making in relation to the final assumption.

Understanding the risks associated with planning approval processes can assist Local Council's to consider what role they can play to mitigate and in turn improve development feasibility and the capacity for a developer to support an Affordable Housing inclusion.

Phases of Delivery

There are two key stages involved in Affordable Housing development and financing:

1. **Acquisition and Development phase**, which relates to land acquisition, planning, sales, and construction of the built form. Under a voluntary negotiation these processes and risks are taken by the land owner/developer; and

1. **Operational phase**, which relates to the ongoing property and tenancy management and associated costs and risks which are expected to be managed by a Registered Housing Agency for Social Housing or Affordable Rental Housing.

Figure 4 illustrates the general stages in the development phase for a large project against an indicative timeframe and highlights that decisions that are made at the early stage of acquisition impact on outcomes at a later stage.[4] These two stages are explored in greater detail below.

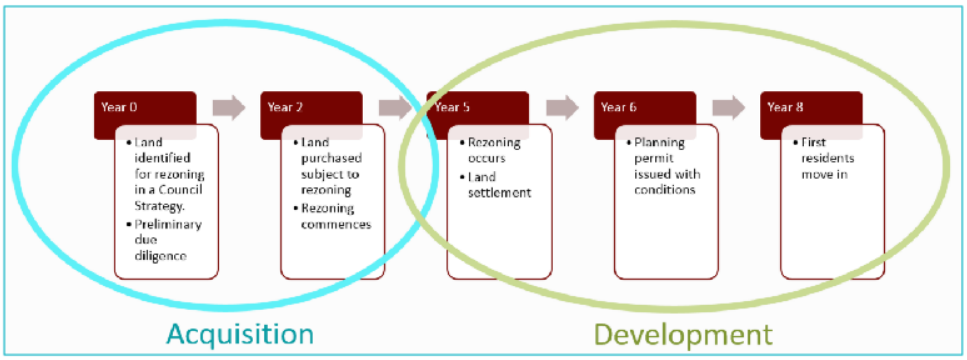


Figure 4: Example acquisition and development phases

Acquisition Phase

Acquisition of land that is suitable to develop is a critical stage. For some developers, land acquisition occurs significantly in advance of any development, whilst for others the land is purchased and immediately progressed to planning application stage, or in the case of a permitted site, pre-sales and construction.

Make an estimate as to the land value is a significant step in the acquisition stage, particularly in large sites that require a rezoning where there are several unknown costs and risks. As noted, a range of assumptions inform this assessment. Other factors will also be taken into consideration including the opportunity and the value of it to a developer's portfolio and project pipeline or market positioning.

There is no single formula for determining the value of land, with the calculation as to what a developer will pay for a site based on estimates as to each assumption and a degree of speculation in relation to the land's future use. Competition for land in markets with scarce development opportunities increases the land value. This is particularly the case in relation to well-located industrial land has potential for future residential or mixed-use subject to a rezoning.

[4] Affordable Housing Industry Advisory Group and Affordable Development Outcomes (2019) Affordable Housing Masterclass

The acquisition is a complex and often resource intensive process, typically entailing careful and informed assessment of a range of factors to enable a developer to take a view on the potential 'highest and best' value of the land (i.e. how much they will pay the land owner for the rights and opportunity to develop). This includes consideration of:

- Local Council planning policies and existing planning controls and what they allow in terms of built form and where there may be potential for changes to support a higher land use;
- The current and estimated future market conditions and therefore the best built form outcomes and pricing (revenue assumptions) to maximise the land use;
- Estimated planning approval timeframe;
- Estimated development costs;
- Estimated timeframe to deliver; and
- Developer and investor return requirements.

The more information a developer has when considering whether to purchase a site, the greater level of assurance they can make on the assumptions and the value they will place on the land. For example:

- If purchasing a permitted site, the risks and timing associated with planning approval are considered mitigated which in turn increases the value of the site as it is considered ready to develop; or
- If purchasing a site that will require a rezoning to enable a proposed built form and use (such as rezoning from an industrial use to residential), the developer will undertake an assessment as to the likelihood of this occurring, for example, whether a proposed rezoning is contemplated within government or Council policy documents, whether other investment is committed that is likely to result in a change of land use, or whether other Council policies will result in other obligations should the land be rezoned. The greater the likelihood then the greater the land value estimate.

The value of land can increase over time without any change in planning controls as the likelihood that a rezoning will be viable increases due to locational attributes or a direct response to policy change. In this regards the value of the rezoning is expected to be increasingly reflected in the price that is paid for a site that has future development potential even if the purchaser is not intending on developing. Whilst there is no guarantee of the rezoning, this is part of market practice with the purchaser taking the risk – and therefore adjusting their return expectations accordingly.

If there was a mandatory Affordable Housing system in place in Victoria with a clear legislated requirement to include a proportion of Affordable Housing as a condition of rezoning would, in theory, be reflected in future land value estimates. The greater level of certainty as to what a requirement would entail (for example, gifting of completed dwellings, or provision of cash), the greater the ability for the potential purchaser to factor in those costs in determining the Residual Land Value. In a competitive land purchase market this level of information is critical to ensuring each bidder is competing on the same terms.

A key challenge to this premise is that land values over time adjust in response to policy and market conditions and assumptions on the potential highest and best use of the land, and therefore land prices are likely to have already adjusted upwards over time. This makes any new policy requirement to deliver Affordable Housing more difficult for developers to absorb. As there is not a mandatory requirement for Affordable Housing in Victoria any proposed inclusion must recognise this issue and ensure an outcome is clearly agreed and expected to be viable at the point of the planning application as it cannot be assumed to have been calculated into the land pricing.

Construction Phase

Once land is acquired there is a significant and often lengthy process to deliver a project to completion. The development and construction phase involve significant costs and risks that impact on feasibility, including:

- Costs of developing the planning application and the impact of delays in decision making or changes to the planning outcome;
- Changes in construction costs which can be impacted by a range of labour and material supply factors; and
- Changes in market conditions during project delivery.

The potential development capacity of a site is ultimately determined by the planning approval. Assumptions made at the acquisition stage also need to be maintained as these established the land value and set the basis for the developer and investor returns.

Reflecting the level of investment and the range of risks highlighted above, financiers require sufficient comfort the development will generate the required revenue and returns.

Significant pre-commitments or pre-sales of residential dwellings to end purchasers (individuals or investors) are required to be achieved before a project goes from planning approval to construction commencement with investor financing depending on a pre-sale hurdle being achieved (typically between 70 – 80 per cent of all dwellings). At this point construction project financing is able to be locked in and construction commence.

Affordable Housing Operational Feasibility

Affordable housing is an appropriate and affordable built form outcome for households that:

- Cannot typically afford market prices and would be/are in housing stress if paying market prices;
- May face other disadvantage in the market;
- May require specialist built form and/or other support services; and
- Would benefit from enhanced security of tenure provided by Affordable Housing managed by government or not-for-profit Housing Agencies.

A Registered Housing Agency as the owner and/or manager of Social Housing is required and regulated to ensure the long-term operational viability of a project and their overall portfolio to ensure the business model is sustainable and the tenure security and affordability of housing for lower income residents is not put at risk.

Funding and financing for Housing Agencies to deliver on their mission has traditionally relied on government grants. Several Registered Housing Agencies, primarily the larger Housing Associations have been able to utilise their balance sheet to secure borrowings and in turn finance new projects. Potential sources of funds and value for an agency to access and leverage to meet capital costs of a project include:

- Rental income (typically below market) unless vacant;
- Borrowings (private finance) – serviced by rental income;
- Taking risk and capturing the developer margin;
- Developing Agency owned land; and
- Revenue through shared equity sales or market sales.

Households cannot pay market prices therefore Housing Agencies cannot achieve the same return hurdles as a private investor. As an example, Table 11 highlights the maximum rent that could be charged for Single Person if a maximum 30 per cent of income is paid in rent depending on their income level.

Income (Single Person)	Maximum Rent (30 per cent income)	Maximum Rental Revenue Received per annum
NewStart	$149 / week	$7,748 per annum
Aged Pension	$201 / week	$10,452 per annum
Very Low Income (P&E Act)	$146 / week	$7,592 per annum
Low Income (P&E Act)	$233 / week	$12,116 per annum
Moderate Income (P&E Act)	$349 / week	$18,148 per annum

Table 11: Maximum rental income for different Single Person Households (December 2018)

Capacity to invest

A Registered Housing Agency will develop an indicative cash flow when assessing a project opportunity to determine the estimated costs and revenue over time. This requires estimates as to all operational costs and revenue. Critical is consideration as to the likely households that dwellings will be rented to and the likely revenue (rent) that can be charged to ensure housing affordability.

The cash flow analysis then supports an Agency to determine:

- Costs and revenue over time and the subsequent estimated return or surplus after costs that could potentially service borrowings (debt);

- The gap between capital costs or purchase price and the agency equity;
- The amount of subsidy or investment, such as government grants require to meet the gap.

A range of assumptions including those summarised in Table 12 are considered.

Assumption	
Revenue	Rent (market rent less discount or estimated income-based rent based on household allocation)
	Government grants or other subsidy provided over time
	Revenue from market sales or other sources such as leases of commercial or retail
Costs	Management Fee
	Maintenance – planned
	Maintenance – responsive
	Rates
	Insurance
	Owners Corporation
	Utilities
	Financing costs (debt)
	Corporate overheads

Table 12: Revenue and Cost Items

Operating costs can range between $8,000 - $11,000 per property per year, comprising of tenancy management, rates, body corporate fees, maintenance and vacancies and corporate overheads is normal.

For example, on a project with a rental revenue of $260 per week ($13,520 per annum), operating costs are estimated to total $9,700 (Figure 5). This leaves approximately $3,800 after costs as surplus.

After costs there is subsequently a very slim and often negligible margin between rents collected and costs, particularly if lower income and single person households are housed. Any positive cash flow return (surplus) could be directed to supporting portfolio operations or a reduction in portfolio borrowings, providing other support services for tenants, contributing to another project or servicing debt on the project. In the example illustrated, up to $3,800 per annum could service a loan.

Any expectation on a Registered Housing Agency to bring investment will result in a different household income profile than if the dwellings are gifted as the Agency requires a greater rental return in order to service debt in the absence of government grants.

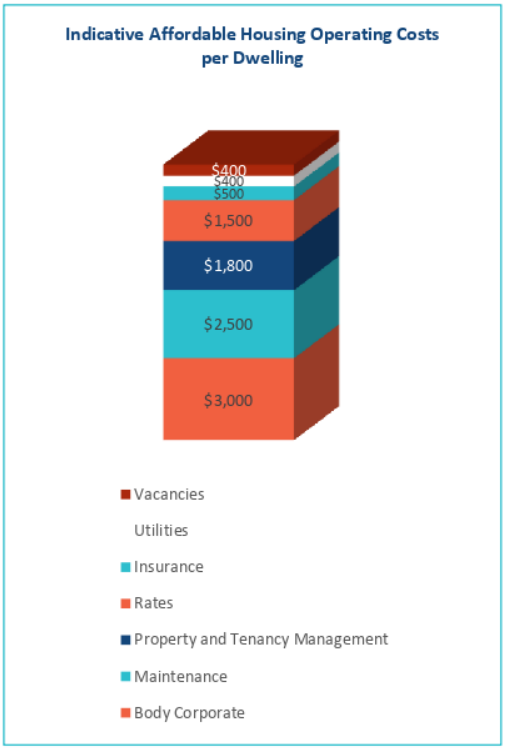


Figure 5: Indicative Affordable Housing operating costs per annum based on a rental revenue of $260 / week

The not-for-profit and below-market nature of Affordable Housing provision requires there to be other investment for a Housing Agency to meet the capital costs of construction, or the capacity to purchase a completed dwelling from a developer.

For example, on a dwelling with a market value of $500,000, a Housing Agency may be able to bring $90,000 in borrowings, $50,000 in GST recovery and up to $110,000 in equity either through already owning the land, being gifted the land or utilising cash reserves.

This still leaves a gap of $250,000 that needs to be met by a developer discount, government grant or philanthropic donation (Figure 6).

A developer discount of 50 per cent of market value would be required if there was no other government funding expected or available. The contribution of the Housing Agency may also be more or less depending on the size of the dwelling and the Agency determination as to which household it would be likely to allocate it to by size, income and rent setting approach.

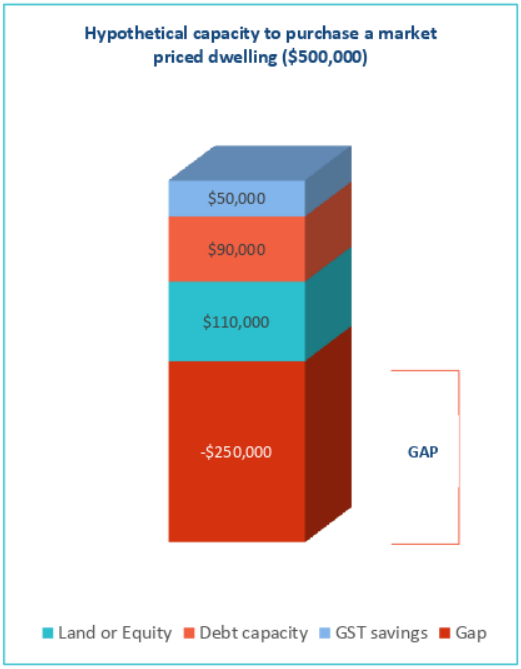


Figure 6: Hypothetical purchasing scenario on a dwelling with a market value of $500,000

Capacity to support Voluntary Planning Negotiations

The State Government guidance highlights that there should be enough value created by the planning process and provision of incentives to support the planning requirement and costs of delivering the outcome to be met.[5]

Affordable Housing inclusions negotiated by a Council should not therefore, in the first instance, depend on a Registered Housing Agency, government grants or other investors to provide investment to supplement or replace a contribution agreed to be made by the developer as a result of the planning support.

In practice, developers are likely to find it difficult to gift any reasonable number of dwellings, particularly in the early years of negotiations and/or where land was recently transacted, and Registered Housing Agencies may have some limited financial capacity to bring investment to support negotiated outcomes.

The State Government policy guidance notes the importance of engaging with Registered Housing Agencies in the negotiation process. Noting the context set out above, this is particularly important when there is an expectation a dwelling will be sold at a discount to an Agency or land provided for an Agency to develop at their own cost.

Restrictions on tenant allocation or use of the dwelling once it is delivered should be avoided, noting that this can significant constrain on the capacity of an Agency to ensure project viability and to secure and service debt and therefore impede on the outcome being achieved. Of note lenders and valuers will mark down the assets as an impaired asset if a Section 173 Agreement requires it to be used 'in perpetuity' as Affordable Housing as it cannot be assumed to be able to be sold at full market value in the event of a mortgage default This will then increase the Loan

[5] Affordable Housing Industry Advisory Group (2018) Masterclass Resource Manual

to Value requirement (lowering the amount an Agency can borrow) and reduce the notional gross realised value of the development which in turn can increase the cost of funds.

Ownership by a Registered Housing Agency provides a high degree of certainty that the housing will be appropriately managed and used as Affordable Housing, noting that Agencies are regulated by the State Government for this purpose.

Use of Section 173 Agreements in relation to voluntary negotiations are therefore strongly recommended to only be limited to the arrangement between the developer and the responsible authority to ensure the agreed outcome is delivered (such as construction and gifting of units or discounted sale).

Part C: Planning Negotiations, Delivery Models and Indicative Feasibility Impacts

Affordable Housing Delivery Arrangements and Program Outcomes

The State Government has not set specific Affordable Housing percentage, program type (such as tenure), delivery arrangement or model that they expect or require outcomes negotiated through a voluntary agreement to be delivered. Nor has the State set an Affordable Housing price point that dwellings could be sold and be affordable either for a Registered Housing Agency or an individual to purchase.

Affordable Housing program outcomes that are highlighted in the State Government guidance that could result from a planning negotiation include:

1. Social Rental - income-based rental housing for very low or low income households;
2. Affordable Rental - discount to market rental housing for low or moderate income households;
3. Shared Equity home ownership – sale to an eligible low to moderate income households with an agreed 'social equity' component provided by the land owner and subsequently managed by a not-for-profit entity, with future sale proceeds on a proportional basis reinvested;
4. Affordable home purchase - sale to an eligible moderate income household at market value if the market value is clearly able to be demonstrated to be affordable for these households without any discounting.

A combination of programs may be agreed to result from a planning negotiation.

There are also variations of some of these programs, with new emerging programs including build-to-rent and rent-to-buy having the potential to include a dedicated Affordable Housing component.

Each model has different cost impacts and dependency (and risks) on third parties to bring investment that influences the quantum of outcomes that could be viably delivered and the likely household allocation and term of affordability.

These program outcomes could be realised through several different delivery arrangements or models that could be agreed under a voluntary planning negotiation. These range from:

- Gifting of completed dwellings;
- Discounted sale of completed dwellings for rental or home purchase arrangements; or
- The transfer of land for development as Affordable Housing.

Long-term lease arrangements with the land owner are also another potential delivery arrangement, however it is not recommended as a first option noting the model requires a specific lease time-frame and the use reverts to private control at the end of the period.

Table 13 sets out these different delivery arrangements with reference to a likely Affordable Housing program outcome and highlights the key financial structure and considerations of each model.

Attachment 2 - Affordable Housing Financing Report to Yarra City Council - April 2019

Delivery Model	Overview of the Model	Financial structure and considerations
Gifting of completed dwellings for use as Social or Affordable Rental	• Requires the developer to construct an agreed number of dwellings and transfer the title at no cost to a nominated housing agency. • Highest cost impact for developer which will likely limit the total number of Affordable Housing dwellings that can be achieved. • Provides Council will a greater degree of certainty as to delivery assuming the development proceeds and the gifting arrangement was clearly agreed and is commercially viable. • Subject to operating costs, will result in housing that supports very low and/or low income households to rent at an affordable price, compared to a scenario where debt is required to be serviced and therefore a higher rent is required. • Can result in a baseline delivery arrangement of gifted dwellings, which can then be built on to increase the number of outcomes if the developer instead sold dwellings at a discount, e.g. one gifted dwelling could be instead delivered as two dwellings sold at 50 per cent discount.	• The developer must carry all development and transfer costs which requires sourcing of funds. • Bank financing implications as developer carries all costs for no financial return. • In high end developments a gifting arrangement may still be difficult for a housing agency if rental revenue will not support operating costs (i.e. if high body corporate costs).
Discounted Sale of Dwellings for use as Affordable Rental Housing	• Requires the developer to sell an agreed number of dwellings at a defined discount to the established market value to a registered housing agency. • Estimated to typically require between 40 and 60 per cent discount to market sale price. • Depends on a housing agency bringing equity and having sufficient access to debt finance to support the purchase arrangement. May also require government grants or access to philanthropic funds. • Outcomes are more likely to target low to moderate income households as there needs to be sufficient revenue to service all costs including borrowing costs.	• The developer must carry all development and transfer costs which requires sourcing of funds. • Relies on a housing agency or other investor to purchase which in turn requires bank financing. • Requires a discount rate that an agency can afford and that is still commercially viable. • An agency can claim back GST. • Government funding is not guaranteed but if available would reduce requirement on the housing agency and in turn support a lower income household allocation profile.

Attachment 2 - Affordable Housing Financing Report to Yarra City Council - April 2019

Delivery Model	Overview of the Model	Financial structure and considerations
Gifting or discounted sale of land for development as Affordable Housing (rental or purchase)	• Requires the land to be transferred at nil consideration by the developer to a registered housing agency to then develop. • The housing agency would be required to fund the development using equity and borrowings and would most likely require government grants or other philanthropic funds. • The discounted sale model indicates this level of borrowing could be achievable, but the outcomes would not target very low or potentially low income households. • A mix of shared equity sales and discounted rental would support a more feasible model as the sale of dwellings into a shared equity arrangement would lessen risk, improve bankability and also support an improved social mix and integration of households within a building. • The transfer of land model requires some different consideration as to the timing of delivery compared to the gifting or discounting of dwellings as the land transfer needs to occur prior to a third party securing a permit and delivering. • Outcomes likely to include a mix of rental for very low and low income households (particularly if government grants are provided) and potentially purchase options for moderate income households.	• The land owner must either forego revenue or the developer must forego the land value and development opportunity of the land parcel. • The land value is treated as Housing Agency equity and security for any lending. • Requires a housing agency to secure the funding and financing required to construct the built form. This is expected to require access to low cost financing and direct government funding (grants). • An agency can claim back GST and can better manage operating costs, particularly Owners Corporation charges. • If selling some of the completed units under an Affordable Housing program, also requires the Agency to take on development and market risk.
Sale of dwellings to individual purchasers under a Shared Equity Home Purchase Model	• Requires a process of setting an Affordable Housing purchase price and the developer agreeing to forego the difference between the market value and the price a household can afford. • A process of marketing and selling the property to eligible households (determined by income) is required. Households must have capacity to access standard bank financing for the pre-determined amount (for example, 75 per cent of the market value). • On settlement the purchaser will pay (using mortgage funds), the agreed proportion of market value (i.e. 75%) with the difference foregone by the developer and secured through a second mortgage. • On re-sale or refinancing by the purchaser, the social equity provided and secured by the mortgage is repaid (calculated as a proportion of the total market value on sale). These funds can then be reinvested in further shared equity arrangements supporting more households.	• The developer must carry all costs of construction and sale and must forego a percentage of market value – typically 25 – 30 per cent. • A household must have capacity to secure standard bank financing. • Sales fees apply as the not-for-profit agency needs to source and confirm purchaser eligibility.

Attachment 2 - Affordable Housing Financing Report to Yarra City Council - April 2019

Delivery Model	Overview of the Model	Financial structure and considerations
Dwellings sold to individuals at Market Value, defined as Affordable Housing	• Sale to individual households at full market value if the price of the dwelling is confirmed to be affordable without discounting. • Must require clear evidence there will be no discounting and that the dwelling will be appropriate in size and affordable to purchase for the assumed purchaser who must earn within the State Government published Affordable Housing income bands. • Likely to require a third-party such as a Housing Agency to undertake a process of verifying the household's income eligibility. • There is no long-term retention of the dwelling as Affordable Housing as there was no subsidy provided. Rather the dwelling is expected to remain relatively more affordable in the market as it was a lower priced product on initial development.	• The developer must carry all construction and sale costs but will receive 100 per cent market revenue on sale. • May require the developer to pay a small fee to a housing agency to conduct the income eligibility testing. • Sale fees apply as the dwelling is sold to the market.
Leasing of dwellings for use as Social or Affordable Rental for an agreed period	• Dwellings are provided into an Affordable (rental) Housing purpose (could be social or affordable rental) for an agreed period of time. • Requires a Housing Agency to be appointed to manage the dwellings and an agreement as to whether there is any rental revenue return to the owner during the lease period. • The Housing Agency is responsible for managing the tenancy allocations and rent setting and meeting some of the costs. • Full control reverts back to the owner at the end of the lease term and the dwellings may then be sold or rented at full market value.	• The developer must carry all construction costs and the developer will not receive any revenue until the dwellings are sold at the end of the lease term, or if the dwellings are on-sold to an investor who must meet the Affordable Housing leasing requirements. • The owner will not receive market rent during the lease terms and is expected to have to meet all typical investor/owner costs such as Body Corporate fees. • A tenancy management fee is payable to the Housing Agency.

Table 13: Overview of models and fiancing considerations

Affordable Housing Funding and Cost Implications

The cost of delivering an Affordable Housing inclusion that has been agreed to be delivered through the planning process ultimately needs to be met if an outcome is to be realised.

Whilst the cost is expected in the first instance to be met by the developer as a result of a planning incentive or value uplift provided through the planning process, the level of investment (subsidy) the developer can support is ultimately dependent on the value created, either through the rezoning and the resultant development occurring, or through provision of other value-enhancing incentives.

The investment could either deliver the total agreed Affordable Housing component or be leveraged with other investment by a third-party such as the Government, a registered housing agency and/or a private investor or individual purchaser.

In practice, agreements reached to date have relied on other investment being available to support the arrangement.

Ways in which the costs may be met include:

- Council provision of incentives to offset the loss of revenue (e.g. value uplift and sharing through provision of additional density);
- Developer meeting the costs of either land, or land and construction costs, and foregoing part of their development return through a gifting or discounted sale arrangement for land or dwellings;
- Government investment through the provision of grant funding typically to a registered housing agency;
- A third-party such as a Registered Housing Agency bringing equity and/or debt to support a discounted sale or development of land;
- Individual purchasers bringing debt through mortgage financing and equity through a deposit under a shared equity or market sale arrangement; or
- A combination of the above.

In theory, costs should also be reflected in the land value when the land is sold from one party to another, but this requires a more certain inclusionary requirement to be put in place by the State Government.

Of note:

- Each delivery model has a different cost impact on the developer with gifting of completed dwellings the highest cost and sale to purchasers at market value the lowest cost impact;
- A discounted sale arrangement where a Housing Agency purchases using equity, debt and/or grant funding, is a co-investment approach with the developer foregoing part of their return, which is expected to be offset by a planning incentive;
- It is critical that the cost of delivering Affordable Housing does not result in the costs being passed on and borne by purchasers of the market dwellings through increased sale pricing that ensures the developer margin continues to be achieved for the overall project;
- If the costs are too high the developer will not be able to sell in a competitive market where other land owners do not have the same obligation and as a result, the development may not proceed.

The way a financier views different models is also critical and takes into consideration cost and revenue assumptions and risks.

Variables

There are a number of key variables that can impact on the amount and type of Affordable Housing that can be feasibly achieved that are important to consider in a planning negotiation. These have direct financial implications and include:

- The value that is being provided through the planning approval process or other mechanisms or incentives that the developer can access through the planning process;

- The location, land values and built form typology and size and development costs;
- Any proposed tenant targeting and allocation requirements including any requirements on rent setting put in place as a condition of government funding, and the subsequent impact this can have on a third party's capacity to raise finance or contribute equity to meet delivery costs;
- The level and type of investment that may be provided by different parties to an agreement and any conditions on this investment such as tenant allocation requirement (see below);
- End ownership and management arrangements
- Proposed affordability term.

These variables in relation to the different delivery models and program outcomes are highlighted in Figure 7.

Attachment 2 - Affordable Housing Financing Report to Yarra City Council - April 2019

Model	Gifted completed dwellings	Gifted land	Dwellings or land sold at a discount	Dwellings sold under shared equity arrangement	Dwellings sold to eligible households (no subsidy)
Cost impact	Highest cost impact (100% market value)	Low to moderate cost impact (estimated 15% - 40% of market value depending on site)	Moderate cost impact (estimated 20% - 50% discount depending on market value)	Moderate cost impact (between 20% - 30% of market value)	Very minimal cost impact as no discount to market rent
Delivery certainty	High level of certainty as to delivery	Moderate level of urcertainty as dependent on third party capacity and financing	Some level of uncertainty depending on funding required and whether dependent on other investment	Subject to contribution, low level of uncertainty as individual's purchasing (no dependency on NFP)	Very low level of uncertainty as to delivery
Third-party dependency	Does not depend on third party capital or capacity to develop	Deperds on third party capital and capacity to develop	Dependency on third party capital is subject to discount rate	Depends on individuals securing bank finance for 70 – 75% market value	Depends on individuals securing finance for 100% of market value (less deposit)
Likely household allocation & tenure	Very low or low income households for rent	Very low, low or moderate income households for rent and/or shared equity	Low or moderate income households for rent	Moderate income household to purchase	Moderate income households to purchase
Likely quantum of dwellings	Smaller number of dwellings	Potential for moderate to high number of dwellings subject to development site & funding structure	Low to moderate number of dwellings required depending on discount	Low to moderate number of dwellings depending on shared equity contribution required	Potential for moderate to high number of dwellings depending on market values
Affordability Term	Long-term	Long-term for rental, medium to long term for ownership (proceeds reinvested)	Medium to long term depending on owner	Medium term for individual units but long term as future proportion of sale proceeds are reinvested	Long-term relative affordability (no ongoing control or resale requirements as no subsidy)

Figure 7: Example delivery models and key considerations, Affordable Development Outcomes, 2019

Indicative Cost Impacts

An estimate as to the indicative cost and foregone opportunity cost of including Affordable Housing in a hypothetical development of 100 units highlights the potential significant financial impact of including Affordable Housing at different percentages.[6]

The example assumes an average market value of $580,000 which was the median price of a unit in the City of Yarra in 2017.[7]

Estimated Cost Impact

The cost impact is the estimated cost of construction a dwelling, including land and financing costs. It excludes the profit margin that the developer would otherwise expect to realise.

Table 14 highlights the indicative cost impact of different Affordable Housing delivery models on a development of 100 dwellings, assuming a medium apartment price of $580,000, a construction cost (including land at full market value and all marketing and sales costs) of $470,000, or $430,000 if sales costs are not paid in the case of gifting.

Percentage Affordable Housing	1%	2%	3%	4%	5%	10%
Number Affordable Housing	1	2	3	4	5	10
Gifted land	$41,760	$83,520	$125,280	$167,040	$208,800	$417,600
Dwellings sold into shared equity (30% contribution)	$64,000	$128,000	$192,000	$256,000	$320,000	$640,000
Dwellings sold at a 40% discount	$122,000	$244,000	$366,000	$488,000	$610,000	$1,220,000
Dwellings sold at a 50% discount	$180,000	$360,000	$540,000	$720,000	$900,000	$1,800,000
Gifted completed dwelling	$430,000	$860,000	$1,290,000	$1,720,000	$2,150,000	$4,300,000

Table 14: Indicative cost impact of different delivery models at varying percentage rates[8]

In summary, whilst indicative, the estimated cost impact, assuming a medium dwelling price of $580,000, ranges from:

- Approximately $42,000 per dwelling if the land is provided at its estimated cost price;[9]
- $64,000 if one dwelling is sold into a shared equity arrangement with the developer delivering the dwelling but only receiving 70 per cent of market value in return, increasing to $640,000 if ten dwellings were sold in this way;
- Between $122,000 and $180,000 per dwelling if dwellings are sold at a 40 – 50 per cent discount to a registered housing agency, increasing to between $1.22 m to $1.8 m if ten dwellings were sold at these discount rates;

[6] Note, a detailed project feasibility has not been undertaken with the cost impacts will vary considerably across projects and once a range of other feasibility assumptions are accounted for. This advice should therefore be taken as indicative only for the purposes of illustration.
[7] Median apartment price, City of Yarra, 2017 was $582,000, Source: Valuer General Victoria Guide to Property Values 2017 (published 2018)
[8] Estimated cost based on 100 dwellings with a market value of $580,000 and cost of $480,000 including sales and marketing for discounted sales arrangements but not on gifting.
[9] Note land value on purchase is lower than the estimated value of land once a site is developed.

- $430,000 per dwelling if a dwelling is constructed and gifted (assuming no sales and marketing costs), increasing to an estimated $4.3 m if gifting ten completed dwellings.

Estimated Foregone Opportunity Cost

Whilst the developer bears the costs of delivery as indicated above, the overall feasibility impact can be higher as the developer is not able to realise the profit margin on the dwellings that are gifted or sold at a discount and therefore the return either needs to be lowered or carried by the rest of the development in order meet financing and investment hurdles and returns. This is referred to as the 'foregone opportunity cost'.

The estimated foregone opportunity cost of different Affordable Housing delivery models based on a development yield of 100 units and a medium apartment price of $580,000 is summarised in Table 15.

Percentage Affordable Housing	1%	2%	3%	4%	5%	10%
Number Affordable Housing	1	2	3	4	5	10
Gifted land	$104,400	$208,800	$313,200	$417,600	$522,000	$1,044,000
Dwellings sold into shared equity (30% contribution)	$174,000	$348,000	$522,000	$696,000	$870,000	$1,740,000
Dwellings sold at a 40% discount	$232,000	$464,000	$696,000	$417,600	$1,160,000	$2,320,000
Dwellings sold at a 50% discount	$290,000	$580,000	$870,000	$1,160,000	$1,450,000	$2,900,000
Gifted completed dwelling	$580,000	$1,160,000	$1,740,000	$2,320,000	$2,900,000	$5,800,000

Table 15: Indicative foregone opportunity cost impact of different delivery models at varying percentage rates (based on 100 dwellings and a market price of $580,000)

Whilst indicative, this highlights a potential estimated foregone profit could range from:

- $104,400 if the land is provided for one dwelling, increasing to $1.04 m if land is provided to enable development of 10 dwellings;
- $174,000 if one dwelling is sold into a shared equity arrangement with the developer delivering the dwelling but only receiving 70 per cent of market value in return, increasing to $1.74 m if ten dwellings were sold in this way;
- Between $232,000 and $290,000 per dwelling if dwellings are sold at a 40 – 50 per cent discount to a registered housing agency, increasing to between $2.32 - $2.9 m if ten dwellings were sold at these discount rates;
- $580,000 per dwelling if a dwelling is constructed and gifted, increasing to an estimated $5.8 m if gifting ten completed dwellings.

Noting the City of Yarra has a policy position to achieve 10 per cent Affordable Housing through negotiations on strategic sites and that a land contribution is unlikely to be realistic in this scenario, the cost and foregone opportunity cost impacts on a development of 100 apartment type units with an average market value of $580,000 is estimated to range from:

- $640,000 being the cost of selling ten dwellings to purchasers under a shared equity arrangement;
- $5.8 m (foregone opportunity cost if gifting 10 dwellings).

These cost impacts need to be carefully considered when determining an appropriate delivery model and percentage outcome under a negotiation, with particular regards to the value uplift or provision of incentives to support the outcome.

Value Creation Opportunities

The State Government guidance emphasises the importance of there being sufficient value available as a result of the planning process, or provision of other incentives to offset or support the costs of Affordable Housing being met.

Examples of other planning based value uplift opportunities that are identified in the State guidance that the Council could pursue include:

- Floor area uplift or other additional development rights;
- Dispensations for planning requirements such as car-parking; and/or
- A truncated planning approval process.

Rate exemptions or other supports for community housing organisations are also noted by the State Government, and although these are not technically a planning incentive they could be linked to a specific development by the Council. At between $1,000 - $2,500 per dwelling per annum, this represents a significant cost that must otherwise be met from the rental revenue.

A discussion on the key opportunities and potential value share outcomes in terms of Affordable Housing is summarised below. This is an area that the Council could undertake further analysis and consideration, recognising there are a range of trade-offs and considerations associated with each option.

Value creation through rezoning

The rezoning of land is noted to be one value uplift and share opportunity, with some caution that the actual increase in value and the capacity for this value to be shared a vexed question and area that is difficult to quantify.

There is contention as to whether a rezoning justifies an Affordable Housing inclusion as planning decisions that result in a change in use is considered by large parts of the development industry to be normal market practice as opposed to a process that provides additional value that wouldn't otherwise be realised.[10]

In practice, several Councils and in some instances land owners, have agreed in principle that a rezoning or application of revised and improved planning control can support an Affordable Housing inclusion.

It is outside the scope of this report to model the estimated value uplift that may occur as a result of a rezoning, with every rezoning a complex and site-specific process of determining feasibility.

Of note, any proposed uplift value from the process of rezoning is expected to have already been partly capitalised within land sales over time as the market makes assumptions as to the the potential highest and best use of the land when determining the price they will pay for the land.

Several other development considerations including environmental overlay costs and costs of delivering other desired community infrastructure outcomes also impact on development feasibility and make any generalisation difficult. What is reasonable and feasible in terms of a cost impact on the land owner, is ultimately going to be determined by each land owner, taking in to regards a range of factors. This is going to depend in large part on what the new planning

[10] Affordable Housing Industry Advisory Group (2017) Discussion Paper

controls will allow for and how this relates to assumptions made at the purchase stage in relation to cost and revenue assumptions.

Value generated by the planning rezoning and approval process is therefore very difficult to assess, particularly as land prices will have adjusted over time to account for expected eventual changes in the land use. This is expected to be the case for the sites identified as strategic as they are often recognised by Councils as areas of future change considerably before any rezoning is considered. The Yarra Council policy statement is intended to go some way in supporting developers to early identify sites where an Affordable Housing inclusion will potentially apply and therefore should be reflected in land value. For this to work in practice there must be:

- Sufficient notice and clear guidance as to the required delivery model that enables the developer to factor the costs in to the land acquisition feasibility;
- A willing land owner prepared to sell at a reduced market value to account for the Affordable Housing requirement;
- Clear agreement with the land owner at the time of the planning application, reflecting that the outcome must still be achieved through voluntary negotiation.

Floor Area Uplift ('density bonus')

The application of floor area uplift arrangements requires a range of policy considerations. From a development feasibility perspective, floor area uplift:

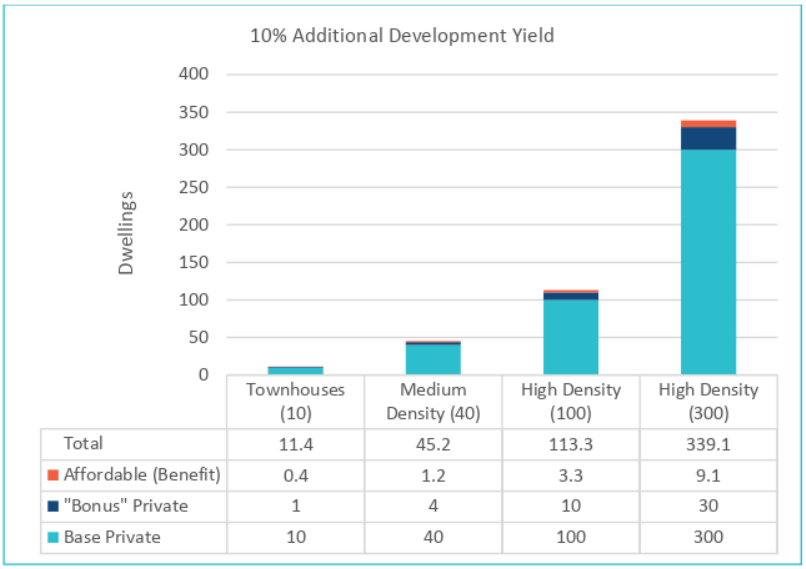
- Provides the developer with enhanced development opportunity through the ability to sell more market priced units;
- Needs to be considered in relation to market demand and sales rate absorption estimates. Too much additional yield may not be profitable if it cannot be sold;
- The additional costs of delivering additional yield, particularly if it takes a development from medium to high density;
- The number of dwellings that would be required to be provided as Affordable Housing and whether the value of the additional units sufficiently offsets and incentives the outcome;
- Whether there is a clear floor area ratio and uplift arrangement in place with a methodology for calculating the Affordable Housing requirement prior to land acquisition, or if it is less defined and there is a position that heights above preferred heights are already reasonable from an urban design perspective (i.e. is there actual additional value being offered?).

Floor Area Ratios and Floor Area Uplift arrangements are in place in the central Melbourne CBD and the Fisherman Bend Urban Renewal Area. In the later, an additional nine dwellings above a defined Floor Area Ratio is allowed on the basis one dwelling is built and gifted into a Social Housing purpose.

The Affordable Housing Industry Advisory Group undertook modelling in 2017 that highlighted potential Affordable Housing outcomes on different hypothetical development scenarios with either a 10 per cent (Figure 8) or 20 per cent (Figure 9) uplift in market dwelling yield.

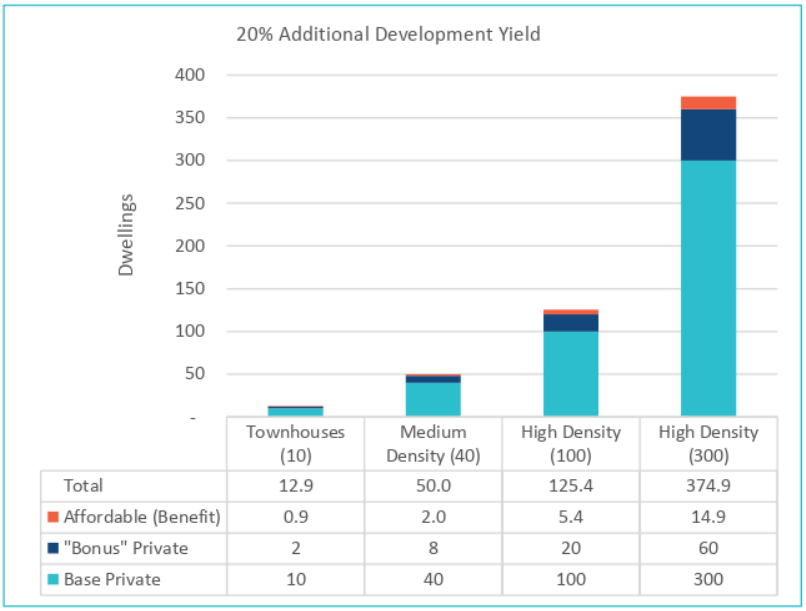
These scenarios highlight the potential for:

- Gifting of three Affordable Housing dwellings (representing 3.5 per cent of total end yield) on a development of 100 units if an additional 13 dwellings could be built; or
- Gifting of 5 – 6 dwellings (4.3 per cent of total end yield) on a development of 100 units if an additional 25 – 26 dwellings could be built.



	Townhouses (10)	Medium Density (40)	High Density (100)	High Density (300)
Total	11.4	45.2	113.3	339.1
Affordable (Benefit)	0.4	1.2	3.3	9.1
"Bonus" Private	1	4	10	30
Base Private	10	40	100	300

Figure 8: Hypothetical Floor Area Uplift and potential share in Affordable Housing (10% additional market units)



	Townhouses (10)	Medium Density (40)	High Density (100)	High Density (300)
Total	12.9	50.0	125.4	374.9
Affordable (Benefit)	0.9	2.0	5.4	14.9
"Bonus" Private	2	8	20	60
Base Private	10	40	100	300

Figure 9: Hypothetical Floor Area Uplift and potential share in Affordable Housing (20% additional market units)

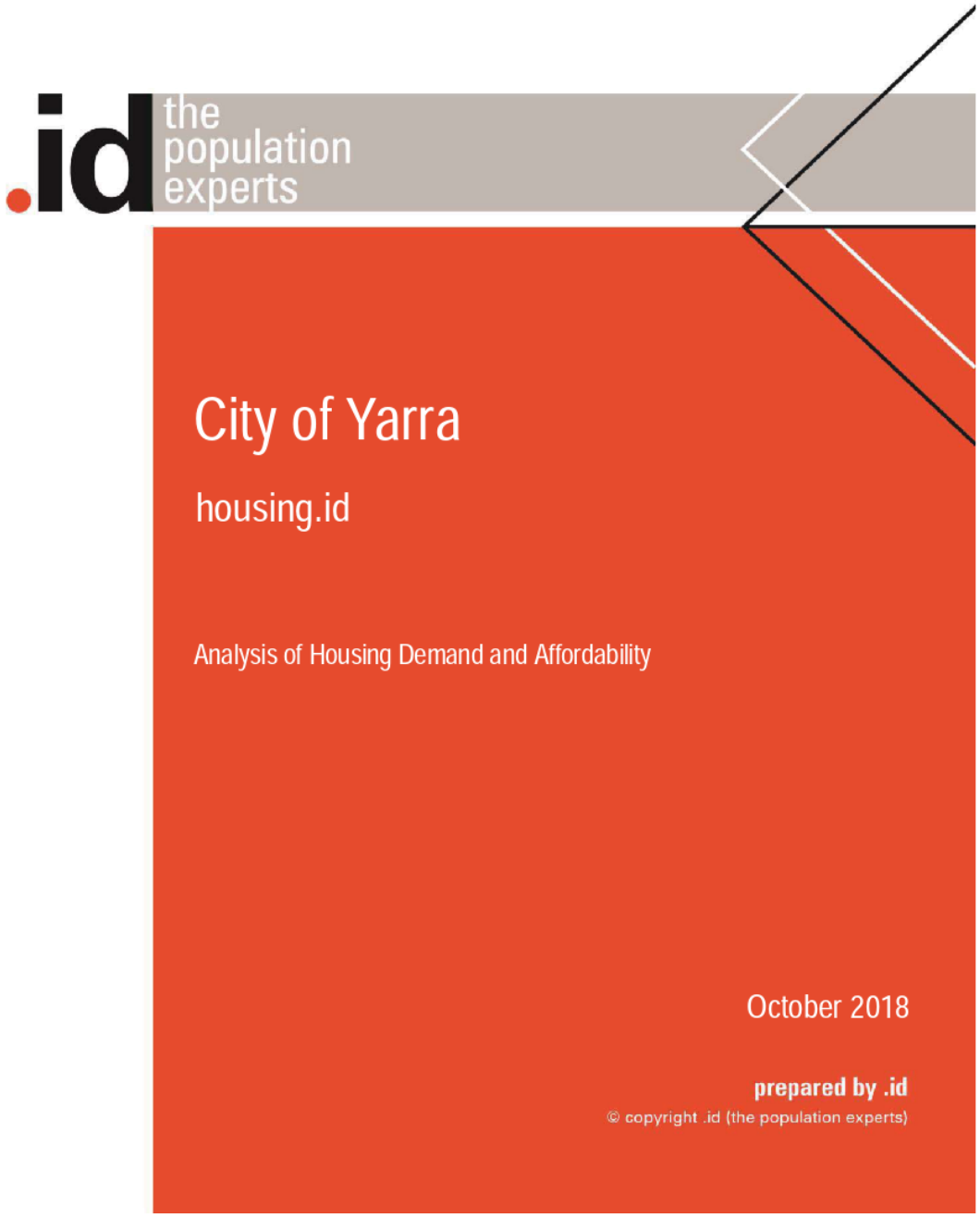
Attachment 1- Key cost assumptions and impact

Stage	Purpose	Key Cost Assumptions	Cost and / or Revenue impact	Typical Funding Source(s)
Due Diligence	Determine development potential and establish land value	Costs to undertake sufficient investigation to determine purchase price which may include consultant charges or internal business costs	Cost depends on level of due diligence. Can entail environmental studies, preliminary planning assessment and yield study, market analysis	Land purchaser equity
Land Acquisition and Holding	Purchase of land Holding of land during development stage	Estimated land value Rates Insurance	Deposit followed by full settlement. Associated costs include taxes and potentially costs of finance Depending on the size of the site and location, the cost impact can be significant.	Land purchaser equity which may be combined with bank financing and/or or other investor financing
Planning	Secure planning approval	Consultants Planning lodgement fees Approval process (time) Appeal costs	Costs can be between $200,000 and $2 m depending on the project size. Typically, costs are incurred for architectural services, environmental due diligence, planning advice and preparation of the planning application, and a range of other consultancies such as traffic, civils and engineering, landscaping, etc. Significant costs may also be incurred if the planning application is required to be presented to Planning Panels as the land owner typically engages legal advisers for this process	Land owner or investor equity

Attachment 2 - Affordable Housing Financing Report to Yarra City Council - April 2019

Stage	Purpose	Key Cost Assumptions	Cost and / or Revenue impact	Typical Funding Source(s)
Construction	Secure investor or bank financing to enable development to proceed	Valuation – for financing Demolition, remediation, environmental audit and other site works to enable development to proceed Cost to construct (type of construction, labour changes, materials, labour, time to deliver) ESD requirements Other infrastructure contributions in-kind, such as open space Taxes including Land Tax, Stamp Duty, Council rates, GST, Infrastructure charges, Developer contributions Contingency	Significant cost stage (generally 60% - 80 % of total development value, particularly on larger sites and where site remediation is required	Majority of funding is debt secured from bank financing or other investors Developer equity
Settlement	Support legally binding purchase and sale arrangements and potentially planning agreements	Costs to develop and execute contractual documents (land acquisition, planning agreements and sale of units)	Typically, around 2 – 3 % of market value of a unit	Revenue from sales (private individuals)

Attachment 3 - Report on Housing Demand and Affordability - March 2019



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Geography notes

This report presents information for the City of Yarra Local Government Area (LGA) and various geographies at a sub municipal level and regional level. The City of Yarra is made up of the suburbs of Carlton North, Princes Hill, Fitzroy, Fitzroy North (majority), Collingwood, Clifton Hill, Abbotsford, Richmond, Burnley, Cremorne and parts of the suburbs of Fairfield and Alphington.

The following benchmark areas are used in this report – ***Greater Melbourne*** (the Australian Bureau of Statistics Greater Capital City Statistical Area), *IMAP* (the Inner Melbourne Action Plan area, comprising the LGAs of Melbourne, Yarra, Port Phillip, Stonnington and Maribyrnong).

Much of the census data in this report is presented at Statistical Area 2 (SA2) level. This is an Australian Bureau of Statistics (ABS) geographic definition and forms part of the Australian Statistical Geography Standard (ASGS). The City of Yarra incudes the SA2s of Abbotsford, Carlton North - Princes Hill, Collingwood, Fitzroy, Fitzroy North, Richmond (Vic.) and Yarra – North. The Richmond (Vic.) SA2 comprises the suburbs of Richmond, Burnley and Cremorne. The Yarra – North SA2 includes the suburb of Clifton Hill, as well as the sections of the suburbs of Fairfield and Alphington that are contained in the City of Yarra. One table on mortgage stress has been presented at ABS State Suburb geography, this has been done to avoid aggregating small randomised numbers from SA1 level.

Forecast information in this report has been prepared at a small area geography developed in conjunction with the City of Yarra. These are similar to the SA2 structure except for the separation of Clifton Hill from Fairfield-Alphington and the split of the Richmond area into North Richmond, Central Richmond and Cremorne and Burnley – Richmond South.

Overview

This report includes the most up to date Census and population forecast information to provide insight on how the consumption and supply of housing is changing in Yarra. In order to frame policy around housing an understanding of these changes and what is forecast is critical.

In order to provide this understanding a number of questions are explored. These include:

- how is the population changing?
- how is age structure changing?
- who is leaving and why?
- who is attracted to the area?
- how are households changing?
- how has the dwelling stock changed?
- who is living in what type of household and dwelling?
- where is residential development occurring in Yarra?
- who is in housing stress in Yarra and where are they located?
- is housing affordable for key workers?

The first section of the report examines historical data to understand how the population is changing and how it is consuming housing. The supply of dwellings to meet this need is also reviewed. The report then focuses on issues of affordability. This includes an analysis of housing stress being experienced by current Yarra residents as well as the ability of key workers to access local housing.

Executive Summary

In recent years, Greater Melbourne has grown at a rapid rate, driven by increased volumes of net overseas migration and a slight increase in the fertility rate. This growth has been particularly rapid on the urban fringe and in parts of the inner city. The City of Yarra has been at the forefront of these trends due to its inner-city location.

Population growth in Yarra has been driven by the construction of apartments (+7,300, 2006-2016), capitalising on Yarra's proximity to the CBD and access to public transport.

All age groups recorded an increase in the number of persons from 2006-2016. Those aged 25-34 years (+6,800) saw large increases, attracted to new medium and high-density developments. However, the number of middle aged persons (40-64 years, +4,700) also increased noticeably.

Yarra also attracts large inflows of migrants. A large proportion of those come from overseas, but many also come from the middle ring suburbs of south eastern Melbourne, due to Yarra's proximity to the CBD and education precincts. Yarra also attracts large numbers of people from interstate.

Between 2006 and 2016, there was a significant increase (33%) in the number of couples with young children household types. The largest increases were in Richmond and Abbotsford where the numbers almost doubled. Yarra North SA2 also experienced a large increase. This is significant due to the service demands of families with children.

In terms of dwelling type, couples with young children were most likely to be living in medium or high density dwellings with three or more bedrooms, with a significant increase over the ten years between 2006 and 2016.

Young couples without children have increased by almost 2,000 between 2006 and 2016. This increase has been confined almost entirely to one and two bedroom medium and high density dwellings.

There has been a large increase in young lone person households in one bedroom medium and high density dwellings (+1,000) with a decline of this household type in small separate houses (-170). This may be a result of the large numbers of new apartments providing more appropriate and affordable housing for this group. By contrast, older lone persons are

increasing (+570) in larger format medium and high density. Much of this may relate to ageing in place, particularly in social housing.

Large increases of medium and high density dwellings have occurred over the period (2006-2016). Some decline in smaller separate houses has occurred due to ABS reclassification of dwellings, demolition and renovation. Richmond added around 4,500 high and medium density dwellings over the 2006-2016 period, with Abbotsford adding over 2,000. Fitzroy and Collingwood have also provided large numbers of new dwellings focussing on the Smith Street corridor.

Overall 9.7% of Yarra households were in housing stress in 2016 according to the NATSEM definition (low income households – bottom 40% - spending more than 30% of their income on housing). However, 17.5 % of renting households were in housing stress compared with only 4.6% of households with a mortgage. Housing stress was generally highest in areas with the highest levels of social housing such as Collingwood, Fitzroy and North Richmond.

While a quarter of all households that rent or have a mortgage in Yarra spend more than 30% of their income on housing, the figure for renters is 27.8% while for those with a mortgage it is 18.3%. However, by comparison Yarra had lower proportions of households paying more than 30% of their income on housing compared to Greater Melbourne, particularly renters.

The affordability of dwellings priced in the lowest quartile has improved slightly from 2012 to 2017 (51% down to 49% unable to afford). This however masks significant affordability changes by tenure and dwelling type. In 2012, 65% of households found a house priced in the lowest quartile unaffordable for purchase. By 2017 this had increased to 84%. By contrast renting has become more affordable, with 35% finding private rent unaffordable in 2017 compared to 40% in 2012. What these trends seem to show is that the large numbers of new higher density dwellings being constructed are having a positive impact on affordability. The supply of houses, which is generally stagnant, has experienced a dramatic decline in affordability.

For key worker jobs located in Yarra, 84% of key worker households would be unable to afford a house purchase in 2017 and 39% unable to afford a unit. This unaffordability for workers in key local jobs has implications for local industry and the government sector in relation to attracting workers.

1. Introduction

1.1 Objective

Significant shifts in housing consumption patterns and revealed housing preferences are occurring as a result of demographic and social change within the City of Yarra. Governments (both state and local) are working on responding to these shifts in a way that creates opportunities for new dwellings to meet the new demands within established urban areas.

The Yarra City Council requires information on the status of housing and how demand for housing is changing. This work is expected to inform policy and planning that influences the following:

- meeting critical local needs of changing household types and increasing local housing choice for residents
- addressing affordability by increasing supply
- sustaining Council's facilities and services base in response to changing age structures and housing consumption patterns
- protecting valued areas and neighbourhoods from inappropriate development
- providing an evidence base incorporating data from the 2016 Census
- providing the appropriate tools and information required to achieve planning outcomes

1.2 Context

In recent years, Greater Melbourne has grown at a rapid rate, driven by increased volumes of net overseas migration and a slight increase in the fertility rate. This growth has been particularly rapid on the urban fringe and in parts of the inner city. The City of Yarra has been at the forefront of these trends due to its inner-city location.

In early 2017 the Victorian State Government released an update to the Melbourne metropolitan strategy – *Plan Melbourne 2017-2050* – which aims to guide the growth of the Melbourne to 2050. Like most contemporary metropolitan strategies in Australia, the Plan aims to direct more growth into established urban areas in order to reduce urban sprawl and specifies a target of at least 65% of new housing in established areas of Melbourne. Dwelling targets of 215,000 (based on VIF 2016) and 230,000 (aspirational) have been specified for the Inner Metro region. The Plan contains nine principles and seven outcomes.

Of these – outcome 2 – *Melbourne provides housing choice in locations close to jobs and services* – is most relevant to housing and contains the following directions:

- Manage the supply of new housing in the right locations to meet population growth and create a sustainable city
- Deliver more housing closer to jobs and public transport
- Increase the supply of social and affordable public housing
- Facilitate decision-making processes for housing in the right locations
- Provide greater choice and diversity of housing

1.3 Approach

This report will address the following questions:

- how is the population changing?
- how is age structure changing?
- who is leaving and why?
- who is attracted to the area?
- how are households changing?
- how has the dwelling stock changed?
- who is living in what type of household and dwelling?
- where is residential development occurring in Yarra?
- who is in housing stress in Yarra and where are they located?
- is housing affordable for key workers?

2. How is the population changing?

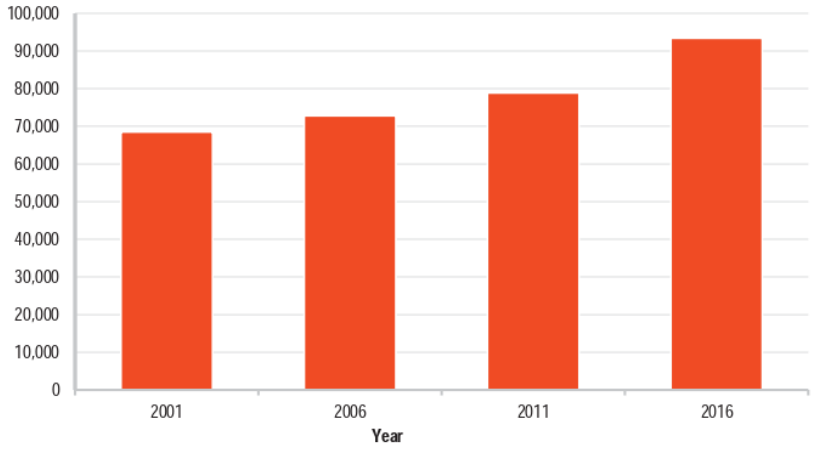
2.1 Population change

At 30 June 2017, the population of Yarra was estimated to be 96,368, an increase of 3.2% over the past year. This increase is significantly higher than the figure of 2.7% for Greater Melbourne, but slightly lower than the 3.9% growth in the IMAP Councils over the same period.

The growth rate of Yarra has increased significantly since 2006. Population growth has been driven by the construction of apartments, capitalising on Yarra's proximity to the CBD and access to public transport.

While all SA2s in Yarra have increased in population since 2006, the most significant growth has occurred in Richmond, Abbotsford and Collingwood.

Figure 1: Estimated Resident Population – 2001-2016



Source: ABS, Estimated Resident Population (2016).

Table 1: Estimated Resident Population – 2006-2017 by SA2

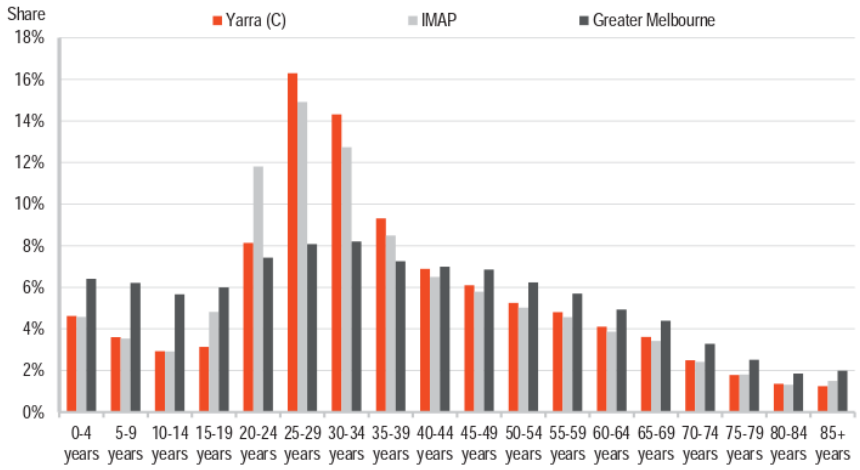
SA2	2006	2011	2016	2017
Abbotsford	4,537	5,213	8,842	9,502
Carlton North - Princes Hill	8,586	8,786	9,020	9,073
Collingwood	5,761	6,867	9,144	9,726
Fitzroy	9,241	10,214	11,464	11,673
Fitzroy North*	11,606	12,143	13,211	13,422
Richmond (Vic.)	25,883	27,841	32,848	33,814
Yarra - North	8,034	8,621	9,705	9,822
City of Yarra	**72,808**	**78,903**	**93,380**	**96,368**

*Source: ABS, Estimated Resident Population (2017), * - part of Fitzroy North in City of Moreland.*

2.2 How has the age structure changed?

In 2016, the age structure of Yarra was very different to that of Greater Melbourne (Figure 2). There was a significantly higher proportion of young adults (25-39 years) in Yarra – 40% of the population were in this age group, compared to 24% for Greater Melbourne. The age structure of Yarra was similar to the IMAP Councils in many age groups although the IMAP area had a higher proportion of 20-24 year olds, a result of the high student population particularly in the City of Melbourne. Abbotsford had the highest share of its population as 25-29 year olds in 2016 at 21%. This was notably higher than areas such as Fitzroy North and Yarra North SA2s at 13% and 11% respectively.

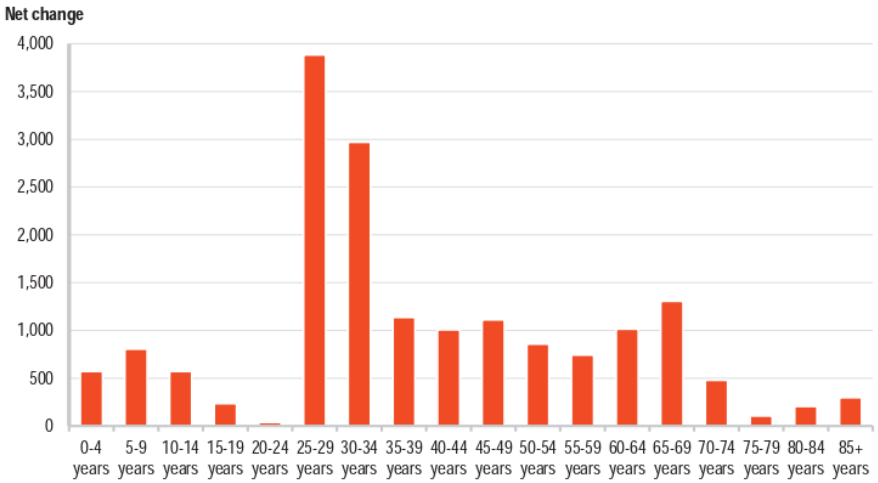
Figure 2: Age structure, Yarra, IMAP and Greater Melbourne – 2016



Source: ABS, Census of Population and Housing (2016). Data based on place of usual residence.

Between 2006 and 2016, there was a significant increase in overall population in Yarra (Figure 3). All cohorts recorded an increase in the number of persons, due to the significant population growth in the area. Those aged 25-34 years saw large increases, attracted to new medium and high-density developments. However, the number of middle aged persons (40-64 years) also increased. The increases in 25-34 year olds were predominantly in Richmond and Abbotsford. Carlton North – Princes Hill SA2 by contrast experienced almost no growth in these age groups.

Figure 3: Change in age structure, Yarra – 2006-2016



Source: ABS, Census of Population and Housing (2006, 2011 and 2016). Data based on place of usual residence.

2.3 Components of population change

The table overleaf shows how each component has contributed to population change in Yarra between 2006 and 2016. The number of births and deaths has remined relatively stable in the two intercensal periods (2006-2011 and 2011-2016). Migration trends, both internal (from other parts of Australia) and overseas have changed considerably. Yarra has gone from net loss to a large net gain through internal migration. Net overseas migration has however become by far the most important driver of population growth.

Table 2: Forecast age structure, Yarra – 2016-2036

Component	2006	2011	2016
ERP Start	**72,808**	**78,903**	**93,380**
Births	5,379	5,435	
Deaths	-1,677	-1,726	
Net Internal migration	-1,443	3,012	
Net overseas migration (inferred)	*3,837*	*7,756*	
ERP End	**78,903**	**93,380**	
Change over period	**6,095 (+8.40%)**	**14,477 (+18.30%)**	

Source ABS, .id

2.4 How will the age structure change in the future?

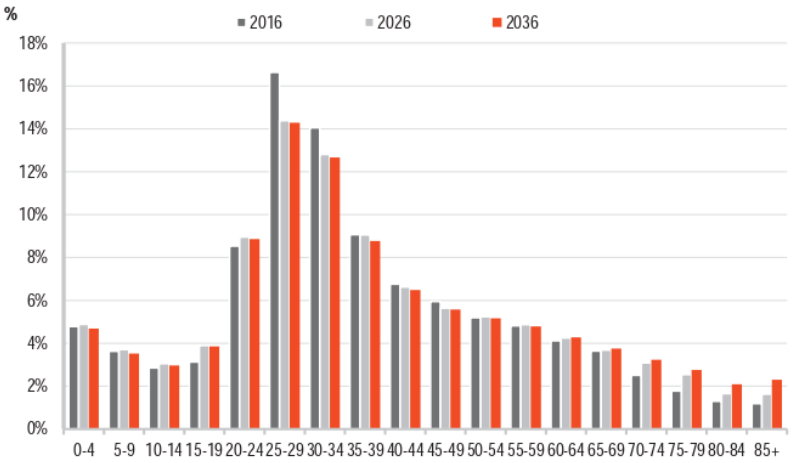
An examination of future changes in the age structure is important for service planning, as many services are age dependent, for example child care and aged care. In 2018, .id undertook population forecasts for Yarra, taking into account the results of the 2016 Census and more recent demographic trends. These forecasts indicate significant growth for Yarra over the period 2016-2036, with the population estimated to increase from 93,350 to 144,600. This translates to an annual average growth rate of 2.2%.

Figure 4 shows the forecast age structure of Yarra at 2016, 2026 and 2036. Growth is assumed to occur in most age cohorts, with a slightly higher rate of growth for middle aged and older adults. These are likely to be people ageing in place.

Figure 5 shows the forecast change in age structure. Persons aged 25-34 years are forecast to record the highest amount of growth particularly in the 2026 to 2036 period. These young adults are seeking housing opportunities with good access to the CBD, employment and education. Increases in the middle ages also suggest that some residents are ageing in place.

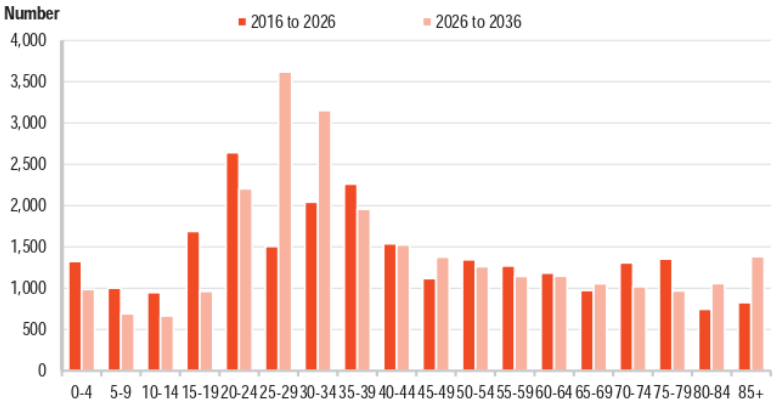
In the early stages of the forecast period (2016-2026) significant increases in the number of children are expected. This has implications for the types of new dwelling stock that is being added to Yarra and its suitability for families. In the later years of the forecast (2026-2036), increases in young adults, middle aged and elderly are notable. In particular, increases in elderly population will pose significant service provision challenges.

Figure 4: Forecast age structure, Yarra – 2016-2036



Source: forecast.id (2018)

Figure 5: Forecast change in age structure, Yarra – 2016-2036

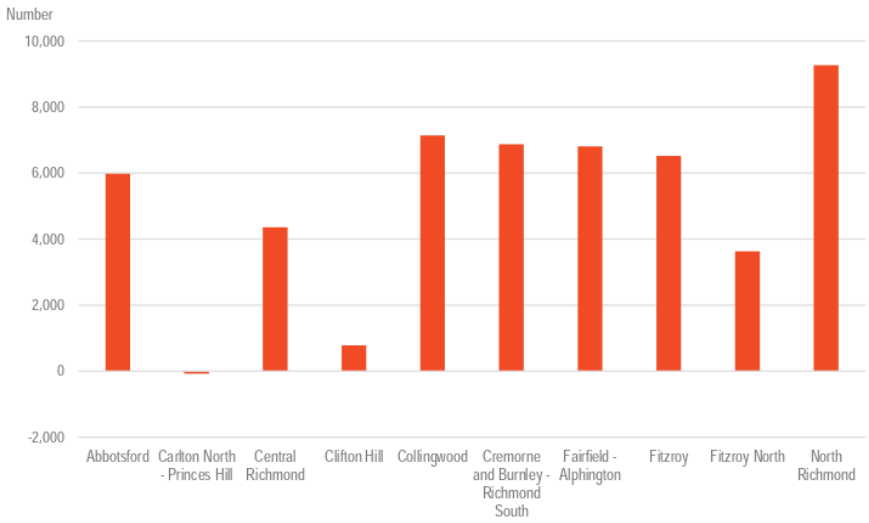


Source: forecast.id (2018)

Forecast population growth is expected in most areas throughout the City. The notable exceptions are Carlton North – Princes Hill and Clifton Hill where few former industrial sites and heritage constraints limit development potential. The North Richmond area is expected to experience the greatest increase in population to 2036, driven by apartment development in activity centres along Victoria Street and Bridge Road, as well as development on former industrial sites closer to Victoria Gardens.

Former industrial and commercial sites are also the major impetus behind dwelling opportunities in other areas of Richmond as well as Fitzroy and Collingwood. The development of the former Amcor site in Alphington is the major driver behind population growth in this area.

Figure 6: Forecast change in population, Yarra forecast small areas – 2016-2036



Source: forecast.id (2018)

2.5 Who is leaving and who is arriving?

Of all the components of population change, migration to Australia and between areas is the most volatile, as it varies considerably over time and space. An examination of migration patterns is critical to understanding how populations grow and change. Characteristics of migration in Australian cities include:

- A high proportion of local moves, i.e. within the same suburb or municipality;
- The dominance of outward moves in a sectoral direction i.e. from inner east to outer east; and
- Strong links between life cycle events and age. Young adults i.e. 18-34 year olds, are the most mobile age group. Thereafter migration tends to decline with age, although there is a slight increase in the oldest age groups which is probably related to health issues.

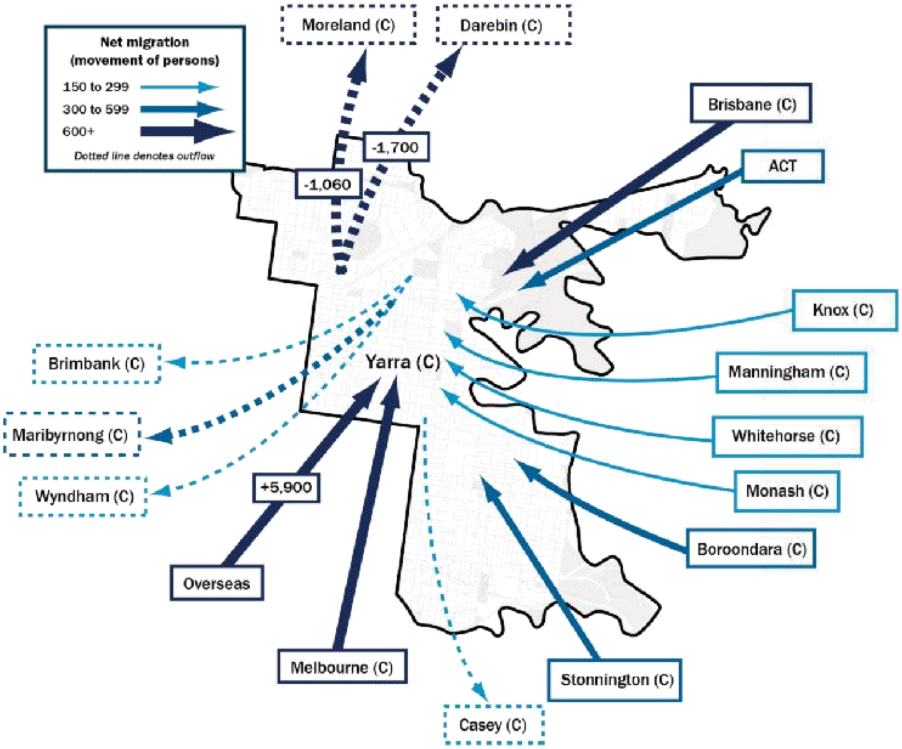
Figure 7 shows the major migration flows to and from the City of Yarra between 2011 and 2016.

Sectoral outward movement i.e. from Yarra to areas immediately to the north, is evident from the net outflow to Moreland and Darebin. There were also smaller out flows to the western suburbs, which are also experiencing significant dwelling growth which is more affordable than Yarra.

Yarra also attracts large inflows of migrants. A large proportion of those come from overseas, but many also come from the middle ring suburbs of south eastern Melbourne, due to its proximity to the CBD and education precincts. Yarra also attracts large numbers of people from interstate. As shown in Figure 8, as an inner suburban area with iconic suburbs and access to employment, education and entertainment, Yarra attracts large net numbers of migrants from all four large capital cities.

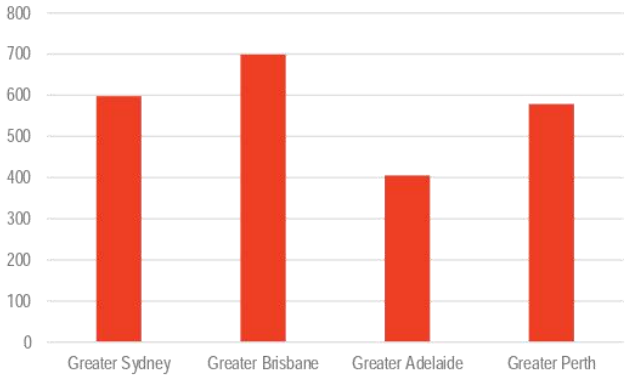
By way of context, it should of course be noted that overseas migration is a far bigger contributor to population change in Yarra than migration from within Australia.

Figure 7: Major net migration flows, Yarra – 2011-2016



Source: ABS, Census of Population and Housing (2016)

Figure 8: Net migration flows from major capital cities, Yarra – 2011-2016



Source: ABS, Census of Population and Housing (2016)

The strong links between life cycle events and age are reflected in Figure 9, which shows age specific migration patterns in Yarra over the period 2011 to 2016. The City of Yarra has a very stable role and function. It attracts young adults in net terms and loses young families and older adults. This is a similar pattern to inner city areas across Australia. Many young adults who move to Yarra in their 20s are often looking for more affordable and often larger dwellings which are more accessible in areas further out once they are in their 30s. This often corresponds with child rearing.

Figure 9: Age specific net migration, City of Yarra – 2011-2016

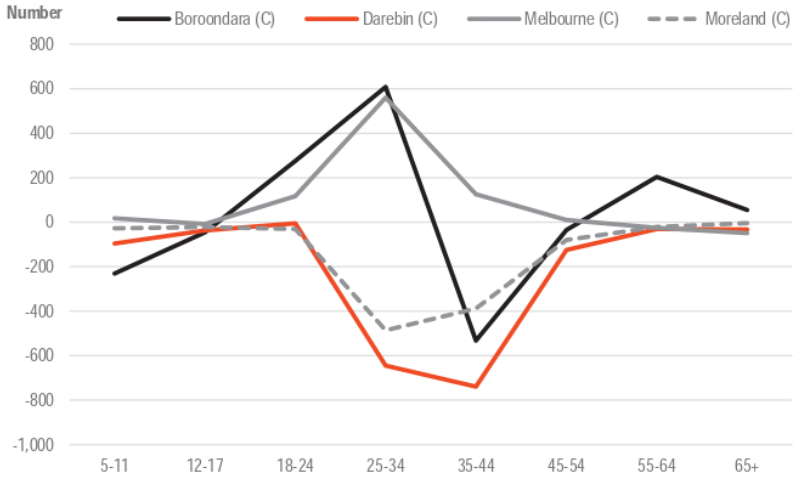
Source: ABS, Census of Population and Housing (2016)

Behind the overall Yarra migration numbers and general trends there are a number of important elements taking place. Figure 10 shows the net migration trends by age for four neighbouring LGAs. These LGAs have the highest amount of net movement between themselves and Yarra.

Yarra loses significant numbers of residents in net terms to the LGAs to its north (Moreland and Darebin). This loss is dominated by 25 to 44-year olds. Interestingly there is relatively little out movement after the age of 45. This is an expected trend based on the relatively larger and more affordable dwellings available in these areas. The relationship with Boroondara is quite different however. Yarra attracts significant numbers of young adults aged 18-34 from Boroondara, this is a trend it shares with Melbourne, it however loses

significant numbers of 35-44 year olds, similar to the outflows to Moreland and Darebin. Another interesting submarket are older adults and early retirees (55-64 year olds) moving to Yarra from Boroondara. Indeed, the net flows in this age groups to Yarra are almost all from the eastern suburbs perhaps a reflection of much of the new apartment product on offer in areas like Richmond and Abbotsford.

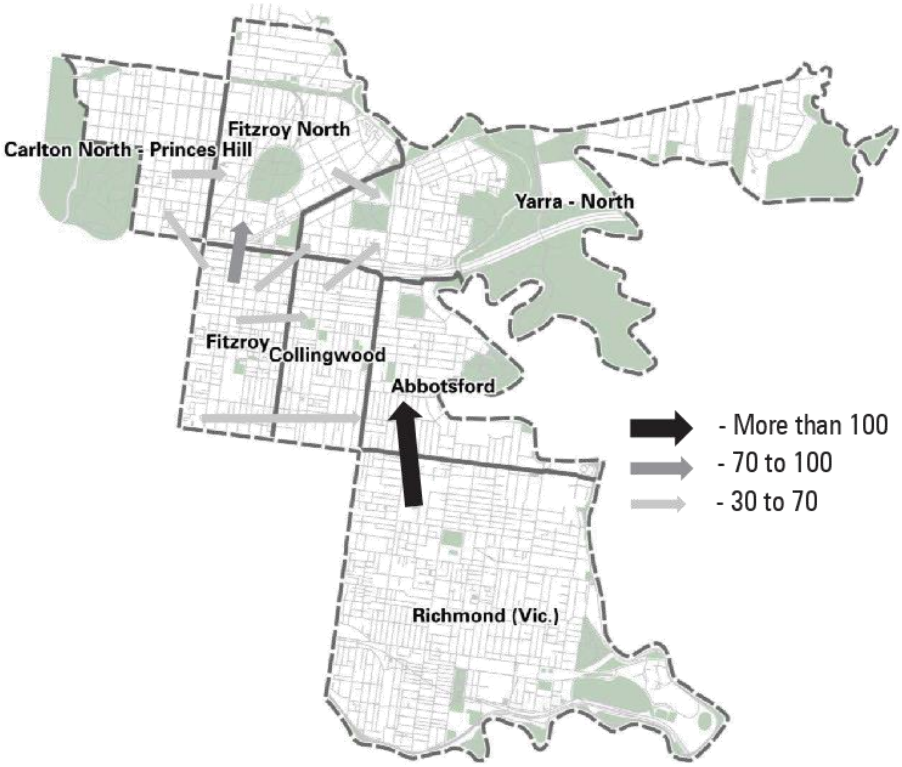
Figure 10: Net migration by age to/from selected LGAs to/from Yarra – 2011-2016



Source: ABS, Census of Population and Housing (2016)

Within Yarra, there are strong relationships both within and outside the LGA. Richmond tends to have a strong relationship with Abbotsford with a large net movement into the area. Other than Abbotsford, most of Richmond's major migration movements are outside Yarra. Fitzroy and Collingwood tend to have a far stronger relationship with Yarra suburbs with large amounts of movements to adjacent Yarra SA2s. That said, the largest out flows from Fitzroy are still to Brunswick and Northcote.

Figure 11: Net migration between Yarra SA2s – 2011-2016



Source: ABS, Census of Population and Housing (2016)

3. How are households changing?

3.1 Household change

The most prevalent household types in Australian cities are typically families – couples with children and single parent households. However, social and demographic changes have combined to change the household mix. These include ageing of the population, family breakdown and fewer children per family. In many areas, family households are declining in number, while smaller households (couples without children and lone person households) are increasing. From a housing perspective, the result is lower average household size i.e. fewer people per dwelling. It is important to recognise that declining household size tends to increase the demand for dwellings, even if the population is stable.

Until 2006, the result of these trends was declining average household size, however the results of the 2011 and 2016 Censuses revealed that at the national level this decline had slowed and in many areas average household size increased slightly. However, this was not the case in the City of Yarra where the average household size declined to 2.10 in 2016 from 2.15 in 2011. This is partly driven by the large increases in smaller dwellings.

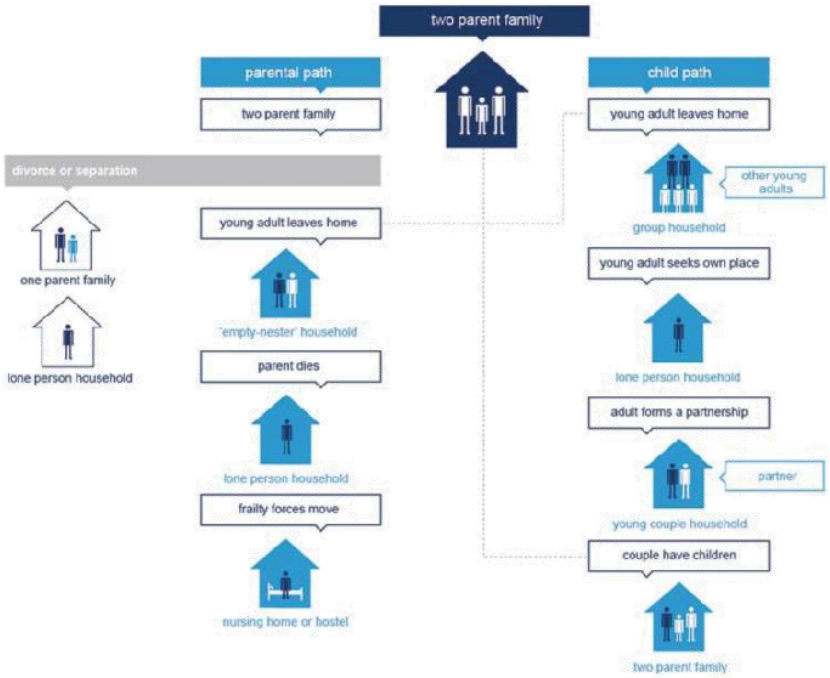
3.2 Households and suburban lifecycles

Urban areas are constantly evolving primarily due to changing household needs and preferences reflecting population and age structure changes. Figure 12 provides a framework for traditional household pathways and identifies points at which needs may change.

Starting as a child in a family household, a person may move into a group or lone person household as a young adult, and then often becomes part of a couple relationship. The adult years may feature movement between family, single parent and lone person household needs. Child rearing is followed by an 'empty-nester' period (older couples without children) and ultimately becomes an elderly lone person, as partners die or separate.

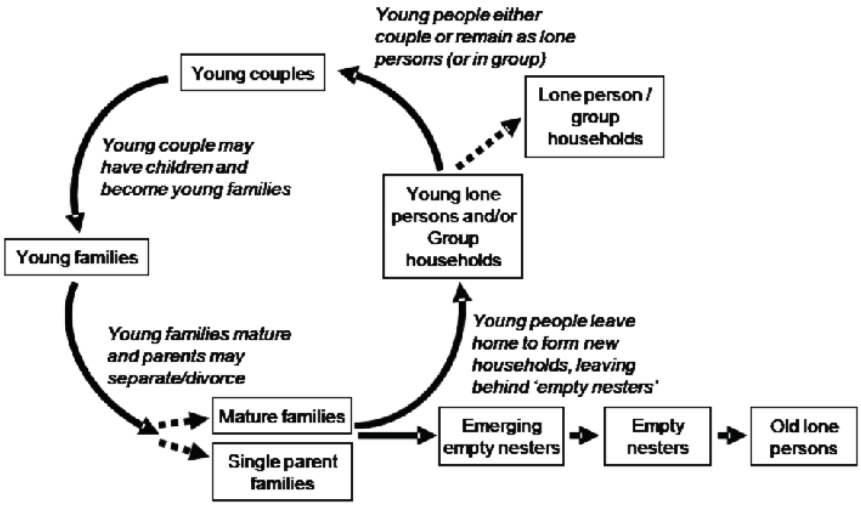
There is an increasing tendency for people around Australia to live alone or as a couple without children. This is the result of a combination of factors, such as an ageing population, resulting in growth of empty nester and elderly lone person households, couples choosing a child-free lifestyle, as well as the emergence of smaller households resulting from divorce and partner separations.

Figure 12: Traditional household pathway – a framework



The suburban lifecycle framework (Figure 13) provides an illustration of how suburbs may change over time. Yarra is an interesting municipality to analyse with reference to the suburban lifecycle framework as its development has spanned several decades, hence encompassing a wide range of household types which are regenerating at different times.

Figure 13: The suburban lifecycle – a framework

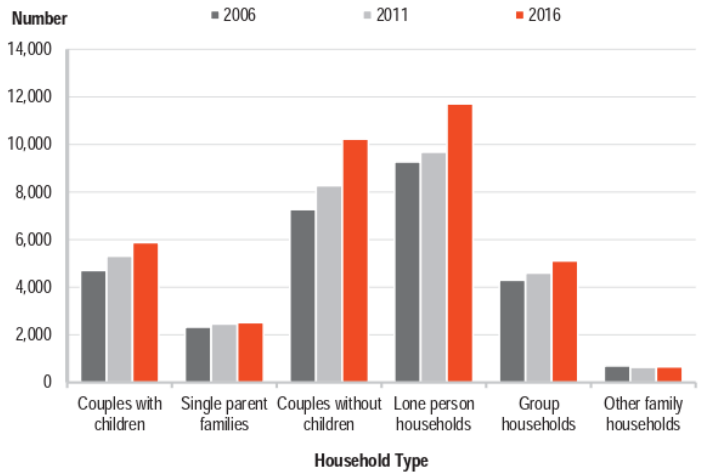


3.3 Current households

The 2016 ABS Census identified that the dominant household type in Yarra is lone person households, totalling 11,303 households and comprising about one-third of the total (Figures 14 and 15). The number of lone person households increased by 21.9% (over 2,000 households) between 2006 and 2016.

Couples without children were the next most common, comprising around 29% of all households. This household type has also been increasing in the area.

Figure 14: Household types, Yarra – 2006-2016

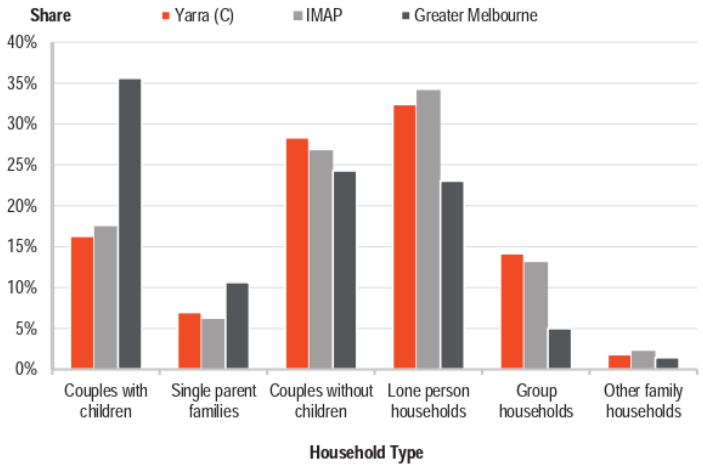


Source: ABS, Census of Population and Housing (2006, 2011, 2016)

There are distinct differences between the household type mix in Yarra compared with the Greater Melbourne area (Figure 15). Yarra's household structure is typical of inner suburban areas with close proximity to employment, education and entertainment. Melbourne had a greater proportion of family households (couples with children and single parent families). Yarra had a very similar household structure to that of the IMAP Councils.

Within Yarra, both the Abbotsford and Richmond SA2s had the highest increase in couple without children households (647 and 595 respectively) between 2011 and 2016. Abbotsford had the highest proportion of couple without children households at 2016 with 30%. All areas except Carlton North – Princes Hill and Yarra North had around 30% of their households as lone persons in 2016.

Figure 15: Share of household types, Yarra, IMAP and Greater Melbourne – 2016



Source: ABS, Census of Population and Housing (2016)

3.4 Emerging households

Emerging households are those that are increasing in number. They provide some insights into the types of community services that may be needed in future. Service providers, policy makers and the housing industry understand the different housing consumption patterns and servicing needs of 'young' and 'old' lone person households; similarly, couples with young children households are likely to have quite different needs to older couples without children ("empty nesters").

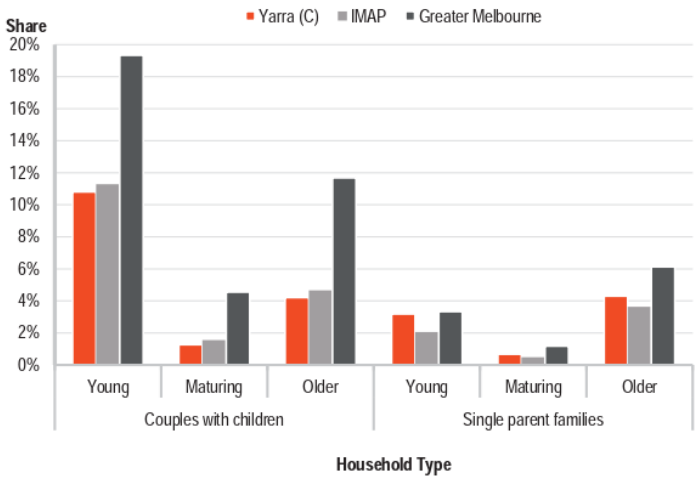
In the case of Yarra, there has been continued growth of smaller household types such as lone person households and couples without children. This phenomenon has been in place at least since the early 1990s as the population has aged. These households have continued to increase most significantly in number between 2006 and 2016. While the increase in couple with children households between 2006 and 2016 (around 1,100) is not as significant numerically as the smaller household types, it is noteworthy as it reverses the trend of decline in these household types between 1991 and 2001. These household types, particularly those with young children have specific service provision implications for local government. It is for this reason that they are considered an emerging household type and worthy of further analysis.

Due to the significant number of household types when combined with the age of the household, information is presented for the larger (family) household types separately to the smaller household types.

3.5 Larger (family) households

The share of family households in Yarra is shown below in Figure 16. Couples with children have not been a typical household type in Yarra. Within family households, couples with young children (all under 15 years) are most prevalent (11% of all households). Compared to the Greater Melbourne average, the share of couples with children was significantly lower in Yarra, however it was similar to the proportion seen across the IMAP Councils.

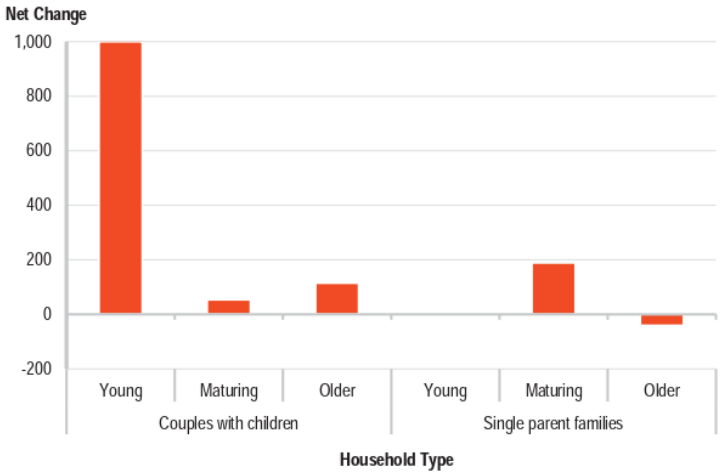
Figure 16: Share of family household types by age, Yarra – 2016



Source: ABS, Census of Population and Housing (2016)

Between 2006 and 2016, there was significant change (33%) in the number of couples with young children household types (Figure 17). The largest increases were in Richmond and Abbotsford where the numbers almost doubled. Yarra North SA2 also experienced a large increase.

Figure 17: Net change in family households by age – 2006-2016

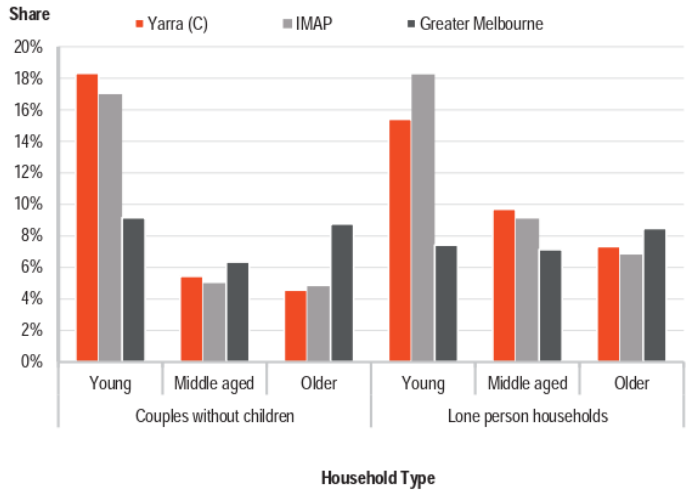


Source: ABS, Census of Population and Housing (2006 and 2016)

3.6 Smaller households

Smaller households in Yarra are generally young, as shown by Figure 18, with young couples without children accounting for approximately one in five households. Lone person households are more likely to be middle aged or older in comparison to couple households. The dominance of smaller households in Yarra makes it very different to the household structure seen across Greater Melbourne.

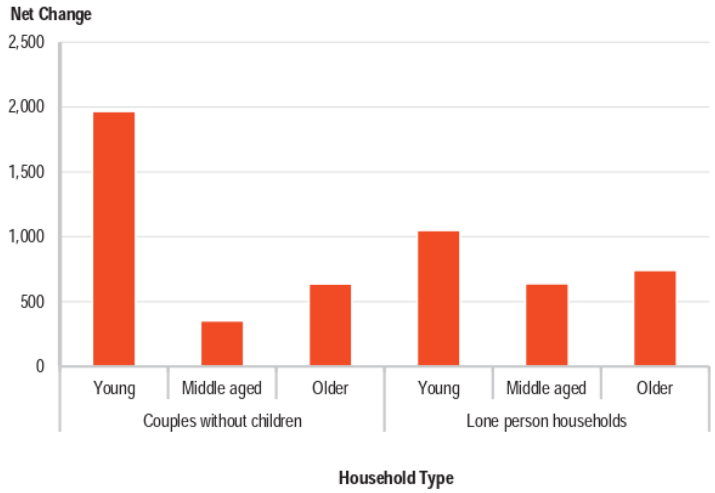
Figure 18: Share of 'smaller' household types by age, Yarra – 2016



Source: ABS, Census of Population and Housing (2016)

The densification of housing in Yarra is reflected in the change in the household types over the period 2006-2016 (Figure 19). The number of young couples without children increased over this period, by almost an additional 2,000 households. Lone person households grew at a much smaller rate. There were small increases for middle aged and older lone persons, a result of ageing in place. Young lone persons declined in Carlton North – Princes Hill, Fitzroy North and Yarra North SA2s.

Figure 19: Net change in 'smaller' households by age, Yarra – 2006-2016



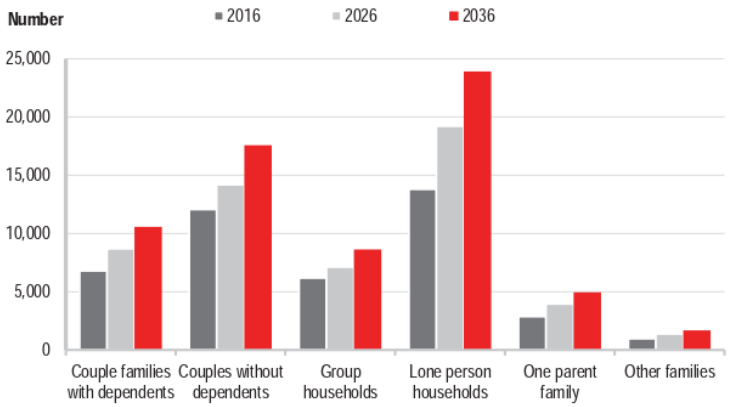
Source: ABS, Census of Population and Housing (2006 and 2016)

3.7 How will households change in the future?

Population and dwelling forecasts prepared by .id in 2018 indicate that all household types are forecast to experience growth in numbers over the next twenty years. These changes are based on both ageing of existing households and change over time, as well as in-migration of new households driven by the development of significant numbers of new dwellings.

Lone person households are forecast to record the most growth, recording around 60% growth over the period 2016-36. Though these households tend to be associated with ageing populations, they can occur across the age spectrum – lone persons can include younger people yet to have children. Families with children are also forecast to increase to 2036, but with a slower rate of growth. The largest increase in lone person households to 2036 is expected in Richmond, with large increases also expected in Fitzroy, Collingwood and Yarra North SA2s.

Figure 20: Households by type, Yarra – 2016-2036



Source: .id (2018)

The growth in smaller households will also result in a decline in average household size (Table 3). In 2016, the forecast average household size in Yarra was 2.15 persons, but it is forecast to remain relatively stable between 2016 and 2021 before declining slightly to 2.11 by 2036. This is related to the ageing of the population, a large supply of smaller dwelling stock, as well as social changes which will result in smaller households e.g. family breakdown.

Table 3: Average household size, Yarra– 2016-2036

Year	Average household size
2016	2.15
2021	2.15
2026	2.13
2031	2.12
2036	2.11

Source: .id (2018)

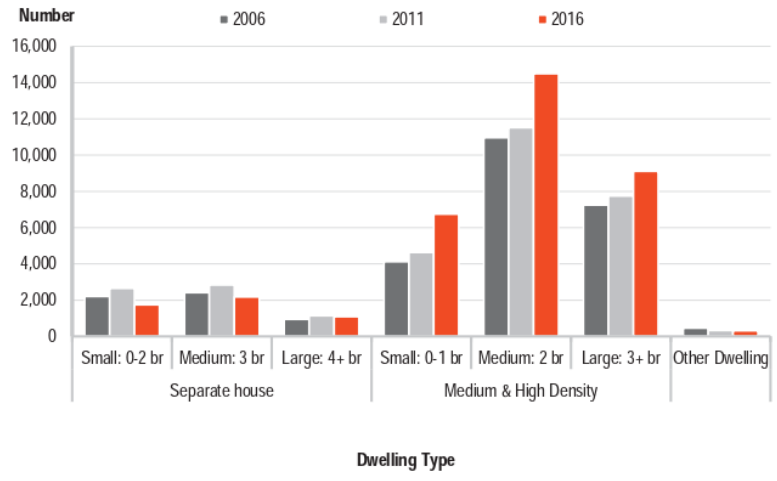
4. How is the dwelling stock changing?

4.1 Dwelling change

A highly visible change to dwelling stock in recent years, particularly in the central cities and inner suburbs, is the increase in apartments. Yarra, having developed over many decades, contains a range of housing types and densities, from separate houses on single blocks, to multi-dwelling units, and an increasing number of higher density apartments around Collingwood, Abbotsford, Fitzroy and Richmond. This section examines how Yarra compares to Greater Melbourne, and how densities – as measured through the dwelling structure and number of bedrooms per dwelling – are changing.

In 2016, there were 43,946 private dwellings in Yarra. Over 80% of these were medium or high-density dwellings (Figure 21). Based on number of bedrooms, medium density dwellings with two bedrooms are the most common (19.7%), followed by medium density with three bedrooms (18.9%) and high-density dwellings with two bedrooms (16.7%). Over the period 2006-2016, there was a small decline in the number of separate houses in Yarra, and strong growth in medium and high-density dwellings. Much of this decline is possibly due to changes in the way the ABS classified dwellings between 2011 and 2016 rather than a physical dwelling loss. It also important to note that terrace and row housing is classified as medium density, which is the major reason for the low numbers of separate houses in Yarra.

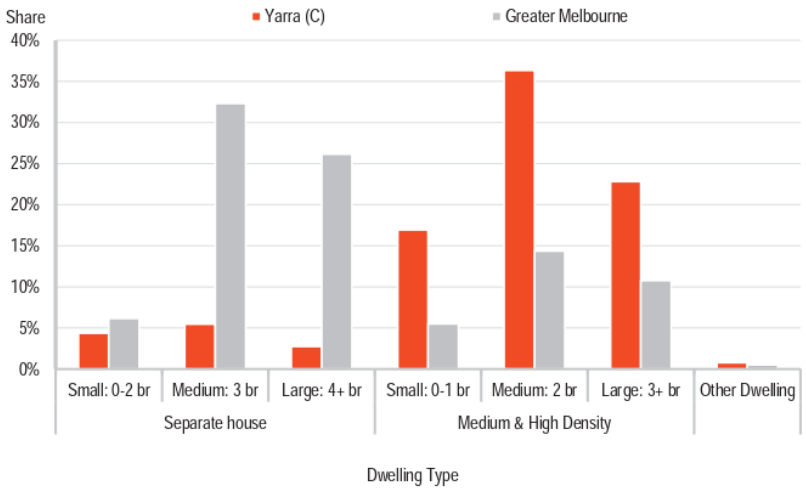
Figure 21: Dwellings by type, Yarra – 2006-2016



Source: ABS, Census of Population and Housing (2006-2016)

The dwelling profile for Yarra shows distinct variations to that of Greater Melbourne (Figure 22). Yarra has much higher proportions of medium and high-density housing than the Greater Melbourne average. Yarra's role as an inner-city Council is very different to those of suburban Councils that make up the majority of the Greater Melbourne area. Within Yarra, Carlton North – Princes Hill had the lowest proportion of separate houses in 2016 (9%) with Yarra North SA2 the highest (27%).

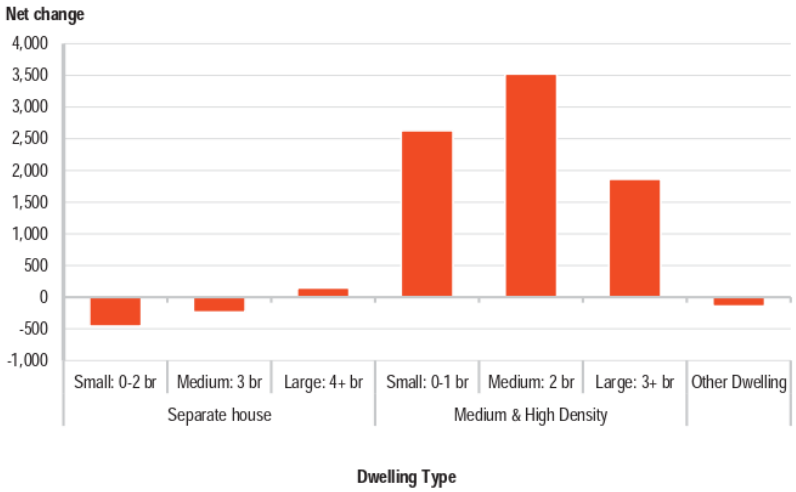
Figure 22: Share of dwelling type, Yarra and Greater Melbourne – 2016



Source: ABS, Census of Population and Housing (2016)

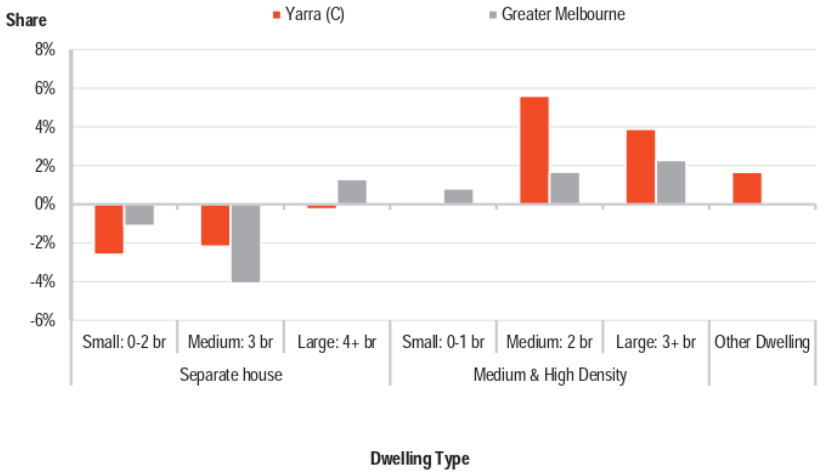
Figure 23 shows the net change in dwelling stock in Yarra between 2006 and 2016. Large increases of medium and high density dwellings have occurred over the period. Some decline in smaller separate houses has occurred due to reclassification, demolition and renovation. Richmond added around 4,500 high and medium density dwellings over the 2006-2016 period, with Abbotsford adding over 2,000.

Figure 23: Net change in dwelling stock by type, Yarra, 2006-2016



Similar to Greater Melbourne, Yarra's share of dwellings that are separate houses has declined at the expense of two and three bedroom medium and high density dwellings (Figure 24).

Figure 24: Net change in share of dwelling stock by type, Yarra and Greater Melbourne, 2006-2016



5. Where is residential development occurring in Yarra?

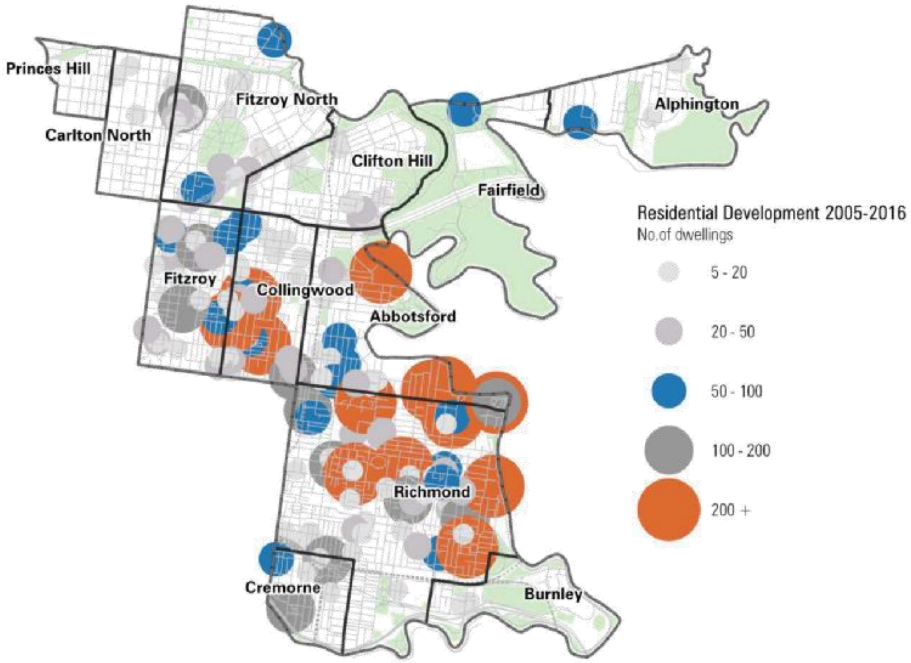
5.1 Location of residential development

The map at figure 25 shows the location and extent of residential development completed between 2005 and 2016. This information, sourced from the Housing Development Database available from the Department of Environment, Land, Water and Planning, shows developments grouped by number of dwellings delivered. Projects delivering fewer than five dwellings in net terms have not been included.

The map shows a significant amount of development in a number of key areas in Yarra. Richmond has been a development hotspot in Yarra and contributed a third of Yarra's new residential stock between 2005 and 2016. Former industrial and commercial sites in Abbotsford have also provided significant numbers of dwellings particularly along the Victoria Street corridor.

Fitzroy and Collingwood have also provided large numbers of new dwellings focussing on the Smith Street corridor. Smaller pockets of development in North Fitzroy around Reid Street and in Cremorne are also prominent. Many areas of Yarra have experienced little to no dwelling growth in the 2005-2016 period, mostly constrained by heritage controls and a lack of former industrial sites. These areas include Carlton North, Princes Hill, Fairfield and Alphington.

Figure 25: Residential development by dwelling yield, 2005-2016



Source: Housing Development Data, DELWP (2016)

Table 4 shows project size by suburb. The majority of projects yielded fewer than twenty dwellings. Abbotsford, Collingwood and Richmond were the only suburbs with completed projects of more than 200 dwellings.

Table 5 shows the numbers of completed dwellings by year for each suburb. Richmond has been a consistent contributor of new dwellings. In the post 2012 period, Abbotsford in particular has produced large numbers of new dwellings.

Table 4: Residential development by dwelling yield, 2005-2016

Suburb/ Number of dwellings	5-20	20-50	50-100	200+	TOTAL
Abbotsford	11	3	4	5	**23**
Alphington	4	0	1	0	**5**
Burnley	2	0	0	0	**2**
Carlton North	4	0	0	0	**4**
Clifton Hill	15	3	0	0	**18**
Collingwood	16	6	5	3	**30**
Cremorne	4	1	1	0	**6**
Fairfield	0	0	1	0	**1**
Fitzroy	15	8	3	0	**26**
Fitzroy North	12	6	2	0	**20**
Princes Hill	0	0	0	0	**0**
Richmond	24	17	7	6	**54**
CITY OF YARRA	**107**	**44**	**24**	**14**	**189**

Source: Housing Development Data, DELWP (2016)

Table 5: Completed dwellings (net) by suburb and year, 2005-2016

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
Abbotsford	25	7	4	6	148	63	8	76	873	690	258	387	**2,545**
Alphington	0	-1	2	-1	1	9	0	101	-1	7	6	-3	**120**
Burnley	1	0	0	0	0	17	-1	2	-2	2	1	-1	**19**
Carlton North	4	3	7	1	-1	1	-1	0	-1	10	3	3	**29**
Clifton Hill	35	8	16	5	14	24	100	6	45	10	21	3	**287**
Collingwood	163	69	52	7	19	204	34	69	15	85	934	103	**1,754**
Cremorne	40	2	151	10	-1	4	-4	11	0	-11	177	44	**423**
Fairfield	0	0	-1	2	0	0	0	-1	55	0	-1	1	**55**
Fitzroy	18	57	22	20	61	201	129	181	49	13	210	49	**1,010**
Fitzroy North	85	51	3	51	19	-4	37	180	7	120	86	81	**716**
Princes Hill	1	2	2	0	2	0	0	2	2	-1	1	0	**11**
Richmond	337	35	287	109	102	97	440	720	415	358	288	389	**3,577**
CITY OF YARRA	**709**	**233**	**545**	**210**	**364**	**616**	**742**	**1,347**	**1,457**	**1,283**	**1,984**	**1,056**	**10,546**

Source: Housing Development Data, DELWP (2016)

6. What dwellings do households live in?

6.1 Household types

While there is little qualitative data on housing preference, Census data enables detailed analysis of dwelling consumption by household type to show preferences in the context of supply constraints. Revealed preferences are the types of dwellings that households actually live in, as indicated by Census data. Expressed preferences are those stated by individuals when surveyed as to what sort of housing they would like to live in. The latter is not part of the scope of this report, but there are examples of this type of research being undertaken in Australia, such as the Grattan Institute's 2011 report "The housing we'd choose".

This analysis uses Census data to identify the relationship between dominant and emerging household types and the dwellings they live in. The following household types are analysed:

- Couples with young children (emerging)
- Young couples without children (dominant and emerging)
- Young lone person households (dominant and emerging)
- Older lone person households (emerging)

6.2 Couples with young children

Couples with young children (all under 15 years of age) are not currently a dominant household type in the City of Yarra, comprising just 10.8% of the total. However, they experienced a significant increase between 2006 and 2016, of 1,000 households.

Typically, these households fall into two housing markets:

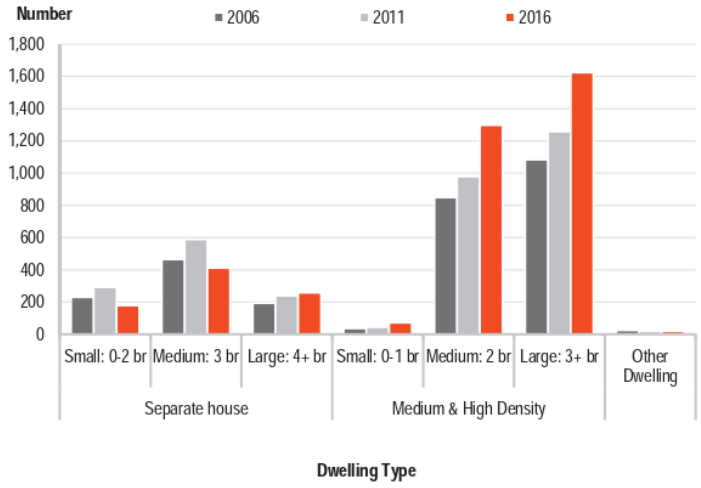
- Those early in housing career who are buying their first home and may be spending large proportions of their income on housing costs;
- Those living in higher density dwellings, both renters and buyers, who have just had their first child.

In terms of dwelling type, *couples with young children* were most likely to be living in medium or high density dwellings with three or more bedrooms, with a significant increase over the ten years between 2006 and 2016 (Figure 26). On the other hand, the numbers living in separate houses decreased slightly. There was also an increase in those living in medium

and high density dwellings with two bedrooms. Given the increase in the number of *couples with young children* this suggests that many young couples are choosing to stay in the area once they have started a family.

Increasing numbers of these households increase demand for children's services and diversify established areas. They also help maintain population levels, as their household size is more likely to grow in the short term. However, it is often difficult for inner urban areas to retain this household type due to the nature of the dwelling stock as many dwellings have only two bedrooms or have minimal private outdoor space. Generally, the birth of a second or third child triggers an outwards move to a larger home in the outer suburbs. In 2016, the northern parts of Yarra had the highest proportions of couple with young children households (Yarra North, Fitzroy North and Carlton North – Princes Hill SA2s). Collingwood and Fitzroy by contrast had the lowest shares of this household type.

Figure 26: Couples with young children, by dwelling type – 2006-2016

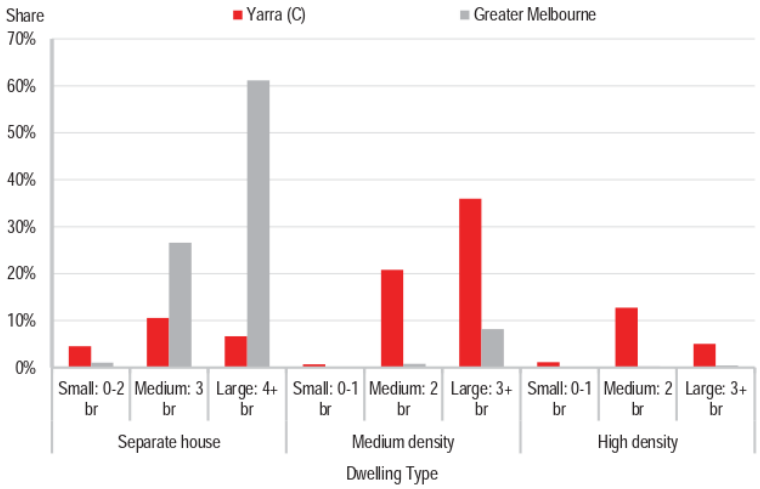


Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

In 2016, just over a third (36%) of couples with young children lived in medium density homes with three or more bedrooms (Figure 27). This was significantly higher than the Greater Melbourne average of 8.2%. This largely reflects the differences in the dwelling stock – Yarra has a very high proportion of medium density dwellings (these include terrace and townhouses). Very few couples with young children live in separate houses in Yarra.

This is simply due to the range of housing choices available, particularly the greater proportion of medium and high density dwellings.

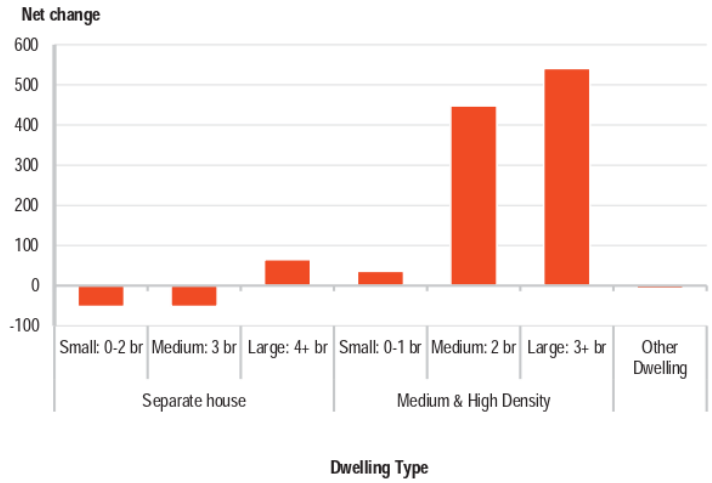
Figure 27: Couples with young children by dwelling type (%) – 2016



Source: ABS, Census of Population and Housing (2016)

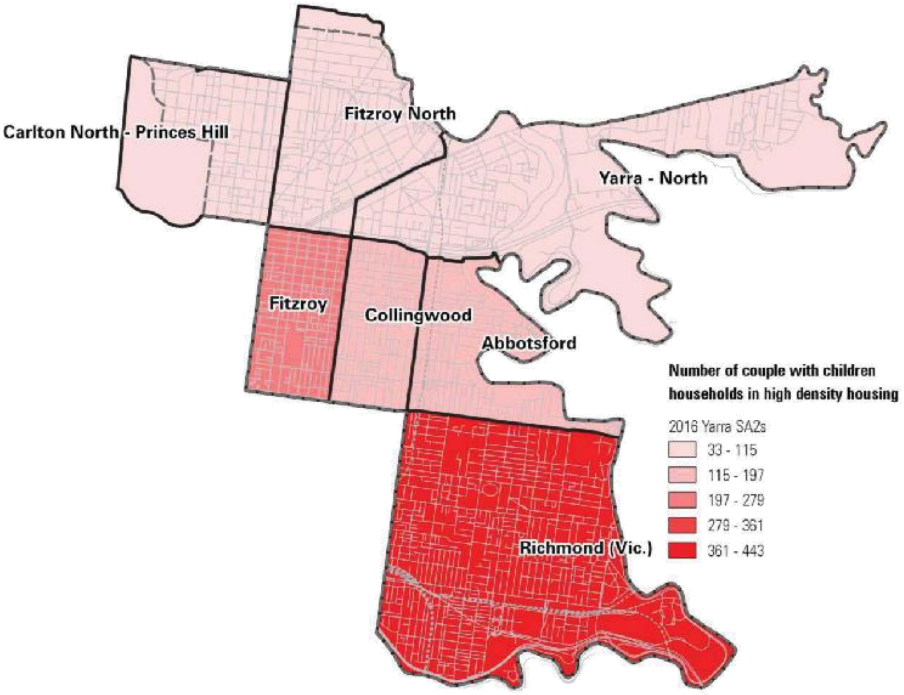
In terms of net change between 2006 and 2016 (Figure 28), larger increases were experienced in dwellings with greater number of bedrooms, regardless of whether it was a separate house or medium/high density. Larger dwellings are clearly more suitable for family households so where they are available and affordable, there is a preference for families to live in these types of dwellings.

Figure 28: Net change in couples with young children, by dwelling type – 2006-2016



Source: ABS, Census of Population and Housing (2006 and 2016)

Figure 29: Couples with children households in high density dwellings – 2016

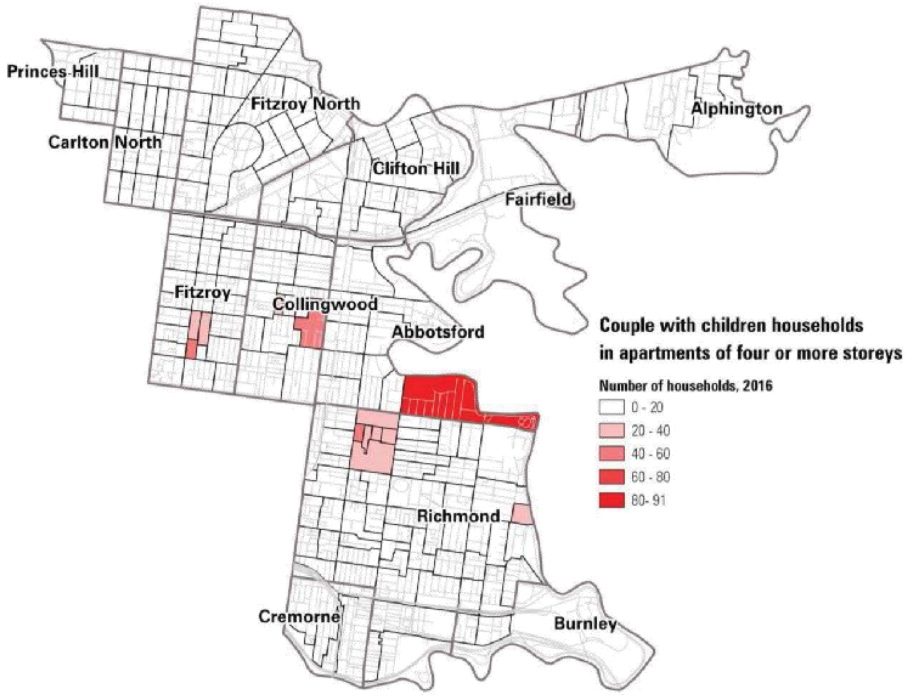


Source: ABS, Census of Population and Housing (2016)

The map above shows the number of couple with children households in the SA2s of Yarra at 2016. The Richmond SA2 had the highest number of couple with children households in high density with 443, more than double the number in Fitzroy. Many of these households are likely to be in the social housing high rise buildings. The Yarra – North SA2 has the lowest number at 33.

Figure 30 shows the number of couple with children households in higher density housing (four or more storeys) by SA1. The majority of these are found in the high rise social housing areas in Fitzroy, Richmond and Collingwood. The notable exception is the newer apartment area of Victoria Street Abbotsford.

Figure 30: Couples with children households in apartments of four or more storeys - 2016



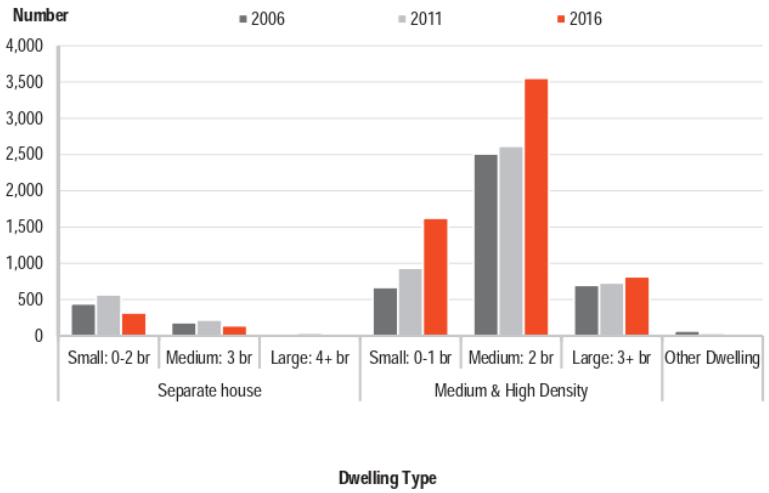
Source: ABS, Census of Population and Housing (2016)

6.3 Young couples without children

Young couples without children are early in their housing careers and may be prepared to accept high levels of housing stress to enable them to enter the housing market. This household type is also prepared to compromise on the format of their dwelling to achieve affordability and desired location. They are an important group to attract, particularly for well-established areas, as they have a high propensity for having children, therefore providing demand for children's services in the future. Within Yarra, young couples without children tend to be concentrated in Abbotsford, Richmond and Collingwood. These areas all have good access to public transport, as well as relative proximity to the CBD and access to other services such as retail/education.

With their smaller household size, young couples without children display similar housing preferences to couples with young children, but with fewer bedrooms. The growth in young couples without children between 2006 and 2016 meant that all medium and high density dwelling types recorded increases over the ten years, particularly dwellings with two or fewer bedrooms (Figure 31). This largely reflects the relative affordability of the dwelling stock in the municipality.

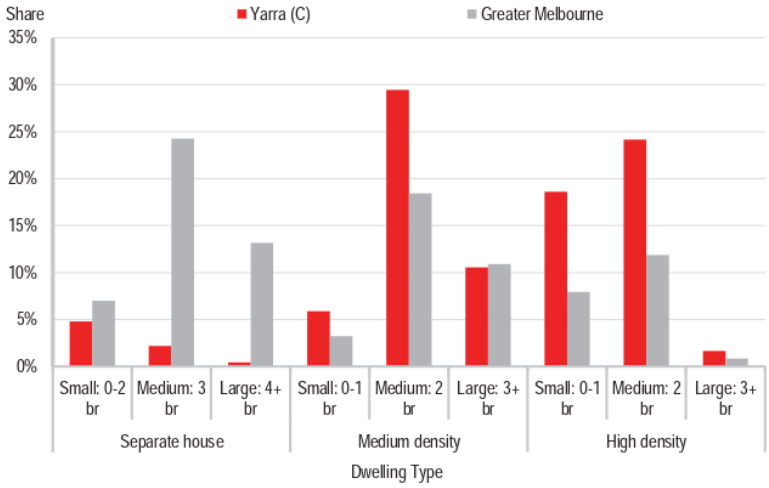
Figure 31: Young couples without children households, by dwelling type – 2006-2016



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

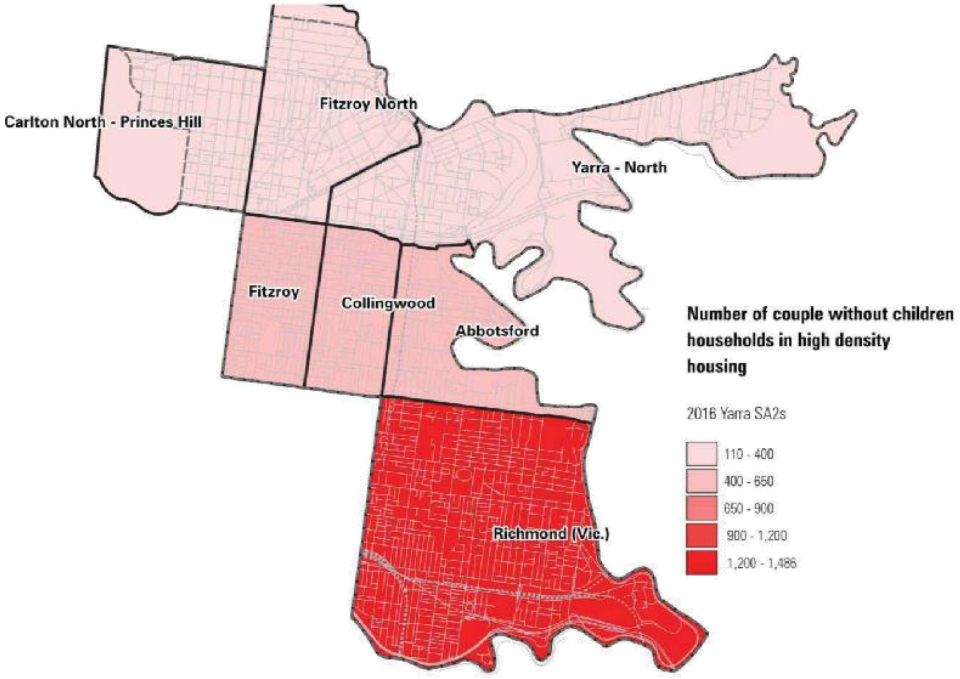
Figure 32 shows that compared to the Greater Melbourne, young couples without children have a far greater propensity to live in medium and high density dwellings (around 90.3% compared to 53.2%). The proportion of young couples living in separate dwellings is far lower.

Figure 32: Young couples without children by dwelling type (%) – 2016



Source: ABS, Census of Population and Housing (2016)

Figure 33: Couples without children households in high density dwellings – 2016



Source: ABS, Census of Population and Housing (2016)

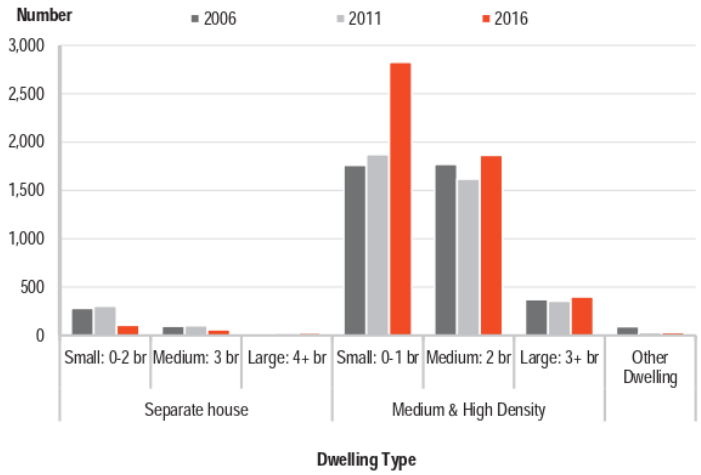
The map above shows the number of couples without children households in the SA2s of Yarra at 2016. The Richmond SA2 had the highest number of couples without children households in high density with 1,486, more than double the number in Abbotsford. Carlton North – Princes Hill and Yarra – North SA2 has the lowest numbers at 112 and 138 respectively.

6.4 Young lone person households

Young lone person households are often not analysed in detail in housing analysis, however, they recorded an increase in the City of Yarra between 2006 and 2016. This is quite uncommon, as the trend seen across Australia is for fewer lone person households. This group is often very mobile, and more exposed to affordability pressures.

Over the ten years between 2006 and 2016 *young lone person households* became more likely to live in smaller dwellings (Figure 34), with large increases in medium and high density dwellings with one or two bedrooms. Again, this reflects the available housing stock but may also reflect affordability of housing in the area. In 2016 there was a noticeable divide between areas north of Alexandra Parade/Princes Street which had lower proportions of young lone person households and areas to the south, again a reflection of the dwelling types available.

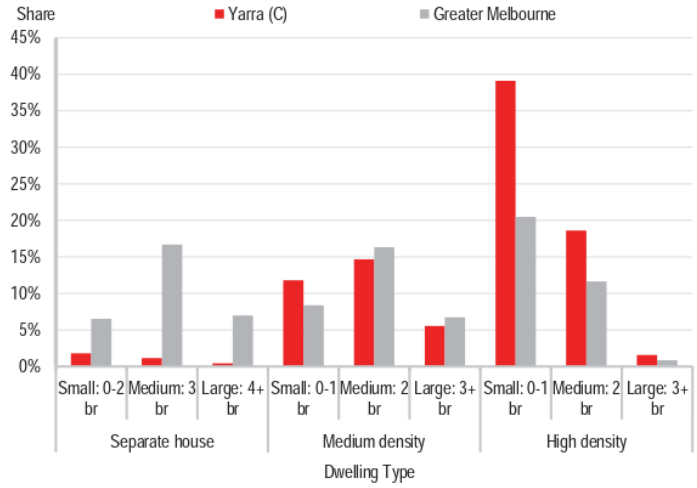
Figure 34: Young lone person households, by dwelling type – 2006-2016



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

Compared to Greater Melbourne, young lone persons in the City of Yarra are far more likely to live in medium and high density dwellings (Figure 35). This is consistent with lower average density of dwellings across Greater Melbourne.

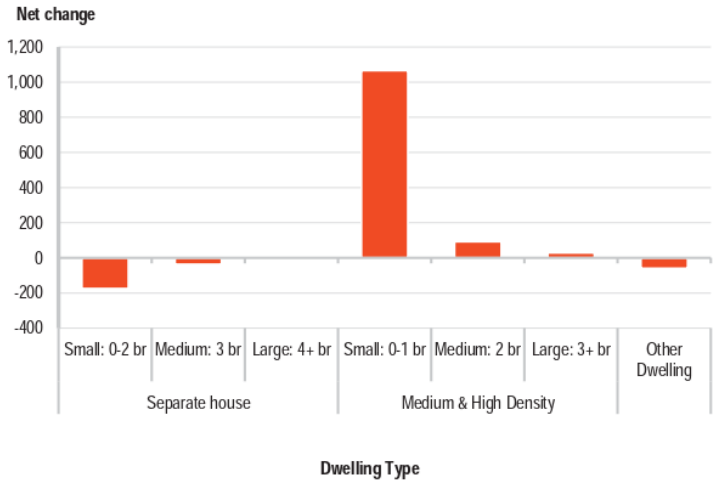
Figure 35: Young lone person households, by dwelling type (%) – 2016



Source: ABS, Census of Population and Housing (2016)

As shown in Figure 36, between 2006 and 2016, the number of *young lone person households* was stable in almost all dwelling types. However, there was a significant increase in this household type living in one bedroom medium or high density dwellings.

Figure 36: Net change in young lone person households, by dwelling type – 2006-2016



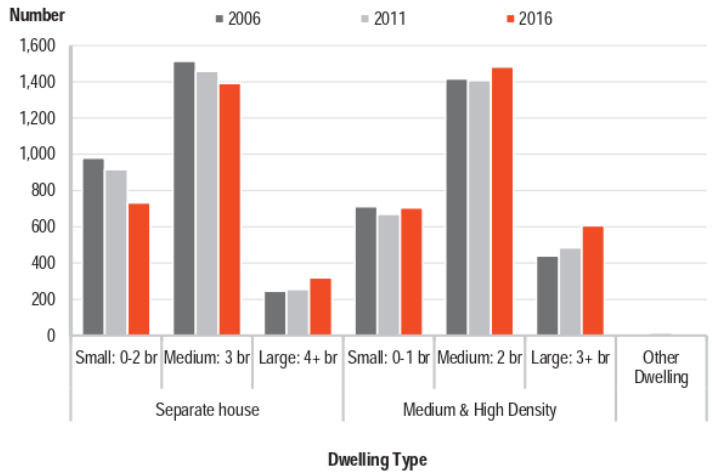
Source: ABS, Census of Population and Housing (2006 and 2016)

6.5 Older lone person households

The number and proportion of persons aged 65 years and over in the City of Yarra increased between 2006 and 2016. Older lone persons are one of the emerging household types in Yarra, comprising 7.3% of total households. This household type is generally concentrated in Fitzroy North and Carlton North.

The housing profile for older lone person households shows a higher likelihood to live in separate dwellings in comparison to all other household types in Yarra (Figure 37). However, between 2006 and 2016 the largest increase for this household type was medium and high-density dwellings with two bedrooms.

Figure 37: Older lone person households, by dwelling type – 2006-2016

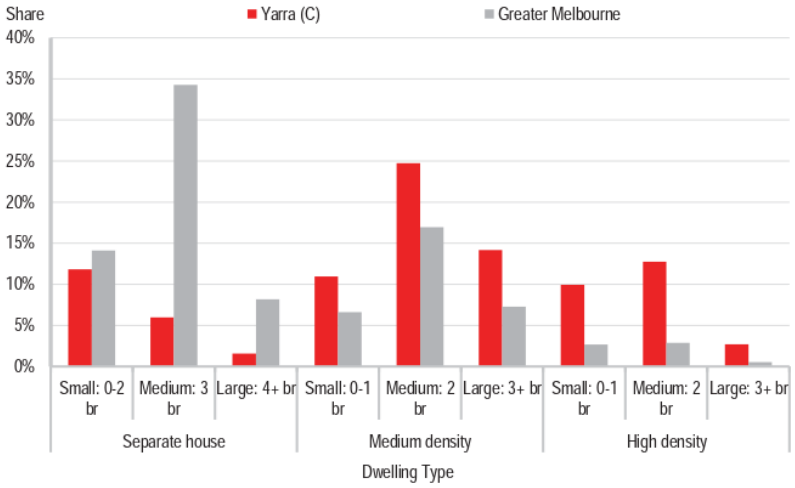


Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

As shown in Figure 38, *older lone persons households* in the City of Yarra showed a far greater propensity to live in medium and higher density dwellings, compared to the Greater Melbourne average.

Additionally, the most common types of dwelling for *older lone person households* are two bedroom medium density dwellings (24.7%), closely followed by those with three bedrooms (14.2%). This trend was consistent throughout most of Yarra. Bucking this trend however, were Collingwood and Fitzroy North, both notable for their number of old lone persons in separate houses of 0-2 bedrooms.

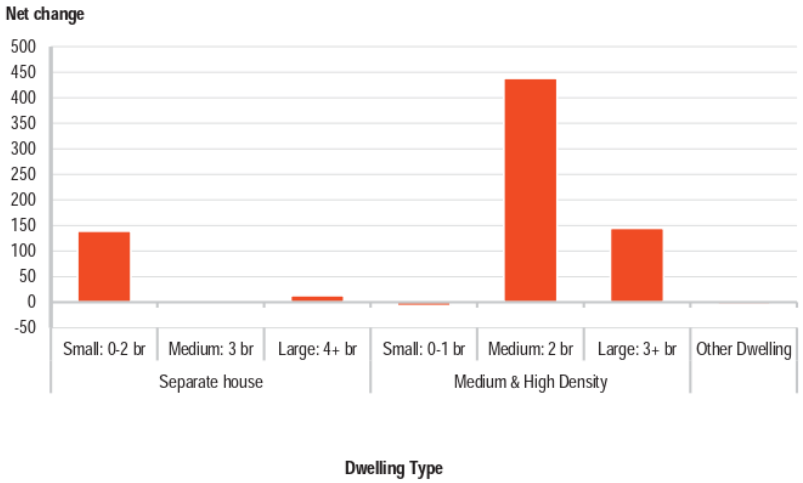
Figure 38: Older lone person households, by dwelling type (%) – 2016



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

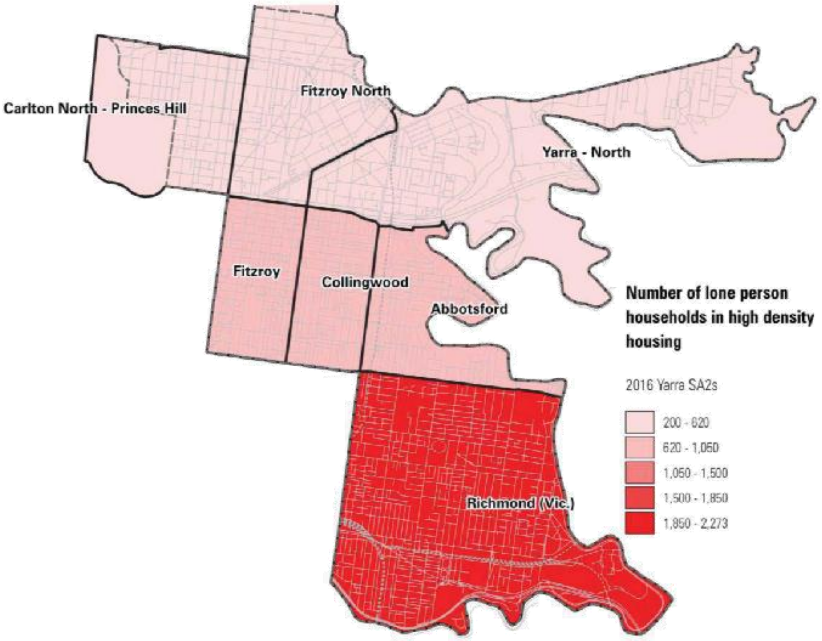
Between 2006 and 2016, there was an increase in the number of ***older lone person households*** living in medium and high density dwellings, mainly as a result of ageing in place – these households were also consuming this type of dwelling as a middle aged lone person or couple with or without children (Figure 39).

Figure 39: Net change in older lone person households, by dwelling type – 2006-2016



Source: ABS, Census of Population and Housing (2006 and 2016)

Figure 40: Lone person households in high density dwellings – 2016

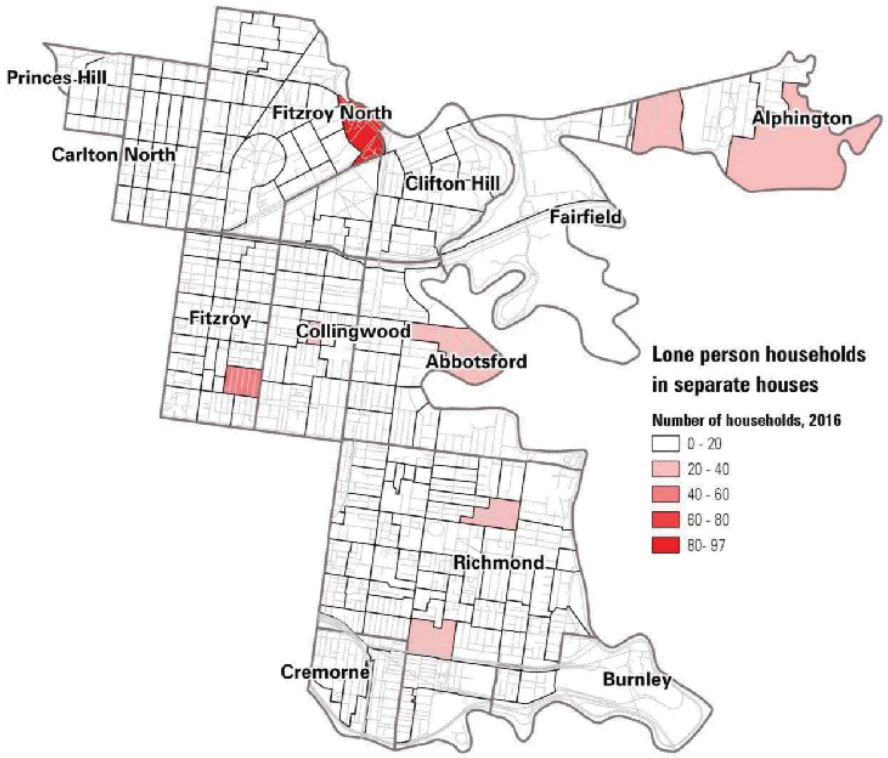


Source: ABS, Census of Population and Housing (2016)

The map above shows the number of lone person households in the SA2s of Yarra at 2016. The Richmond SA2 had the highest number of couple with children households in high density with 2,273, almost triple the number in Collingwood. Yarra – North SA2 had the lowest number at 207.

Figure 41 shows the number of lone person households in separate houses by SA1. The overwhelming majority of SA1s have fewer than 20 households in this category. The largest concentrations of lone person households in separate houses are found in a range of areas in Alphington, Richmond and Abbotsford. The largest numbers are in the Old Colonists' Association estate in Fitzroy North.

Figure 41: Lone person households in separate houses – 2016



Source: ABS, Census of Population and Housing (2016)

7. Who is in housing stress in Yarra and where are they located?

7.1 Housing stress – NATSEM definition

This section of the report provides a brief overview of the levels of housing stress and marginal housing stress present in Yarra and Greater Melbourne at the 2016 Census.

The National Centre for Social and Economic Modelling (NATSEM) identifies housing stress as low income (bottom 40%) households spending over 30% of their income on housing costs (mortgage repayments or rental). Marginal housing stress is defined as middle income (40%-60%) households spending over 30% of their income on housing.

Tables 6, 7 and 8 show the number and percentage of households in housing stress, for total households, households with a mortgage and households that are renting.

Overall, 3,872 (9.7%) Yarra households were in housing stress in 2016 according to the NATSEM definition. This is an increase from 8.8% of households in 2011. However, 3,505 (17.5%) of renting households were in housing stress compared with only 371 (4.6%) of households with a mortgage. While rental stress increased from the 2011 rate of 15.9%, mortgage stress decreased from 4.9%.

Housing stress was generally highest in areas with the highest levels of social housing such as Collingwood, Fitzroy and North Richmond. It is difficult to draw many conclusions from the proportion of households with a mortgage in housing stress given the relatively low numbers. In terms of larger benchmark areas, Yarra had fewer households proportionally in housing stress than Greater Melbourne.

Table 6: Households in housing stress – 2016

Area	Number	Total households	Percent %
Abbotsford	381	3,952	9.6
Central Richmond	355	6,200	5.7
Clifton Hill	155	2,631	5.9
Collingwood	596	4,273	13.9
Cremorne and Burnley - Richmond South	114	2,143	5.3
Fairfield - Alphington	70	1,047	6.7
Fitzroy	611	4,729	12.9
Fitzroy North	440	5,177	8.5
Carlton North - Princes Hill	325	3,681	8.8
North Richmond	839	6,261	13.4
City of Yarra	**3,872**	**39,867**	**9.7**
Greater Melbourne	195,262	1,664,540	11.7

Source: ABS, Census of Population and Housing (2016)

Table 7: Households with a mortgage in housing stress – 2016 (based on ABS State suburbs)

Area	Number	Total households with a mortgage	Percent %
Abbotsford (Vic.)	50	850	5.9
Burnley	3	88	3.4
Carlton North	15	464	3.2
Cremorne (Vic.)	13	258	5.0
Clifton Hill	25	728	3.4
Collingwood (Vic.)	37	747	5.0
Fitzroy (Vic.)	44	731	6.0
Fitzroy North	53	1,144	4.6
Princes Hill	10	135	7.4
Richmond (Vic.)	111	2,667	4.2
City of Yarra	**371**	**8,142**	**4.6**
Greater Melbourne	63,826	570,250	11.2

Source: ABS, Census of Population and Housing (2016) – based on ABS State Suburb geography due to randomisation at SA1

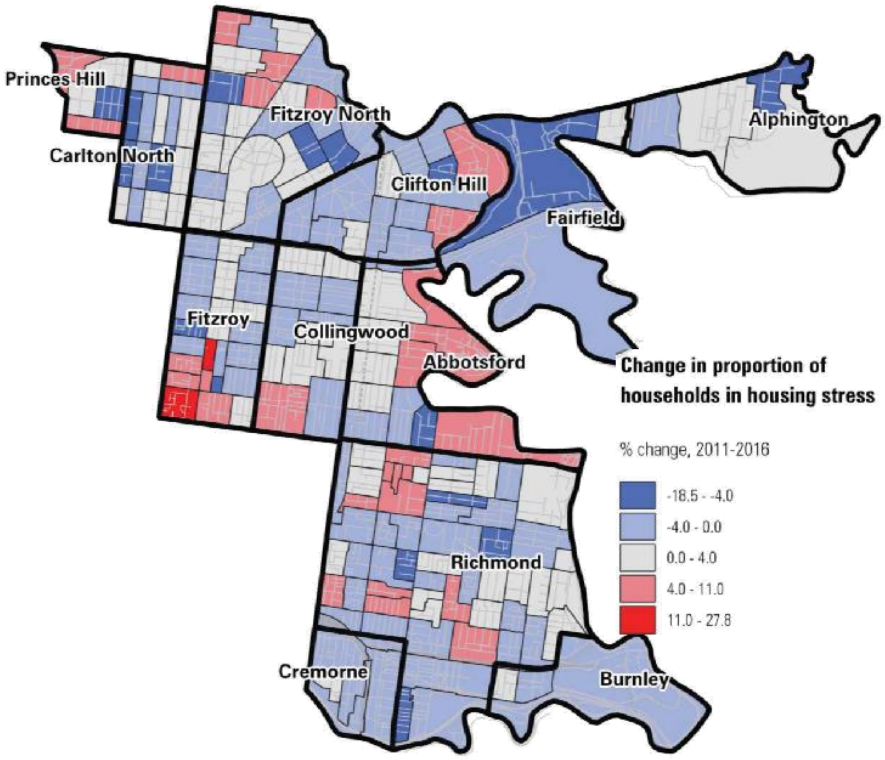
Table 8: Households renting in housing stress – 2016

Area	Number	Total renting households	Percent %
Abbotsford	303	2,107	14.4
Central Richmond	279	2,894	9.6
Clifton Hill	105	959	10.9
Collingwood	530	2,499	21.2
Cremorne and Burnley - Richmond South	70	876	8.0
Fairfield - Alphington	56	366	15.3
Fitzroy	562	2,557	22.0
Fitzroy North	364	2,389	15.2
Carlton North - Princes Hill	285	1,706	16.7
North Richmond	723	3,657	19.8
City of Yarra	**3,505**	**20,042**	**17.5**
Greater Melbourne	131,431	479,160	27.4

Source: ABS, Census of Population and Housing (2016)

In Figure 42, the change in the number of households in housing stress between 2011 and 2016 is shown at SA1 level. Many areas declined in the proportion of households in household stress, particularly in North Richmond, Clifton Hill and Carlton North. Increases in the proportion of households in housing stress were noticeable in a wide range of areas including the social housing areas of Fitzroy and North Richmond, and areas in Abbotsford that have added a significant number of new apartments in recent years.

Figure 42: Change in the proportion of households in housing stress by SA1 – 2011-2016



Source: ABS, Census of Population and Housing (2011 and 2016)

An alternative measure of housing affordability is that used by the Victorian State Government based on median income for capital city and regional section of state. This has four bands of household income – Very Low (less than 50% of median), Low (50-80% of median), Moderate (80-120% of median) and High (above 120% of median). The median in the case of Yarra are based on Greater Melbourne.

7.2 Housing stress – Victorian Government definition

Tables 9 and 10 show the proportion of households spending more than 30% of their income on housing by household income bands. In 2016, 15.2% of all households in Yarra spent more than 30% of their income on mortgage or rental costs. The figure for renters is 25.9% while for those with a mortgage it is 11.5%. In general, Yarra had lower proportions of households paying more than 30% of their income on housing compared to Greater Melbourne, particularly renters. However, households on moderate incomes in Yarra appeared to be experiencing greater financial hardship than Greater Melbourne overall.

Of the approximately 6,000 households paying more than 30% of income, 3,000 were renting households on very low income. This is a significant finding, suggesting that there is considerable unmet need for affordable housing in Yarra.

Table 9: Yarra and Greater Melbourne households spending more than 30% of income on housing by income group – 2016

	Mortgage		Renting		Total	
Income level	Yarra	Greater Melbourne	Yarra	Greater Melbourne	Yarra	Greater Melbourne
Very low	58.9%	67.3%	69.7%	82.7%	45.5%	37.7%
Low	52.4%	53.7%	58.1%	58.9%	39.8%	34.8%
Moderate	33.8%	28.2%	27.8%	15.1%	22.6%	16.0%
Total	**11.5%**	**17.3%**	**25.9%**	**34.5%**	**15.2%**	**17.2%**

Source: ABS, Census of Population and Housing (2016)

Table 10: Yarra households spending more than 30% of income on housing by income group – 2016

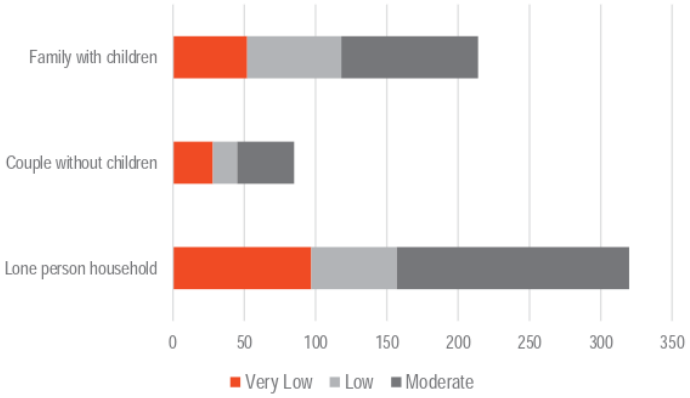
Income level	Mortgage	Renting	Total
Very low	272	3,024	**3,296**
Low	268	1,229	**1,497**
Moderate	400	872	**1,272**
Total	**940**	**5,125**	**6,065**

Source: ABS, Census of Population and Housing (2016)

In Yarra, particular household types are more susceptible to housing stress. Lone person households in the area are more likely to be in housing stress, with 23.1% of this household type in stress. This is compared with 13.1% of family households, and 6.6% of couple only households.

When looking at households with a mortgage, the most prominent household type is lone persons, especially those on moderate incomes. This is generally due to the lower household incomes of lone person households. There is also a small number of family households in mortgage stress, again mainly in the moderate income band.

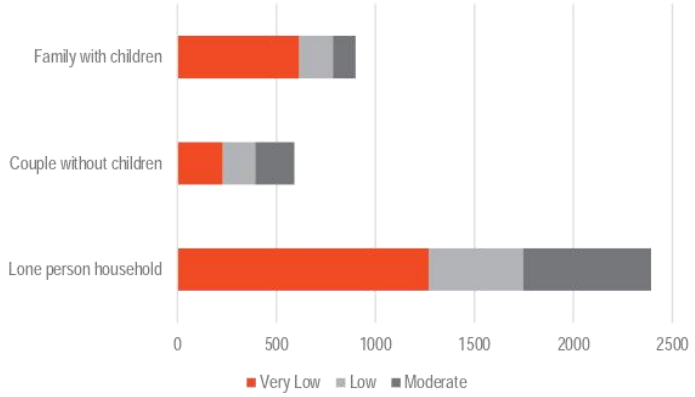
Figure 43: Number of households in mortgage stress by household type – 2016



Source: ABS, Census of Population and Housing (2016)

As stated in the analysis above, a larger number of households are affected by rental stress in Yarra. The majority of these households are lone persons, especially those on very low incomes. A significant number of lone persons on low and moderate incomes also experience rental stress. For couple only and family households, rental stress is felt most by those with very low incomes.

Figure 44: Number of households in rental stress by household type – 2016



Source: ABS, Census of Population and Housing (2016)

7.3 Housing need

In this report affordable housing need is defined as:

"the aggregate of households unable to access market provided housing or requiring some form of housing assistance in the private rental market to avoid a position of rental stress" (AHURI, Modelling housing need in Australia to 2025)

Housing need is estimated for the following groups in Yarra:

- Homeless
- Marginally housed
- Very low, low and moderate income households in rental stress
- Households in social housing.

Unmet need is based on the groups above, and excludes households in social housing as their need is met[1].

[1] Please note, while rental stress data does not include those who have reported their tenure as 'social housing', it may include some households that live in social housing, but incorrectly reported their tenure on Census night

The most severe form of housing stress is homelessness, which is the inability to maintain an adequate standard of shelter for day-to-day life. It is not just the visible homelessness of people sleeping rough, but includes people staying temporarily with friends and relatives, in shelters and refuges, as well as marginally housed people.

In 2016, the ABS estimated a total of 1,008 homeless or marginally housed persons in Yarra, a small decrease from 1,068 people in 2011. The largest homeless group in Yarra is persons living in over crowded dwellings, followed by persons in boarding houses.

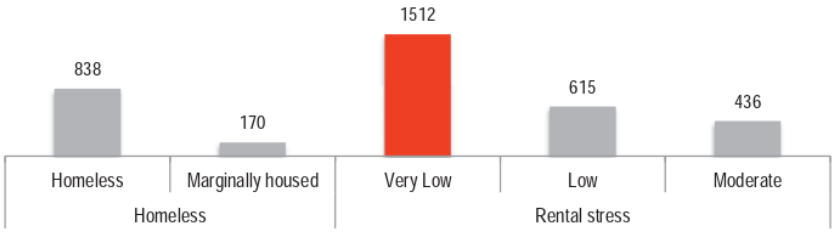
In some cases, rental stress is only a temporary state. For example, some households within housing stress may have temporarily lower incomes due to short-term unemployment or on parental leave or may be looking to move into a more affordable house after a break up or separation. Many of these households may exit housing stress once they return to work or move house. The latest HILDA report examined persistence of housing stress from one year to the next. The research found that in the 2013 to 2016 period, 49.2% of those in housing stress in year one were also in housing stress in the next year[2].

To estimate housing need, it is assumed that 50% of rental stress is households in temporary stress. Based on these assumptions, it is estimated that around 2,563 households in rental stress needed affordable housing opportunities in 2016.

Based on this housing need model for 2016, it is estimated that around 3,571 households have an unmet need for affordable housing in Yarra. This represents around 9% of all households. The group with the largest unmet need are households in rental stress on very low incomes.

[2] Wilkins, Roger and Inga Lass (2018) The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16. Melbourne Institute: Applied Economic & Social Research, University of Melbourne.

Figure 45: Total unmet affordable housing need – 2016

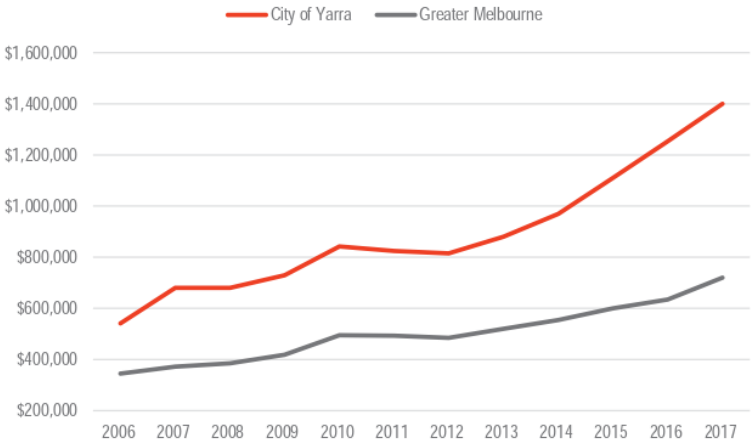


Source: ABS, Census of Population and Housing (2016)

7.4 Housing affordability

Housing costs in the City of Yarra are increasing. Median house sale prices have risen sharply over the past decade. In 2006, the cost of a house in Yarra was around $540,000, considerably higher than the metropolitan median house price. In 2016, the median house price was $1.25 million; growing by 130% since 2006, and now cost around double the metropolitan median house price ($635,000 in 2016, $345,000 in 2006).

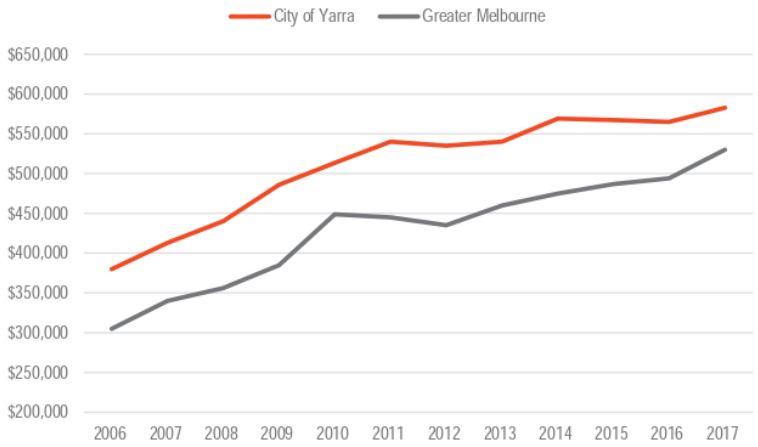
Figure 46: Purchase costs – Houses



Source: Victoria Valuer General (2018)

The purchase price of medium and high density dwellings also experienced strong growth over the past decade, increasing by 48% since 2006. The gap in prices between Yarra and Greater Melbourne has narrowed in recent times.

Figure 47: Purchase costs – Medium and high-density dwellings



Source: Victoria Valuer General (2018)

Income levels in Yarra have not kept up with growth in house costs over the past decade, however have grown faster than unit costs. Figure 48 below highlights that housing affordability has emerged as a pressing issue in Yarra. While income growth has outstripped that of unit prices, 63.0% compared with 48.7%, house prices have experienced a significantly greater change (131.6%). However, rising housing costs in Yarra have attracted higher income residents. When comparing the increase in housing costs in Yarra compared to the income growth across Greater Melbourne, it shows that the growth in housing costs, including units, has been more significant than that of incomes.

City of Yarra – housing.id

Figure 48: Income growth and housing cost growth - % change 2006-2016, City of Yarra

8. Is housing affordable for key workers?

8.1 Key worker definition

AHURI provide a useful definition to describe key workers:

"Basically these are lower paid workers in occupations considered important to the proper functioning of the city, particularly those in lower paid service occupations, although not exclusively so, whose jobs are in areas of high housing costs." *(Yates, Randolph, Holloway, Murray (2005), Housing affordability, occupation and location in Australian cities and regions)*

A Queensland Department of Housing report suggests:

"The term broadly implies occupations necessary to the efficient functioning of a community particularly service industries." *(Queensland DoH, 2003)*

BankWest's *Key Worker Housing Affordability Report* defines key workers as Nurses, Teachers, Police Officers, Fire Fighters and Ambulance Offices.

For the purpose of this report, key workers have been defined based on traditional key worker occupations identified in BankWest as well as a selection of occupations specific to the role and function of the Yarra economy. The definition is based on the detailed occupation categories defined by the ABS (ANZSCO Major Group 3).

Traditional occupations defined as key workers:

- School Teachers
- Midwifery and Nursing Professionals
- Defence Force Members, Fire Fighters and Police
- Health and Welfare Support Workers (includes ambulance officers and paramedics)

Additional key worker occupations based on the role and function of the Yarra economy:

- Hospitality Workers (to support amenity required for business attraction)
- Child Carers (to support participation rates)
- Cleaners and Laundry Workers (to support operations of the hospital cluster)
- Automobile, Bus and Rail Drivers (to help access to jobs)

8.2 Key worker housing affordability background

This section will look at actual housing sale prices and advertised rentals, compared to median income for selected key worker types for jobs located in the City of Yarra. It assesses the proportion of dwelling stock which would be affordable (to buy or rent) based on classifications of household income. This will provide an assessment of how affordable housing in Yarra is for key workers whose jobs are located in Yarra.

To undertake this assessment dwelling sales and rental data for the City of Yarra was assessed for both 2012 and 2017. This information was compared with household income information for jobs in Yarra in 2016 as well as incomes by a selection of key worker occupations. It should be noted that there are complexities in comparing income as declared in the Census with dwelling prices. The major challenge is that the Census captures individual and household income in the week of the Census, but does not capture any information about household wealth. It is wealth in terms of assets, investments and for most households the value of the equity in their current property that determine their ability to afford a given dwelling. An assessment of affordability is most useful in showing affordability of first home buyers and their ability to enter the market.

Table 11 shows the calculation of incomes for key worker households whose key worker jobs are located in the City of Yarra. This table assumes that the key worker is earning 50% of their household's income. This proportion will vary depending on household type (more for lone persons, less for group and older family households) but 50% is used a general guide. Incomes are indexed to 2017 levels to enable direct comparison with house and unit price data.

Table13 reviews the proportion of key worker households that would be unable to afford a dwelling in the lower quartile of price for both purchase and rental of properties in Yarra. This information is shown for both 2012 and 2017 to enable change to be reviewed. Affordability in this sense is based on spending less than 30% of gross income on housing.

The ability to afford dwellings priced in the lower quartile has actually improved slightly from 2012 to 2017 (51% down to 49% unable to afford). This however masks significant affordability changes by tenure and dwelling type. In 2012, 65% of households found a house priced in the lowest quartile unaffordable. By 2017 this had ballooned to 84%. By contrast renting has become more affordable, with 35% finding private rent unaffordable in 2017 compared to 40% in 2012. These increases in rental affordability were higher in the

smaller 1 and 2 bedroom format. Of note also is the increase in affordability of units for purchase (44% to 39% unaffordable from 2012 to 2017). What these trends seem to show is that the large numbers of new higher density dwellings being constructed are having a positive impact on affordability. The supply of houses, which is generally stagnant, has experienced a dramatic decline in affordability.

Table 11: Incomes of key worker group occupations located in Yarra, 2017

Yarra jobs by category	Hospitality Workers	Cleaners and Laundry Workers	Child Carers	Clerical and Office Support Workers	Automobile, Bus and Rail Drivers	Health and Welfare Support Workers	School Teachers	Midwifery and Nursing Professionals	Defence Force Members, Fire Fighters and Police
2016 Median Weekly Income	*$482.02*	*$617.89*	*$673.68*	*$731.75*	*$809.26*	*$1,008.00*	*$1,164.32*	*$1,226.74*	*$1,732.76*
Double Income	$964.05	$1,235.77	$1,347.36	$1,463.50	$1,618.51	$2,015.99	$2,328.64	$2,453.47	$3,465.52
Double Income adjusted to 2017	$988.15	$1,266.66	$1,381.04	$1,500.09	$1,658.97	$2,066.39	$2,386.85	$2,514.81	$3,552.16

Source: ABS, Census of Population and Housing (2016)

Table 12: Income required for accessing private market housing in the lower quartile (purchase and rental) – 2012 and 2017

Income required to access private market housing	2012					2017				
	Lower quartile	Loan amount	Annual cost	Income required	% of households unable to afford	Lower quartile	Loan amount	Annual cost	Income required	% of households unable to afford
Market purchase	**$495,000**	**$415,816**	**$27,794**	**$92,646**	**51%**	**$531,000**	**$446,344**	**$29,834**	**$99,448**	**48%**
House	$692,375	$583,190	$38,982	$129,938	65%	$1,116,250	$942,636	$63,008	$210,025	84%
Unit	$410,000	$343,736	$22,976	$76,587	44%	$430,000	$360,696	$24,110	$80,365	39%
Private rent	**$390**	**-**	**$20,280**	**$67,600**	**40%**	**$410**	**-**	**$21,320**	**$71,067**	**35%**
1 bed	$290	-	$15,080	$50,267	30%	$330	-	$17,160	$57,200	28%
2 bed	$430	-	$22,360	$74,533	43%	$485	-	$25,220	$84,067	41%
3 bed	$521	-	$27,105	$90,350	50%	$624	-	$32,448	$108,160	51%
4+ bed	$600	-	$31,200	$104,000	56%	$680	-	$35,360	$117,867	54%

Source: Hometrack property sales and rental data 2012 and 2017; ABS, Census of Population and Housing (2016)

Of the key worker groups, hospitality workers receive the lowest income. This would be impacted by the casual and part time nature of jobs in this area. For these workers, only one house sale would have been affordable in 2017. There would have been 26 unit sales affordable. In general terms renting is more affordable, with 154 or 4.7% of rental unit listings affordable to hospitality workers. For cleaners and laundry workers, 22.8% of rental unit listings area are affordable. Defence force members, fire fighters and police earn the highest salaries. This occupation group can afford nearly all rentals – house and unit, as well as 14.59% of house sales.

For lone person households in key worker occupations, the results are stark. Only Defence force members, fire fighters and police could afford more than 1% of the houses and units on sale in 2017. For rentals the story is slightly better, with around 20% of rental units affordable to Midwifery and Nursing Professionals and over half affordable for lone person households working as Defence Force Members, Fire Fighters and Police in Yarra.

Attachment 3 - Report on Housing Demand and Affordability - March 2019

Table 13: Number and proportion of affordable dwellings for Yarra key worker groups, 2017

Yarra jobs by category	Hospitality Workers	Cleaners and Laundry Workers	Child Carers	Clerical and Office Support Workers	Automobile, Bus and Rail Drivers	Health and Welfare Support Workers	School Teachers	Midwifery and Nursing Professionals	Defence Force Members, Fire Fighters and Police
2016 Median Weekly Income	*$482.02*	*$617.89*	*$673.68*	*$731.75*	*$809.26*	*$1,008.00*	*$1,164.32*	*$1,226.74*	*$1,732.76*
Double Income	$964.05	$1,235.77	$1,347.36	$1,463.50	$1,618.51	$2,015.99	$2,328.64	$2,453.47	$3,465.52
Double Income adjusted to 2017	$988.15	$1,266.66	$1,381.04	$1,500.09	$1,658.97	$2,066.39	$2,386.85	$2,514.81	$3,552.16
30% of income	$296.45	$380.00	$414.31	$450.03	$497.69	$619.92	$716.06	$754.44	$1,065.65
No. of 2017 house sales affordable	1	3	4	5	10	13	19	25	117
% of 2017 house sales affordable	0.12%	0.37%	0.50%	0.62%	1.25%	1.62%	2.37%	3.12%	14.59%
No. of 2017 unit sales affordable	26	106	173	226	325	512	688	721	896
% of 2017 unit sales affordable	2.5%	10.2%	16.7%	21.8%	31.4%	49.5%	66.5%	69.7%	86.6%
No. of 2017 affordable rental house listings	5	14	40	99	197	765	1,247	1,394	1,803
% of 2017 affordable rental house listings	0.3%	0.7%	2.1%	5.2%	10.4%	40.3%	65.7%	73.4%	94.9%
No. of 2017 affordable rental unit listings	154	743	1,256	1,702	1,982	2,814	3,064	3,110	3,233
% of 2017 affordable rental unit listings	4.7%	22.8%	38.6%	52.2%	60.8%	86.4%	94.0%	95.5%	99.2%

Source: Hometrack property sales and rental data 2012 and 2017; ABS, Census of Population and Housing (2016)

By way of context, the table below shows both the number of key worker jobs located in Yarra for 2006, 2011 and 2016 as well as the number of Yarra residents employed in key worker jobs. A rough comparison of the two, shows that over time there are proportionally fewer Yarra residents working in many of these occupations compared to the number of jobs of these occupations available locally. For example in 2006 there were similar numbers of local workers and jobs in hospitality. By 2016, there were significantly fewer local workers than jobs in this occupation.

Table 14: Number of Yarra key worker occupations, jobs located in Yarra and jobs held by Yarra residents 2006, 2011 and 2016

Jobs in Yarra/Yarra residents occupations	Hospitality Workers	Cleaners and Laundry Workers	Child Carers	Clerical and Office Support Workers	Automobile, Bus and Rail Drivers	Health and Welfare Support Workers	School Teachers	Midwifery and Nursing Professionals	Defence Force Members, Fire Fighters and Police
Jobs of these occupations located in Yarra (2006)	1,293	729	377	599	318	568	830	2,661	267
Yarra residents working in these occupations (2006)	1,318	404	226	303	103	409	1,164	835	125
Jobs of these occupations located in Yarra (2011)	1,598	648	460	658	350	781	880	3,055	320
Yarra residents working in these occupations (2011)	1,478	401	287	265	88	395	1,283	877	132
Jobs of these occupations located in Yarra (2016)	2,502	1,021	685	650	682	981	1,291	3,403	279
Yarra residents working in these occupations (2016)	1,991	439	335	216	108	497	1,556	1,030	144

Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

8.3 Key worker housing affordability implications

The recent growth in house prices may be seen as a warning sign for the Yarra economy. Escalating house and rental prices have the potential to push key workers further away. This risk is even greater for key workers who already have lower incomes and face lower income growth. Without an adequate level of key worker labour supply that can afford to live close to work:

- local industry will face additional costs and have impacts on competitiveness (e.g. job retention, recruitment costs, etc);
- workers will face additional costs in the form of transport or housing, resulting in a fall is disposable income; and
- workers may change their place of work to be closer to home, further reducing the labour force pool available.

The rise of urban infill development is being driven in part by the highly skilled economy. The concentration of highly skilled jobs in inner Melbourne has increased demand for local housing. But this changing employment and housing choice comes at a cost, with a premium now placed on housing near these large employment clusters.

Urban renewal will play an important role in creating the opportunity to work and live locally and maximise the potential benefits from economies of agglomeration (i.e. from increasing labour force catchments). More affordable housing through urban renewal will be critical in opening up opportunities for key workers to live closer to work.

Public transport connections will also play an important role in reducing overall living costs and increasing the labour force pool available.

9. Conclusion

The City of Yarra has experienced considerable population and dwelling growth in the period 2006 to 2016. This growth has been a feature of inner Melbourne, and has been particularly concentrated in areas with obsolete industrial and manufacturing precincts as well as the central city area. This growth has been driven by two major factors – the large increase in net overseas migration to Australia overall and to Victoria's share, and the increase in jobs in Melbourne's inner city. The impact of population growth in the form of congestion has added another impetus for the desire to live closer to work and study.

While population growth has been fastest in the young adult age groups of 25-39, there has also been notable growth in the older adult age groups. Yarra has attracted significant population from interstate as well as overseas, housing many arrivals seeking to be close to inner city jobs, education and entertainment. While lone person and couple without children households still dominate Yarra, there has been a noticeable increase in couples with young children. These trends are at odds with the predominance of smaller dwelling stock that has been added over the last ten years.

Housing affordability is an issue across metropolitan Australia. While overall affordability appears to have improved slightly in Yarra between 2012 and 2017, this masks the enormous increase in house prices and the consequent decrease in affordability of purchasing separate houses. In better news the large increases in new medium and higher density stock appear to have had a positive impact on affordability of purchasing these types of housing.

Demand for new housing in Yarra is expected to continue for the foreseeable future. If current trends continue, there will be challenges in ensuring new housing matches the key requirements for the emerging household types in an affordable manner. The ability to provide appropriate and affordable housing will have a key impact on social and economic outcomes for Yarra. Both state and local government will have a role to play in encouraging the provision of appropriate housing.

10. Glossary

Apartment – A dwelling, usually part of a multi storey building. These dwellings usually do not have private grounds and usually share a common entrance foyer or stairwell.

Couple family without children – A household consisting of a couple by marriage or defacto relationship (including same-sex) who have no children present in the household.

Couple family with children - A household consisting of a couple by marriage or defacto relationship (including same-sex) with children present in the household.

Family – Two or more people living in the same household, related by either a parent-child or couple relationship (either registered or defacto, and including same-sex couples). A family need not include children.

Flat – A dwelling, usually part of a multi storey building. These dwellings usually share a common entrance foyer or stairwell. Flats are similar to apartments but usually refer to buildings constructed between the 1930s and 1970s, generally between two and four storeys.

High Density Dwellings (using Census data) – Flats, units or apartments, generally without their own grounds, in a 3 or more storey block. Note that this definition is NOT based on the number of dwellings per hectare, as this is not available from Census. However high density housing is typically in the range of 50+ dwellings per hectare.

Household – A group of people living in the same dwelling, who generally make shared provision for food and other essentials.

Lone person household – A household with only one person usually resident.

Infill development – Dispersed housing redevelopment on existing sites in residential areas, usually currently containing older dwellings.

IMAP Region – the Inner Melbourne Action Plan area comprises the LGAs of Yarra, Melbourne, Port Phillip, Stonnington and Maribyrnong.

Major sites – Sites identified by Council or through the Urban Development Program as large redevelopment areas for future growth.

Maturing couple family with children – Couple family with children aged both under and over 15.

Maturing couple family without children – A couple family without children, where the household reference person is aged 45-64 inclusive.

Maturing (or middle-aged) lone person household – A household with only one person usually resident, who is aged between 45 and 64 inclusive.

Melbourne Greater Capital City Statistical Area – this is a spatial unit introduced by the ABS in 2011. It covers the Melbourne metropolitan area but also includes outlying towns such as Bacchus Marsh, Macedon, Lancefield, Wallan and Kinglake.

Middle-aged lone person household – See Maturing Lone Person Household.
Medium Density Dwellings (using Census data) – Semi-detached, terraces and villa units, with their own grounds but attached to another dwelling on at least one side, as well as flats or apartments without their own grounds, in 1 or 2 storey blocks. Note that this definition is NOT based on the number of dwellings per hectare, as this is not available from Census. However medium density housing is typically in the range of 25 to 50 dwellings per hectare.
Net migration – The difference between the number of people living in an area who lived elsewhere 5 years before, and the number who lived in the area 5 years before and now live elsewhere.
Older couple family with children – Couple family with children over 15 only.
Older couple family without children – A couple family without children, where the household reference person is aged 65+.
Older lone person household – A household with only one person usually resident, who is aged 65 or over.
Separate Houses – Houses on their own block, separated on all sides from other dwellings by at least 50cm. Commonly called detached dwellings.
Townhouse – An attached or semi-detached dwelling, usually of two storeys, with small amounts of private open space and a separate entrance. These dwellings often replace lower density single dwellings on larger suburban allotments.
Units – A dwelling, usually of one storey, with small amounts of private open space and a separate entrance. These dwellings often replace lower density single dwellings on larger suburban allotments. The term usually applies to dwellings constructed in the 1960s and 1970s.
Young couple family with children – Couple family with children under 15 only
Young couple family without children – A couple family without children, where the household reference person is aged 15-44 inclusive.
Young lone person household – A household with only one person usually resident, who is aged between 15 and 44 inclusive.

Attachment 4 - Housing Needs in the City of Yarra - Consultation with Community Housing Organisations - 2019

APRIL 11, 2019

Housing Needs in the City of Yarra:

Consultation Report with Community Housing Organisations

Beverley Kliger & associates

Attachment 4 - Housing Needs in the City of Yarra - Consultation with Community Housing Organisations - 2019

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List of Acronyms and Abbreviations

AIHW	Australian Institute of Health and Welfare
Council	Yarra City Council
CRA	Commonwealth Rent Assistance
DHHS	Department of Health and Human Services
VHR	Victorian Housing Register
Yarra	The municipality of Yarra

Beverley Kliger & associates

April 2019

Attachment 4 - Housing Needs in the City of Yarra - Consultation with Community Housing Organisations - 2019

Introduction

Beverley Kliger and Associates was contracted by the City of Yarra to conduct in-depth interviews during March 2019 with five key housing agencies to obtain information and data on:

- local housing needs
- unmet needs
- the experiences and role of community housing organisations.

The interviewees were provided confidentiality and as such the material provided in this summary does not cite individual sources of the information or the quotes. Please note quotes are *italicised*.

The time that the community housing representatives provided for the interviews is greatly appreciated.

This report summarises the information and data gathered during the interview process regarding local housing needs, and the role of community housing organisations. It also sets out community housing organisations experiences and perspectives regarding the role of the Yarra City Council (Council).

It is intended that this information will supplement the work Council has undertaken with regard to social and affordable housing needs.

Context

The report commences with a context section setting out an overview of:

- the difference between affordable and social housing;
- the role of community housing organisations; and a
- needs analysis.

This overview establishes a benchmark for understanding the summary of discussions held with community housing organisation representatives on housing needs in relation to social and affordable housing.

Affordable and Social Housing

Affordable housing is the outcome of complex interactions between household income, the costs of maintaining a reasonable standard of living, and the costs of adequate, appropriate and secure housing. As such, the problem of housing affordability can be due to low household income and/or high housing costs. Lack of affordable housing is a significant issue across Victoria.

The Victorian government provides the policy and legislative framework within which community housing organisations operate. *Plan Melbourne 2017-2050* is the Victorian Government's long-term planning strategy, guiding the way the city will grow and change to 2050.

Plan Melbourne defines affordable and social housing as:

Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households, and priced (whether mortgage repayments or rent) so these households can meet their other living costs.

Social housing is a type of rental housing that is provided and/or managed by the government (public housing), or by a not-for-profit organisation, (community housing). Social housing is an overarching term that covers both public housing and community housing.[1]

[1] Plan Melbourne 2017-2050, Strategy

Social housing provides rental housing in perpetuity to low household income groups. In the City of Yarra, social housing is provided as:

Public housing **–** provided, owned and managed by the Department of Health and Human Services (DHHS), Victorian Government. DHHS charges rent at 25% of gross household income.

Community housing **–** provided, owned and/or managed by community housing organisations. There are two types of community housing organisations in Victoria, referred to as Registered Housing Agencies:

- ***Registered Housing Associations*** develop, own and manage housing. Whilst housing providers generally focus on management of social housing, some are also developers and owners of affordable housing. Some community housing developed by housing associations and providers can be developed independently of government. Housing associations charge rents at 25% of gross household income for DHHS-owned housing they manage. At the same time, they can charge rents of up to 30% of income (or 75% of market rent) for housing they own. Registered housing associations can house people with incomes up to 65% higher than incomes of people living in public housing.

- ***Registered Housing Providers*** tend to be smaller than Registered Housing Associations. They can charge rents of up to 25% of gross household income for DHHS-owned housing they manage and can charge rents up to 30% of gross household income for housing they own.

There are five community housing organisations that currently, or in the future will, provide affordable housing in Yarra. These five community housing organisations are all Registered Housing Associations and have all been interviewed for this report.

The Victorian Government has a substantial policy and program focused on stimulating the growth of affordable and social housing. By defining and setting affordable housing income levels, in the *Planning and Environment Act 1987*[2], for very low, low and moderate-income households, the

[2] Section 3AB *Planning and Environment Act 1987*. Victorian Government Gazette No. S 256 Friday 1 June 2018.

government has established the benchmark for assessment of housing needs. The Victorian Government definitions of these incomes is set out in Table 1 below, which indicates the households whose income falls within the affordable housing income ranges.

Table 1: 2018 Affordable Housing Income Levels for Greater Capital City Statistical Area of Melbourne

Household	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to $25,220	$25,221 to $40,340	$40,341 to $60,510
Couple, no dependants	Up to $37,820	$37,821 to $60,520	$60,521 to $90,770
Family (with one or two parents) and dependent children	Up to $52,940	$52,941 to $84,720	$84,721 to $127,080

Source: Planning and Environment Act 1987, Section 3AB, Order in Council

The Victorian Government has also established guidelines for application of agreements reached with developers per Section173 of the *Planning and Environment Act 1987*. The State Government is delivering a key message that there is a role for collaboration between local government, the private sector and Registered Housing Agencies in creating affordable housing.

Moreover, the Commonwealth Government's new funding mechanisms for affordable housing, such as the bond aggregator, could act as a limited stimulus for growing effective partnerships between the housing development industry and community housing organisations.

Needs Analysis

Needs assessment, as a process of identifying and prioritising needs, is crucial for successful allocation of limited funds and land for the development of social and affordable dwellings in Yarra.

It is important to note the ambiguity in the use of the term 'need'. For example, when we say that 'public spending should be directed to those in most need', it has the effect of diminishing the scale of overall need, as those without most need are seen to be less deserving. For example, in Australia, where there is a relatively small proportion of social housing, 'most need' has come to be interpreted as households who not only have a housing problem, but overlay it with a range of

complex issues such as mental illness, addiction, family and domestic violence. This has meant eligibility access for housing allocation has been structured in such a way that households cannot access social housing if they only have a housing problem, such as a major affordability problem, overcrowding, poor quality housing, poor amenity, isolation, unsafe or insecure housing.

In principle there are three broad levels of housing need. The policy consequences are set out in Table 2 below.

Table 2: Level of Housing Need and Policy Implications

Level of Housing Need	Potential Income Levels	Social/Affordable housing Requirement
1. **Households unable to afford appropriate (secure and affordable) private rental or purchase who have no other housing or wellbeing issues and are ineligible for social housing.**	Moderate Income	Significant opportunity for affordable housing without support provision and with shallow subsidy, e.g. discounted market rent.
2. **Households with major affordability issues who may have other housing issues, (e.g. locational needs) but at a level which does not warrant *priority* access to social housing.**	Low to moderate income depending on circumstances	Major growth opportunity for social housing and/or affordable housing but without support. Moderate subsidy required.
3. **People who experience issues in 1 and 2 above and suffer wellbeing issues (such as domestic violence, disability) which warrant priority allocation.**	Very low to moderate income depending on circumstances	Conventional role of social housing but one which also requires support provision. Deep subsidy, e.g. land, capital and recurring costs required.

There are three ways to measure housing need and these are summarised below. A brief discussion of each measure is provided with an outline of the advantages and problems of employing each measure.

1. ***Objective need*** is established by 'experts' based on a standard criterion or measure, such as a poverty line, or an affordability measure.

2. ***Subjective need*** is expressed by clients based on their own perspective of need. This can be expressed through client surveys or by clients' actual application to a service. The problem is, clients may not be able to adequately identify their needs, as distinct from their wants. Moreover, client needs are often shaped by harsh day-to-day realities, including eligibility criteria for services or the stigma that attaches to a service.

3. ***Expressed need*** is used by economists. It equates with demand, expressed through the market (amount of goods or services which consumers are willing and able to pay for) or through waiting lists for public or community services.

    a. **For market expressed demand**, there is the dilemma of whether it genuinely represents a person's need, or whether it reflects the lack of alternative consumption possibilities such as, in the case of housing, affordable and available private rental housing. There is also a more fundamental problem. Market-based demand requires an income to express it, and therefore if demand is not expressed it is considered there is no need. This is a problem for social housing, as low income people do not have enough income to demand private rental hence the use of social housing waiting lists.

    b. **Waiting lists** as a measure of expressed need are also problematic. They tend to underestimate need, particularly for services where there may be a lack of awareness of a program. Thus, as Burke et al.[3] found, almost half of Commonwealth Rent Assistance recipients were not aware that they may be eligible for public housing, greatly understating actual rental need. The same study found that the stigma attached to public housing and the lack of locational choice, also deterred application.

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[3] Burke, T., Neske, C. and Ralston, L., 2005, *Which households eligible for public housing do not apply and why?*, AHURI Research and Policy Bulletin No. 62, Australian Housing and Urban Research Institute Limited, Melbourne, https://www.ahuri.edu.au/research/research-and-policy-bulletins/62

> Additionally, the wait time is so long, particularly for non-priority clients, that many households see no point in applying. Also, waiting lists are subject to changes in eligibility (tighter eligibility reduces the list) and culling, making it difficult to ascertain the real needs.

This study uses a mix of subjective and expressed need as the community housing organisation representatives referred to the applications to their service and observations of their tenants' needs.

Community Housing Organisations in Yarra

All five community housing organisations that currently provide community housing or are in the process of developing community housing in Yarra were interviewed for the project.

Community housing organisations are providers and managers of affordable, secure and appropriate housing and, where appropriate, associated support for people facing housing stress and at risk of homelessness. They have a unique insight into the need for housing both locally and regionally.

The community housing organisations and their representatives interviewed are set out below:

Common Equity Housing Ltd (CEHL), Nicola Foxworthy, Program Director

CEHL is a Registered Housing Association, a provider and developer of affordable housing. CEHL partners with independent co-operatives to provide the CEHL Housing Program. CEHL provides long-term tenancies with co-operative management of housing.

The co-ops manage their housing and member tenancies, while CEHL provide co-ops with technical expertise, program management, asset portfolio management and resourcing.

Target Group: moderate income earners

Community Housing Ltd (CHL), Shari McPhail, Victorian State Manager

CHL is a Registered Housing Association, a provider and developer of affordable housing. CHL provides rental housing at subsidised market rents or at a percentage of income, for low to moderate income households who are unable to secure long-term affordable housing or are disadvantaged by private rental market.

CHL is currently developing housing within the City of Yarra at the Alphington Paper Mill redevelopment.

Target Groups: Low to moderate income earners

Unison Housing, Ed Holmes, Chief Executive Officer

Unison Housing is a Registered Housing Association, a provider and developer of affordable housing. Unison provides social and affordable long-term rental accommodation for people who are on a low income and at risk of homelessness. Tenants can be employed or on Centrelink benefits. The properties range from rooming houses, to apartments, units and houses.

Unison Housing (formerly Yarra Community Housing) historically provided rooming house and studio apartment accommodation within the City of Yarra.

Target Group: (Homelessness) Very low income to low income earners

Housing Choices Australia Ltd, Roberta Buchanan, General Manager, Housing Services; **Ellie Francis Brophy,** Victorian State Manager

Housing Choices is a Registered Housing Association. Housing Choices provides long-term housing with a priority for people with a physical or mental disability.

Housing Choices aims to create safe, quality and affordable housing for people struggling to find a home in Australia's challenging private rental market; working with partners to create resilient and inclusive communities.

Target Group: Very low to moderate income earners with a focus on disability

Women's Housing Ltd (WHL), Judy Line, Chief Executive Officer; **Lindy Parker,** Operations Manager

WHL is a Registered Housing Association in Victoria. WHL provides low costs housing to women at risk of homelessness.

Target Groups: Very low and low income women, with a focus on women escaping domestic violence

Whilst the five community housing organisations operate across several municipalities the interviews concentrated on the issues confronting the community housing organisations and needs for affordable and social housing specifically within Yarra.

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Community Housing in the City of Yarra

Community Housing Stock and Expressed Need

A request for data on the current community housing stock led to information being provided by two of the three community housing organisations that currently have dwellings in Yarra. The two community housing organisations currently with the highest numbers of social housing stock in Yarra reported the following numbers:

- Unison Housing with 639 properties in Yarra; and
- Housing Choices with 72 properties in Yarra.

On their website, CEHL state that they have 64 properties in Yarra, half of which are 2 bedroom dwellings.

The long-term community housing stock is primarily a mix of 1 and 2 bedroom dwellings. There is a small number of 3 bedroom community housing properties and at least one 5 bedroom property.

Due to the fact that community housing organisations operate across several municipalities and are now working within the new Victorian Housing Register (VHR) referral system it was difficult for them to provide client and waitlist data specifically for Yarra, particularly as the VHR is in a transitional phase[4].

The community housing representatives have however been able to provide information regarding housing need in Yarra drawn from consideration of their current tenants, trends in applications for housing and those they have been unable to assist.

[4] It was proposed that once the VHR referral system has been operating for a year, detailed data will be more readily available at the municipal level.

Key Issues

The interviewees raised the following key issues currently faced by community housing organisations in the municipality of Yarra (Yarra):

Ageing and Unsuitable Stock

There is a burgeoning need for community housing organisations to allocate funds for maintenance of older stock. Several community housing organisations are reviewing the suitability of stock given the changing needs of the community, changing expectations and standards of social housing, and quality of the community housing organisations' current stock. Community housing organisations are considering both renovation of their existing stock and upgrading existing stock through the sale and subsequent purchase, or building of, newer replacement stock.

An example is the change from rooming houses with communal facilities to self-contained one bedroom and/or studio apartments. As one interviewee stated:

> *Older people (a growing social housing needs group) prefer self-contained rather than rooming houses.*

The conversion of rooming houses is costly, especially if there is a heritage overlay which creates an added financial pressure on the community housing organisation.

The determination to upgrade through the sale of existing stock and purchase or build of newer replacement stock, creates a challenge in Yarra, due to the high cost of land and housing.

Lack of Appropriate Community Housing for Families

Community housing organisations are struggling to meet demand for housing in Yarra due to the lack of affordable and appropriate housing stock.

In Yarra, there is very limited 3 and 4 bedroom affordable housing stock due to the high cost of land and housing. This has resulted in very few families of two or more children able to be housed in Yarra even when the families have social networks and work opportunities in the municipality. This is a strongly held concern. As stated by one interviewee there is a:

> *Mismatch of stock and needs … we struggle to respond to demand in Yarra …we can't assist couples with children.*

Another interviewee stated that it is a:

> *Challenge to purchase or build 3 bedroom properties in Yarra, as it is too costly. We can develop larger housing in the West but not Yarra.*

Community housing organisations are aware of a demand for larger housing in Yarra, albeit small. The low level of demand for larger social housing stock of 3 and more bedrooms in Yarra, is almost certainly due to the fact that the is very little community housing of this size so people do not seek to apply. Applications for housing tend to reflect the type of housing provided by the organisation.

As one respondent stated:

> *Families with 3 or more children do not apply for housing in Yarra given there is no housing.*

Support Services for those at Risk of Homelessness

The causes of homelessness are complex. They can include the cost of housing, family violence, unemployment and mental health issues. There are a variety of types of services and supports that are required to help an individual or family end homelessness. These services may be specialised programs for people experiencing homelessness, or they may be broad services (such as health, financial counselling and/or drug treatment facilities), or specific services that are geared to individual or family needs. These support services are provided by governments, charitable organisations, faith communities and/or the non-profit sector.

There was an overall recognition by the interviewees that:

> *For people who are at risk of, or have been, homeless there is a need for support services to accompany the housing provision.*

The community housing organisations in Yarra work in partnerships with a range of support services to ensure tenants' health and wellbeing, their future prospects and engage with the community.

Additionally, comments were made that Yarra is a good location for social housing for people with a disability as there is a range of support services available locally. As one interviewee stated:

> *Yarra has a whole network of services such as hospitals, health centres, transport links and libraries.*

However, concern was raised about the ability of the community housing organisations' support service partners to sustain support for residents to maintain their tenancies and engage in local opportunities. Of particular concern was continuing mental health support, due to the changes associated with the introduction of the National Disability Insurance Scheme (NDIS).

Community Cohesion and Social Housing Tenants

The long term health and well-being of tenants is a major consideration in determining allocation. As one interviewee stated about housing allocation decisions:

> *Allocations for long-term housing take account of the need to ensure social harmony and cohesion.*

As such, community housing organisations consider the tenant mix within the housing development and appropriateness of the local amenities, services and infrastructure for the prospective tenant.

Public Housing Waiting Lists and Impact of a Centralised Victorian Housing Register Application System

To facilitate access to public and community housing the Victorian government has established a single register of applications for all social housing, known as the Victorian Housing Register (VHR). There are two categories on the VHR:

- *Priority Housing*, which is designed for people who may be homeless or who have an urgent need for housing; and the
- *Register of Interest*, for people who do not have an urgent need for housing but who have a low income.

In December 2018, the VHR Transition Report stated that in Victoria there was 62,419 social housing applications; 15,528 for community housing and 47,056 for public housing, of which 49% were for priority access.[5]

In December 2018 the total number of social housing applications for North East Melbourne, which encompasses Collingwood, Fitzroy and Richmond, was 988 applications; 624 priority and 364 register of interest applications.[6]

There was consensus amongst the interviewees that there is a need to address the high numbers of people on the social housing waiting list. As such, the interviewees were in favour of the new VHR common waiting list. Respondents felt that it would eliminate duplication and the need for people to repeat their stories, which can be traumatic.

There was however some wariness about the requirement for community housing organisations to now take 75% of applications from the priority waiting list. This requirement would limit the capacity of housing organisations to offer housing to people with limited assets who may not be able to afford private rental but are not on the priority housing list. Concern was also expressed by one respondent that the VHR would not be able to cater for people confronting a housing crisis.

[5] https://housing.vic.gov.au/victorian-housing-register cite 25 March 2019
[6] The report for the Victorian Housing Register (VHR) https://housing.vic.gov.au/victorian-housing-register cited 25 March 2019

People and Households in Housing Need

This section begins with a concise summary of the households facing housing stress in Australia and the reason for their precarious housing situation. This sets a framework for understanding the particular issues confronting community housing organisations and the local community in Yarra.

Housing stress occurs when households have to pay a large proportion of their income on housing costs (rental or mortgage payments) and thereby reduce spending on essentials such as food, energy and health[7]. Generally, a benchmark of housing stress is when households on very low, low and moderate incomes spend more than 30% of their income on housing costs.

Key Households Confronting Housing Stress

The Australian Institute of Health and Welfare (AIHW) identified several population groups that are susceptible to housing stress due to their vulnerabilities. The main groups confronting housing stress across Australia were identified as:

- **Older people** (65 years and over) are susceptible due to their reduced earning capacity, retirement incomes being lower than earned incomes, and the increased expenses due to the potential onset of health issues and the need for appropriate and accessible housing.
- **Single people** across all age ranges are susceptible to housing stress. This includes young single people (up to 25 years of age) who are susceptible due to their limited incomes, particularly those on Newstart. Single people who are not working are also vulnerable due to their limited income, lack of affordable private rental housing and lack of security of tenure if they are renting in the private market.
- **Lone parents with dependent children** are susceptible due to their limited income and lack of affordable private rental.

[7] https://www.ahuri.edu.au/policy/ahuri-briefs/2016/3040-indicator cited 4 April 2019

- **Aboriginal and Torres Strait Islander people** whose vulnerability is exacerbated by existing disparity between Indigenous and non-Indigenous Australians.[8]
- **Older single women** have been identified in numerous reports and research studies[9] as a group that is particularly susceptible to homelessness and are increasingly approaching housing and homelessness services for support. The reasons for older women's vulnerability are linked to economic and social factors that result in older women's financial disadvantage including:
    - the gender pay and superannuation gaps – women retire with generally half of men's superannuation and some with no superannuation;
    - change in circumstance such as divorce, death of partner, change in health;[10]
    - violence including elder abuse;
    - part-time work and time out of the workforce due to caring for children and other family members.[11]

However, the housing affordability problem is not only due to insufficient supply of affordable and social housing stock. The problem also relates to the location of dwellings relative to where:

- householders live or want to live (e.g. near social and service networks and supports);
- their low income relative to high housing prices;
- the preferences of householders for different types of dwellings (this is particularly relevant for people with a disability seeking accessible and appropriate housing); and
- the size of households relative to the size of housing (number of bedrooms).

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[8] Australian Institute of Health and Welfare (AIHW), 2018, data provided at the National Homelessness Conference, 6-7 July Melbourne

[9] Tually S., Beer A. and Faulkner D., 2007, *Too Big to Ignore: Future Issues for Australian Women's Housing 2006-2025* AHURI Southern Research Centre; Sharam, A., 2008, *Going it Alone: Single, Low Needs Women and Hidden Homelessness*, Women's Information, Support and Housing in the North, Melbourne; McFerran, L., 2009, *The disappearing age: a strategy to address violence against older women*, Older Women's Network NSW Inc.; Human Rights and Equal Opportunity Commission 2007, *It's about time: women, men, work and family*, HREOC, Sydney; Casey, S., 2002, 'Snakes and ladders: women's pathways into and out of homelessness', in T. Eardley and B. Bradbury (eds), *Competing visions: refereed proceedings of the national social policy conference*, 2001, Social Policy Research Centre report 1/02, University of New South Wales, Sydney.

[10] Equity Rights Alliance and Homelessness Australia, 2015, *Ending and Preventing Older Women's Experiences of Homelessness in Australia: Joint Submission of Homelessness Australia and Equity Rights Alliance to the Senate Inquiry on the Economic Security of Older Women*

[11] YWCA, 2018, *Older Women's Homelessness Issues Paper*

For example, families with three or more children struggle to find suitable housing of three or more bedrooms, and low incomes may lead people to move to areas with lower priced housing but with limited public transport and social infrastructure, increasing their cost of living.

Current Community Housing Households in Yarra

Long-term social and affordable housing is provided in Yarra by registered housing organisations for many very low and low income households, and some moderate income in need including, single people, single parents, couples, Indigenous people, young people and small families.

Single households are the largest household group in social housing in Yarra, with more males than females. This is likely to be due to the high proportion of rooming house accommodation that is available Yarra. This accommodation is often not suitable for women due to the design of the dwelling not providing a safe environment.

There is expressed demand for long-term rental housing from single people, with the highest demand from people in receipt of a Disability Support Pension followed by people in receipt of Newstart.

The interviewees suggest, that the highest number of community housing tenants are in the age range of 25 to 54 years. This is followed by people over 55 years of age. However, one organisation stated that the average age of their community housing tenants is 59 years.

Young people 15-24 are the smallest cohort of community housing tenants in Yarra.

Emerging Need Groups in Yarra

It was stated that all low and moderate income household groups are in need of affordable housing and people living on Centrelink incomes are in particular need of social housing. Interviewees outlined that they were observing increased demand from a range of household types in Yarra. These households are set out below.

Women

Housing for low income women is a growing area of need and community housing organisation representatives mentioned the needs of women from different age cohorts.

One reason given for older women's growing need for housing was that:

> *Older women need housing following a marriage break-up.*

Older women who become single due to a divorce, separation or becoming widowed struggle to afford private rental and 'age in place'.

It was proposed that older women were also struggling with the cost of maintaining underutilised houses when their families have left and they are widowed. Many of these women express concern that if they sold their properties they would have to move into a new area away from social networks and may become socially isolated:

> *Older women in larger housing are wary of 'downsizing' due to their fear of not finding affordable housing in Yarra.*

There is also a demand for long-term, affordable, secure and safe housing for women and their dependents escaping domestic violence. Transitional housing for women with children that is shorter-term (18 months to 2 year durations) is available, however there is concern that when women are ready to move from transitional housing there is very limited appropriate and affordable long-term housing in Yarra.

> *There is a road block, there is limited long-term affordable, secure housing for women in Yarra.*

One interviewee stated that their organisation is experiencing an increase in demand from younger single women, both under 30 years of age and under 20 years of age, seeking housing. But that there is very little affordable and appropriate social housing for them in Yarra.

> *There is nowhere for younger women to go to be housed in Yarra.*

Older Single People

Another group that community housing organisations observed experiencing increasing need for social housing is single people over 55 years of age. This is especially the situation for older people that are not in the workforce, living on Newstart, and with limited retirement funds or alternative incomes.

People with a Disability

It was highlighted that the municipality of Yarra is a good location to provide appropriate, affordable and social housing for people with a disability. As such there is continuing demand for suitable affordable housing for people with a disability. As stated by one interviewee:

> *Yarra is a preferred location for low income people with a disability, as the municipality has an extensive range of health and community services as well as good transport networks.*

Moderate Income Households

It was also identified that there is a growing need for affordable housing for moderate income households. It was proposed that these moderate income households are moving out of the municipality and losing their social supports and networks because of the lack of affordable housing in Yarra.

> *Moderate income households in Yarra who are being driven into a housing crisis as housing costs rise*.

Low Income and Key Workers

The particular issues confronting low income wage earners and key workers in Yarra were raised in the interviewees. Before outlining the issues, it is worth noting the difference between low income workers and key worker as:

- **Low income workers** are functional workers providing services to the community, such as cleaning, child care and hospitality services such as bar staff and baristas.

- **Key workers** work in occupations that provide essential human services to the community such as nursing, policing, ambulance, and teaching.[12]

Affordable housing is provided by some community housing organisations for low income working households in Yarra, such as child care workers, taxi and Uber drivers and service workers such as those working in hospitality, cleaning and sales. These low income workers often live in a precarious situation with casual employment and income being a combination of Centrelink income and wages. It was outlined that:

> *The casualisation of many occupations of the low income workforce* [such as cleaners and hospitability workers] *results in their lack of certainty regarding capacity to pay rents.*

This results in low income workers seeking housing in less costly, outer metropolitan suburbs. Whilst this group may not face the risk of homelessness, they will have their limited income reduced by high travel costs to Yarra from the areas where they can afford to live. The problem in the longer term may be experienced by businesses in Yarra as low income workers (cleaners, café staff etc.) may be hard to find as they search for work closer to where they can afford to live.

Community housing has traditionally not provided affordable housing for moderate income key workers such as police and ambulance paramedics. However, as one community housing representative highlighted:

> *Consideration is being undertaken as to how to house low and moderate income workers who will be, or are, unable to afford to live in Yarra, and emerging lower paid occupations that will be in Yarra over the next 10 years.*

As a case in point, the community housing that will be provided at the new development at the Alphington Paper Mill site, will be focused on providing 1 and 2 bedroom rental properties with fixed rent over 10 years to moderate income service workers.

[12] T. Burke & B. Kliger, 2019, *City of Port Phillip Housing Needs Assessment and Allocations Framework Report* (unpublished)

Suggested Role and Activity for Council

Interviewees were keen to provide information on a range of actions that Council could implement to assist the development and sustainability of community housing in the municipality. These proposed actions are set out below, in no order of preference.

- Any transfer, gift or sale of Council land, should not limit community housing organisations to hold specific community housing properties in perpetuity. That is, ensure the property value is retained in the municipality, but the community housing organisation have the capacity to change the actual property, to reflect changing needs and property conditions. This facilitates asset management for the community housing organisation and ensures that the housing stock reflects the needs for community housing over the long-term.

- The Council's Social and Affordable Housing Strategy should determine the level of social and affordable housing that the Council seeks to encourage (i.e. the proportion of housing stock that is affordable housing) and the population cohorts that Council seeks to encourage to reside in the municipality now and into the foreseeable future. This estimation should be undertaken both for the whole of the Council area and by precincts (areas within Council). The Social and Affordable Housing Strategy should be linked to the Municipal Health Plan and Municipal Strategic Plan so that the Strategy has standing as part of the City of Yarra Planning Scheme and Health policies.

- It was preferred that Council does not use a Section 173 of the *Planning and Environment Act 1987* for the development of affordable or social housing. Community housing providers stated that when the land is gained with a Section 173 agreement the community housing providers cannot use the land as equity to obtain a bank loan with a mortgage over the property. Community housing organisations depend on bank loans as a key mechanism for financing community housing development.

- Council should consider innovative approaches to new developments with mixed-use buildings and building in air space, for example over refurbished or new health centres and retail shopping areas. It was proposed that:

> *Building social housing above health centres provides immediate access to support services and enables "ageing in place".*

- Council should consider providing assistance (financial or expertise such as heritage planning advice) to community housing organisations with their work to upgrade old community housing stock in the municipality. Council's assistance could ensure that community housing owned social housing stock is retained in Yarra and the replacement stock is not located outside the Yarra municipality.

- Council should identify land that could be allocated to community and/or affordable housing. This was an action clearly articulated by most of the interviewee for example:

  > *Council could identify possible sites for social housing such as underutilised recreation halls, scout halls and cark parks.*

- Council should consider reducing expenses of community housing organisations by providing rate relief for properties owned by community housing organisations. This was cited by a number of community housing representatives as a valuable way that Council could contribute to reducing costs for community housing organisations.

- Inform Councillors and the community about the difference between affordable and social/community housing. Council could assist the community to develop an understanding of the role of community housing organisations. Numerous comments were made regarding this including:

  > *Community housing organisations respond quickly to needs of the residents, neighbours and the broader community. For example by ensuring that properties are kept well maintained and support tenants, and by working with neighbours to ensure social harmony and cohesion.*

  It was stated that Council work with community housing organisations to:

  > *Break down the perception that social housing is high-rise public housing.*

It was suggested that Council could publish good news stories about the provision of community housing and set out the positive outcomes to individual tenants and local communities.

> *Happy tenants in a settled community, [makes a] happy community.*
>
> *People on Centrelink benefits are good tenants, social housing tenants have the same aspirations as private tenants.*

- Council should work in partnership with community housing providers and private developers. One interviewee stated that:

> *The partnership, between community housing providers and private developers, could work to ascertain the most optimum housing mix in Yarra that takes account of the developers' economic needs and the most appropriate affordable and/or social housing outcomes.*

Attachment 5 - Understanding the PHRP Final report - Dr David Kelly and Professor Libby Porter May 2019

May 2019

Understanding the assumptions and impacts of the Victorian Public Housing Renewal Program

Final report of a research project with Cities of Moreland, Darebin and Yarra

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The authors acknowledge that this report was undertaken on the unceded lands of the Wolwurrung and Boonwurrung speaking peoples of the Kulin Nation. We respectfully acknowledge Ancestors and Elders, past and present.

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Understanding the assumptions and impacts of the Victorian Public Housing Renewal Program

Purpose
Final report of a research project with Cities of Moreland, Darebin and Yarra

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Executive Summary

The Victorian Government's Public Housing Renewal Program (PHRP) aims to redevelop 11 inner suburban public housing estates in Melbourne. The redevelopment entails the relocation of residents, the demolition of the existing buildings and the redevelopment of each site by a private developer in partnership with a community housing provider. This raises significant concerns about the effectiveness of the policy in delivering housing in a time of severe housing crisis, the impact of displacement on residents and communities, and the assumptions underpinning the PHRP and the real estate model it deploys.

This research project aimed to evaluate the claims of the PHRP and its underlying model in order to establish an accurate evidence base and assess the anticipated impact of the model on public housing residents in Melbourne. To do so, the research used a desk-top review of relevant Australian and international literature, previous evaluations and studies on similar estates, and a policy analysis. This report of findings provides a critical evaluation of the policy claims and an assessment of the likely impact of the PHRP on public housing residents. It also provides an overview about how the policy and program inter-relates with wider trends and other policy frameworks to provide a more nuanced understanding of how the PHRP and its impacts should be understood in the current context

Headline findings

The social mix ratio 70:30 private to social housing is not based in any evidence about social mix and is derived purely from a real estate value calculation for what will turn a profit for the private developer in the partnership. The research therefore concludes that the private profit motive is the primary driving policy directive of social mix as advanced in the PHRP

The international research on social mix clearly demonstrates the approach does not work in either theory or practice. When promoted through redevelopment, social mix policies result in the permanent loss of public land, low yields of low-income housing; displacement and intensified segregation and exclusion; loss of public housing; and the homogenisation of populations at the neighbourhood scale. The PHRP will in fact reduce social mix in the target neighbourhoods.

The PHRP will result in an increased number of social housing units but a decrease in the number of bedrooms available. Based on the first tranche of redevelopment announced in April 2019, the redevelopment will reduce public housing to 0 on these sites, as the resulting units will all be either owned and / or managed by a community housing provider. The analysis demonstrates clear to roll this approach across each of the estates targeted under the PHRP.

The PHRP has caused significant direct displacement of residents. The evidence demonstrates that relatively few residents will return, and that it is both inaccurate and wrong to frame this as resident 'choice'. The relocation process itself intensifies the transfer of public money to private hands with the widespread use of privately rented properties to accommodate relocated public housing tenants.

The international evidence demonstrates that displacement has severe impacts on individuals, households and communities including: poor mental and physical health outcomes; the breakdown of long-standing community networks; economic impacts including loss of livelihoods, productivity loss, and intensification of poverty; loss of access to vital services and networks; further uplift in land values causing new rounds of gentrification and segregation.

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Public housing stock, management and provision in Victoria has come under sustained criticism in numerous inquiries and reports since 2008. The Productivity Commission, Auditor General and Victorian Parliament have each documented concern about the quality and quantity of public housing, the systems in place to manage built assets and tenancies, and the appropriateness of policy frameworks to provide low-income housing in Victoria. The Victorian Government is yet to sufficiently respond to these concerns including the most recent Parliamentary Inquiry to which the government has to date still not responded.

The PHRP is advanced based on a discourse that stigmatises estates and tenants as a justification for renewal, promotes an agenda of social mix as a 'fix' for concentrated disadvantage. The real estate model of redevelopment is calculated to derive profit for private developers delivering the redevelopment. The Program will result in the following outcomes:

1. the eventual sale of virtually all the public land assets into private ownership;
2. the transfer of most existing public housing stock and all tenancies to community housing providers;
3. the development of new private market housing on public housing sites;
4. the overall reduction of public housing bedrooms available in a context of severe housing crisis for low-income households
5. the displacement of vulnerable households from areas of high amenity and the attendant impacts that are known to result from displacement.

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Introduction

The Government of Victoria established the Public Housing Renewal Program (PHRP) in 2017 under the *Homes for Victorians* strategy, a broad suite of initiatives to address housing affordability and supply in Victoria. The Department of Health and Human Services (DHHS) is implementing initiative four: to increase and renew social housing stock, which is the basis of the PHRP.

The PHRP seeks to redevelop public housing estates and build more social housing properties across metropolitan Melbourne and regional Victoria. A 'real estate development model' underpins the Program to deliver the stated aspirations of: increasing the number of social housing units; modernising and improving social housing stock to be 'fit for purpose'; and de-concentrate disadvantage on public housing estates by implementing social mix. Phase one of the PHRP is funded by $185m of 'seed funding' by the DHHS and involves relocation of residents and demolition of nine inner-city estates.

This policy platform is being implemented in the context of a severe housing crisis in Melbourne, across the spectrum of housing needs. The number of people experiencing homelessness is increasing across the metropolitan area. Rising rental prices are squeezing affordability for people in the low to middle income ranges. Public housing waiting lists – currently at an estimated 83,000 persons – are long and continuing to lengthen. These factors indicate that housing in Victoria is currently in crisis, and that the policy framework for ensuring the basic human right of housing is failing. The PHRP, as one mechanism within that policy framework, is especially important for the way it advances a specific agenda for public housing.

This research project critically evaluates the PHRP and its primary cognate policy mechanisms including the Social Housing Growth Fund, the Build and Operate Program, and the New Rentals Development Program. The report provides:

1. an evaluation of State policy claims and projections;
2. an assessment of the anticipated impact of these programs on public housing based on existing evidence; and
3. an investigation of how the various funding sources operate and inter-relate.

The project therefore aims to:

1. establish an accurate and in-depth evidence base of the redevelopment model through a review of literature and policy; and
2. assess the anticipated impact and implications of that model for people in housing need in Melbourne through a review of similar renewal approaches.

The project used a desktop analysis of the policy discourse, with a particular focus on the financial and social components. Analysed using an extensive literature review and evaluation of previous studies on the impacts of displacement, the project evaluates the anticipated impact of the PHRP on public housing in Melbourne.

This report of findings is presented in three parts. Part One provides a comprehensive overview of the Public Housing Renewal Program and its context. Then an overview of the context of public and community housing in Victoria, and the national policy frameworks and places where local government policy intersects is provided. The section concludes with an overview of current debates and evidence from recent research about models of providing public housing.

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Part Two presents the existing Australian and international evidence about the impact of renewal programs such as the PHRP. A comprehensive discussion of the research evidence about displacement is provided followed by a series of case studies of renewal projects in Victoria that offer an evidence base on which evaluation of the likely impacts of the PHRP can be advanced.

Part Three provides a literature review of the evidence on social mix policies in Australia and internationally. A comprehensive review of the international evidence base on social mix is provided, as well as a genealogy of the concept in Australian housing policy. This section concludes with an analysis of the social mix claims for the PHRP in light of this evidence.

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Part One: The PHRP in context

Overview of the PHRP and the key concerns

The PHRP emerges from several years of planning and a 2009 investigation by the Department of Human Services into ways of redeveloping 22 ageing walk-up estates 'with a Real Estate development model'. This has been formulated into a Program that aims to achieve: a 10% increase in social housing units; modernising, greening and improving access in buildings; implementing a social mix or 'tenure blind' approach; providing equal access to common spaces; and, improving public space. Phase one of the PHRP is funded by $185m of 'seed funding' by the DHHS and involves relocation of residents and demolition of nine inner-city estates.

The nine inner-city estates earmarked for renewal are:

- Abbotsford Street, North Melbourne
- Ascot Vale estate
- Bangs Street, Prahran
- Bills Street, Hawthorn
- Gronn Place, Brunswick West
- New Street, Brighton
- Noone Street, Clifton Hill
- Tarakan and Bellbardia estates, Heidelberg West
- Walker Street, Northcote

Two further estates are also being advanced for redevelopment under a separate funding package, but using the same model. These are: Flemington and Preston. For the purposes of this report, all 11 estates are analysed together as they form part of the same policy agenda.

The objectives publicly advanced by the Victorian State Government are to upgrade and modernise 'ageing public housing estates into vibrant well-connected neighbourhoods with homes that are comfortable, modern and energy efficient' (Victorian Health and Human Services Building Authority 2019) in addition to delivering more social housing units overall. The Government and DHHS have made assurances to residents on estates that they will have the 'right to return'.

In preliminary scoping research conducted by the authors on the policy framework, and with public housing residents themselves, a number of false assumptions, misconceptions and design failures in the policy were made clear. These relate to the decanting process (including residents' right to return and right to refuse), the loss of publicly owned assets and especially public land to private ownership, the discrepancy between number of units and number of bedrooms that will result from the redevelopment, a reduction of demographic diversity and the capacity for the program to genuinely address the 'housing crisis' with small increases in unit numbers. These resident concerns were also conveyed in numerous individual and collective submissions to the recent *Inquiry into the Public Housing Renewal Program*[i] conducted by State Parliament's Legal and Social Issues Committee in 2018. The Inquiry outlined numerous concerns with the program, including lack of transparency in tender processes for the development, inadequate consultation with residents and the failure of the program to sufficiently increase stock to meet bare minimum demand.

The PHRP is based on the same model implemented in the redevelopment of the Kensington estate during 2002-08. An evaluation of the project released in 2018, but withheld from public access since January 2013, found that: the social mix approach failed, often leading to deteriorated social outcomes among residents; only 20% of residents

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returned after being decanted; the private developer collected a net profit margin of 37.56%, well above industry standard (20%); and there was a loss of public land.

In December 2017, early concerns about the PHRP were formulated at a public event[1] and documented in a widely-distributed statement outlining *Alternative Approaches for the Victorian Public Housing Renewal Program* (Appendix A attached – distributed March 2018). The circulated paper outlined five key issues with the initial iteration of the program:

The deconcentrating disadvantage rationale for public housing estate redevelopments which posits that by bringing private residents onto small public estates surrounded by private housing it will lead to better outcomes for public tenants, is not supported by any evidence. The social mix 'rationale' for the program is misplaced and disguises a primary motive to finance the necessary upgrades with minimal government expenditure.

The development model is unsustainable as the current program of raising funds for replacement public housing by selling parts of the estates for private housing is a short-term economic fix. When further upgrades or maintenance is required, there is no longer term certainty that they will be able to be funded.

The model involves loss of public housing, because of the reduction in family units and increase in single-bedroom units. On the Northcote estate, for example, there are currently 86 dwellings with 201 bedrooms. According to a government-commissioned report from September 2017, the public component of the initial redevelopment plan would have included 96 properties with 139 bedrooms. This constitutes a 10% increase in dwellings, but a 31% decrease in bedrooms[ii]. In the two finalised developments Kensington and Carlton, a decrease in public bedrooms overall was observed.

The sale of public land is short-sighted. Once lost, public land will never be recoverable except at great cost. Well-located public land is a continuing resource, offering potential for on-going initiatives. Limiting future opportunities is short sighted governance.

If any revenue is to be procured from developing the estates, it should be reinvested into those or other estates. The use of private developers in the redevelopment means the significant revenues from private housing sales constitute the developers' profits instead of being invested back into social housing. A government or non-profit partner would increase the number of new public units and/or reduce the number of private units necessary to make the project feasible.

The Parliamentary Inquiry

In June 2018, the Legal and Social Issues Committee published its findings of its *Inquiry into the Public Housing Renewal Program*. Twelve (12) terms of reference were explored and can be found in the attached Appendix B. The Inquiry provides a comprehensive overview and evaluation of the PHRP, detailing a concise analysis of public housing in Victoria. It established two primary issues to be considered by the Parliament and Government: 1) in regard to current stock configuration, as not currently meeting demand (misalignment); and 2) if a 10% increase is sufficient given the scale of the housing crisis and waitlist. Chapters of the report include an examination of the planning process, impact on residents, and the financial and social model of the program. The Committee received 172 submissions and held three public hearings as part of this Inquiry. A total of 28 recommendations were made.

The Committee consisted of eight (8) members and two (2) participating members:

- Ms Margaret Fitzherbert MLC (Chair) (Liberal)
- Ms Nina Springle MLC (Deputy Chair) (Greens)
- Mr Joshua Morris MLC (Liberal)

[1] https://msd.unimelb.edu.au/events/maximising-the-social-benefits-of-public-housing-renewal

- Mr Daniel Mulino MLC (Labor)
- Ms Fiona Patten MLC (Reason)
- Mrs Inga Peulich MLC (Liberal)
- Hon Adem Somyurek MLC (Labor)
- Ms Jadyn Symes MLC (Labor)
- Ms Georgie Crozier MLC (Liberal) (Participating member)
- Dr Samantha Ratnam MLC (Greens) (Participating member)

Seven (7) of the eight (8) Committee members, consisting of all Liberal and Labor members, agreed with the findings and recommendations of the report, highlighting a high degree bi-partisan concern with the program. Only the Deputy Chair submitted a minority report. Overall, the Committee was critical of the renewal model, citing evidence from previous case studies such as the Kensington and Carlton redevelopment projects, where there was a loss of public resources, no relief on the waitlist, negative impacts of relocation and erroneous understandings of social mix practices. The most scathing of this critique related to the lack of information provided by the Government to residents and the wider public, stating that 'community consultation in relation to the Program was flawed and at times confusing' (2018, p. xii).

A number of other key issues were identified by the Committee, which remain unacknowledged by the Government. It found that there were a lack of evaluations made that considered the impact of the program against housing supply, democratic planning, social impact and the socio-economic rational for the program. In relation to supply, the Committee notes that current Government investment is inadequate if it hopes to keep pace with housing demand; that the misalignment between current configuration and demand remains unaddressed in the current model; and that the focus on public housing unit increases rather than bedroom increases, will likely exacerbate the shortfall in supply.

The introduction of Development Plan Overlays on affected areas effectively strip power from the default Responsible Authorities (local councils), and was highlighted as a factor that undermines democratic processes available to councils and neighbours. The planning and communication of the program was also defined by the Committee as confusing, erratic and inconsistent. This is reflected in the lack of community and resident input into the indicative design of future estates, which do not currently reflect resident need or desire. Ill-defined relocation processes and the rights of tenants additionally contributed to fear among residents, and the erosion of security on the estates and within the households. This is compounded by the under-resourcing of the resident advocacy body, Victorian Public Tenants Association (VPTA), which has been unable to respond to resident needs and appeals.

The Committee expressed significant concern about the impact that the program will have on tenants themselves. For larger families who require more than two-bedrooms, and for residents requesting a return to public housing, there is an implied loss of right to return. The process of displacement is likely to cause of stress, reduce access to community/social services and will have negative short-, medium- and long-term impacts on wellbeing. As such, one recommendation urged the Government to conduct a longitudinal research study that investigates the social impact of the program during the course of displacement and return, to adequately measure the cost of the program on place and people.

The true social and economic cost of the program is presently unknown, and the Committee recommended that the DHHS partner with Infrastructure Victoria to measure the full social and economic value of social housing. Three findings of the report demonstrated that the loss of public land had not by justified by DHHS or the Minister; that there was no valid and verifiable evidence for social mix cited; and that there was no analysis of, or rationale for, tenure mix ratios presented.

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Deputy Chair Nina Springle MLC elaborated on these points in her a minority report, however it is important to note that this report did not dissent or contradict Committee findings, but rather, presented additional critique and consequences. These include the loss of public land in strategically valuable locations that are well connected to public infrastructure. The Deputy Chair argued that there is no long term vision within the program that would meet the most basic of housing needs in the coming decades; that the program of privatisation diminished the State's capacity to provide well-connected appropriate housing into the future; and that the DHHS did not demonstrate that alternative models of renewal had been considered.

The model is described as fundamentally flawed and that there was no evidence that a necessary cost-benefit analysis that evaluated alternative models. Citing the suppression of the Kensington Redevelopment Project Evaluation Report until March 2018, and the ongoing lack of transparency, communication and clarity around the procurement process in the PHRP, it was also suggested that there is a likelihood that public land will be sold to the private sector at significantly deflated prices.

A comprehensive suite of recommendations were made and are collated in Table 1 below. Of particular note are a number of recommendations that seek 'clarity', 'precision' and 'acknowledgement' by the Government around projected increases in stock and how such increases impact on housing affordability more generally. The lack of clarity in project timelines, procurement and impact was not adequately presented to residents, the public or the Committee, and as such there is a lack of defined objectives that the renewal program purports to aspire to beyond rhetoric.

Table 1 - Parliamentary Inquiry Recommendations

#	Detail	Addressed
1	That the Victorian Government clarify by how much it intends to increase social housing through its current suite of programs	Partially
2	That the Victorian Government clarify how the procurement process for the Public Housing Renewal Program will ensure the desired level of affordable housing is achieved	No
3	That the Victorian Government respond to the recommendations in this Final Report within three months of tabling	No
4	That the Victorian Government fund Infrastructure Victoria to partner with the Department of Health and Human Services to measure the full social and economic value of social housing. The partnership should be based on the work previously undertaken by Infrastructure Victoria	No
5	That the Victorian Government tie the Public Housing Renewal Program to a targeted decrease in the Victorian Housing Register	No
6	That the Department of Health and Human Services and the Social Housing Renewal Standing Advisory Committee consider the issues raised in this Final Report when determining the process for future public consultation sessions.	No
7	That in future responses to reports of the Social Housing Renewal Standing Advisory Committee, the Minister for Planning provide the rationale for recommendations that are supported in part or not supported	Not responded to yet
8	That the Department of Health and Human Services be precise in explaining what is involved in future consultation sessions for the Public Housing Renewal Program. The Department should manage expectations by paying particular attention to any power that tenants may or may not have to influence the Development Plan Overlay at their site	No
9	That the Minister for Planning take into consideration the views of relevant local councils when making planning decisions regarding the Public Housing Renewal Program	Unsure–potentially

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#	Detail	Addressed
10	That the Victorian Government include the provision of employment opportunities for public housing tenants in the tender process for the Public Housing Renewal Program sites	No
11	That where possible the Victorian Government involve public housing tenants in the design process for the Public Housing Renewal Program sites	No– future potential
12	That the Department of Health and Human Services immediately review and improve how it collaborates with tenants such that it better assists tenants throughout the Public Housing Renewal Program	Unlikely
13	That the Department of Health and Human Services continue to monitor future Social Housing Renewal Standing Advisory Committee consultation sessions for information about tenants' concerns.	Unsure– potentially
14	That the Department of Health and Human Services strengthen efforts to ensure that all tenants at future Public Housing Renewal Program sites understand the difference between the Department and advisory committees set up under section 151 of the *Planning and Environment Act 1987* and how they can contribute to both	No
15	That the Department of Health and Human Services continue to communicate with Public Housing Renewal Program tenants at all times up to their relocation and throughout the remainder of the whole Program. The Department should continue to answer questions asked by tenants regarding any issue to do with their relocation	No
16	That the Victorian Government confirm with all tenants in the Public Housing Renewal Program that they will be able to return to their estates. All documentation and communication provided to tenants should reflect this.	Provided in deed, but implied loss of public housing on each estate
17	That the Department of Health and Human Services publish the number of tenants who have returned to each estate at the conclusion of the Public Housing Renewal Program	Future potential
18	That the Department of Health and Human Services provide tenants with the opportunity to review all documentation provided and access independent legal advice before being required to sign relocation agreements	Unsure
19	That the Victorian Government resource organisations that are well placed to provide independent legal advice to tenants.	No
20	That the Victorian Government publish the price paid for public land sold as part of the Public Housing Renewal Program	No
21	That the Victorian Government publish the amount of money raised by the sale of land during the Public Housing Renewal Program that will be allocated to public housing throughout Victoria	Future potential– unlikely
22	That at the completion of the Public Housing Renewal Program the Victorian Government provide evidence that all money raised by the sale of land during the Program has been allocated to public housing throughout Victoria	No
23	That the Victorian Government develop and publish an ongoing, long-term monitoring and maintenance strategy for Public Housing Renewal Program sites	No
24	That the Victorian Government identify which public housing estates are suitable for refurbishment and those which are not	No
25	That the Victorian Government conduct a longitudinal study on the link between social mix and social outcomes at public housing estates, and lead research into local area effects in disadvantaged communities in Victoria. The results of the studies should influence future social housing policy	No

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#	Detail	Addressed
26	That the Victorian Government ensure that designs of public and private housing at each site are tenure blind, including equitable access of public tenants to common facilities where practicable	Future potential– likely
27	That the Victorian Government explain the rationale behind the final public-to-private ratio build at each Public Housing Renewal Program site. This rationale should help inform future decision-making for the Program	No– M21 commercial reviews
28	That the Victorian Government work with social housing experts and developers to determine the most appropriate development mix for each Public Housing Renewal Program site	No

The report was published in June 2018 and the Government of Victoria was required to respond within six (6) months in writing to any recommendations made by the Legal and Social Issues Committee. The response is public and put on the Inquiry page of Parliament's website when it is received (http://www.parliament.vic.gov.au/lsic/inquiries/article/3847).

As of May 2019, 11 months after the report was tabled, no response from the Government of Victoria has been received. Given that many of the recommendations of the Inquiry aimed to compel a response or acknowledgement from the Government and the DHHS within three months (given the severity of impact on public housing residents), it is unlikely that the recommendations and findings of the report will be actioned. Further to this, the minority report published as an appendix to the Inquiry suggested that '[t]he PHRP should not be progressed until the Government responds to the recommendations in this report'.

PHRP and the Real estate model

The commercial rationale for the PHRP is fundamentally informed by a commercial review of 22 key sites in the Melbourne metropolitan area, conducted by M21 Advisory. In 2009, the Housing and Community Building Unit of the Department of Human Services contracted M21 to investigate ways of redeveloping ageing walk-up estates 'with a Real Estate development model'. According to the 2018 Parliamentary Inquiry, M21 was tasked with achieving the following objectives:

- Redevelop and increase the number of public housing units and integrated with private housing 'at little or no extra cost';
- Improve amenities for residents;
- Upgrade the sustainability and energy efficiency of public housing;
- Reduce maintenance costs; and
- Decrease the average age of public housing.

M21 submitted two reports[2] to the Office of Housing which are not publicly available but were cited and reviewed by the Legal and Social Issues Committee that conducted the Parliamentary Inquiry. In order to obtain access to these reports a Freedom of Information (FOI) request was submitted on 15 January 2019.

Prior to submitting an FOI request, Dr Kelly communicated with James Cain, author of the reports and CEO of M21. In this conversation, it was revealed that 14 properties were assessed against their capacity to yield the highest amount of profit to fund public housing

[2] M21, Commercial review of the potential redevelopment of walk up estate properties, Department of Health and Human Services, Melbourne, 2009.
M21, Study on potential commercial redevelopment viability of aged walk-up estates, Department of Health and Human Services, Melbourne, 2010.

renewal. Estates under review consisted of Category C housing estates that had relatively high maintenance costs per resident when compared with other categories of public housing. Cain noted that five sites evaluated by M21 were subsequently included in the PHRP Stage 1. The remaining four sites were 'known to be viable' according to DHHS. These are estates that have sufficient latent real estate value that would yield enough profit to attract the private sector. Cain cautioned that with the recent downturn in real estate values, particularly in Melbourne, the initial economic rationale upon which the PHRP commercial reviews were based, would have changed fundamentally. It was noted that the 'real estate' viability of the PHRP, in its funding arrangement as at 9 January 2019, might mean that 'the government may be under water now and need to increase the proportion of private units' from the current optimal yield rate of 70%. M21 Advisory recommended a 70:30 tenure mix in estate renewals, which is considered as an optimal, or as a minimum mix scenario for private developers to make the sale of individual units commercially viable i.e. having a significant premium to offset risk. The tenure mix as recommended by M21 Advisory to the DHHS is based on a commercial 'real estate' evaluation. Thus, the 70:30 tenure mix at the base of the policy is based entirely on commercial viability.

The FOI request was delayed by the DHHS on two occasions and an outcome was reached on 5 March 2019. Dr Kelly received part of one report (approximately half) published in 2009, of which a significant proportion was redacted. The DHHS explained that the 'division was unable to locate a copy of the 2010 report', despite its inclusion in the 2018 Parliamentary Inquiry. M21 Pty Ltd (2009, p. 3) states that the primary criterion for assessing the commercial viability of walk-up estates was a 'latent development capacity'. Three filters were used to evaluate the sites. Eight sites were excluded in early evaluations as given that 'the site area to number of units ratio' would not enable a commercial return. These sites could not physically accommodate a density of dwellings needed to produce a financial return in respect to the 70:30 tenure mix model. A secondary filter evaluated the remaining 14 sites, the report states that they:

were assessed for their development potential having in regard to "real estate attractiveness" – the possible expansion of the development envelope through the statutory planning process, and attributes that were able to deliver strong property returns (proximity to services and amenities, incomes, other sales nearby).

Five sites were eliminated in this evaluation and the remaining nine were analysed using a financial feasibility model that calculates the cost of replacement per public housing dwelling. Of these nine sites, five were listed and four redacted. The five listed estates, with latent development capacity and significant private yield are listed below, including their recommended tenure mix according to "real estate attractiveness" modelling:

- Bangs Street, Prahran – 115 private / 120 public
- Gronn Place, Brunswick West – 270 private / 73 public
- New/Airlie Street, Brighton/Elsternwick – 274 private / 127 public
- Rutland/Noone Street, Clifton Hill – 63 private / 30 public
- Walker Street, Northcote – 210 private / 88 public

It is likely that the remaining four sites are not within the original nine sites identified in the first stage of the PHRP, but are earmarked for further stages of the renewal program.

It is important to note that one of the specific objects of the *Housing Act 1983* is 'to promote the integration of public and private housing' (p. 9). The real estate model of housing development and the current paradigm of commodification in housing globally, means that the preference for commercially-driven public housing renewal is mandated by legislation. Further to the case of the Prahran redevelopment, the use of 'rental housing assistance funds' is permitted to ensure 'that public housing developments may be integrated with private housing and to achieve a desirable socio-economic mixture of housing' (p. 123).

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First tranche of redevelopment under PHRP

In March 2019, the Minister for Housing updated the status of the Victorian Government's *Public Housing Renewal Program*, announcing the signing of contracts between private developers and community housing associations. This current tranche of renewal, as reported in a media article in Melbourne's *The Age* (Lucas, 2019), encompasses two of the stage one PHRP estates, and a third amalgam of three sites in the City of Darebin. Of the nine estates initially proposed in stage one of the PHRP, and a further two funded by the Minister, three estates were bundled during the tender process. Table 2 details the current configurations of dwellings on these three estates.

Table 2 - PHRP Current tranche of renewal

Estate	**Public units – predevelopment**	**Total units – redevelopment**	**Redeveloped configuration**	
			Community	*Private*
Walker ST, Northcote	87	249	106	143
Abbotsford ST, North Melbourne	112	305	133	172
Stokes ST, Penola ST, Oakover RD and Railway PL West, Preston.	26	507	90	417
TOTAL*	225	1061	329	732

*Bedroom count requested by research team but not provided by DHHS

Although the renewal contracts have not been made public, the developer for these three sites will be MAB Corporation, a Melbourne-based international property developer with 20+ years' experience in providing affordable housing on the peri-urban fringe and high-end inner-city apartments. To date, MAB has completed and anticipate completing 4,200 apartment builds, with $3.2b worth of project value. MAB Corporation was founded by Michael Buxton, a Melbourne-based property developer who also founded Becton, the developer responsible for the Kensington Redevelopment project.

The developers will work with community housing provider HousingFirst (formerly the Port Phillip Housing Association) to build and then manage the new social housing units. HousingFirst will deliver property and tenancy management services for all the social housing homes across the sites, however the actual arrangement hasn't been explained. This arrangement could include a General Lease or HousingFirst acting as an agent of the Director of Housing.

In a media release by the Minister for Housing, Richard Wynne, it was stated that 'All three sites will be rebuilt with more public housing dwellings than they previously contained.' In fact, all three sites in the current tranche of renewal will contain 0% public housing; instead, DHHS owned properties will be managed by HousingFirst and will be deemed *community housing*. The incentive for the Government to transfer stock and management of public housing to the community housing sector, relates specifically to the eligibility criteria for Commonwealth Rent Assistance (CRA). The whole proportion of CRA is added to the tenant's rent and collected by the community housing provider – this offsets perceived loss of rental income associated with public housing. The maximum rent that can be charged is 74.9% of market rent, as this is the limit for a community housing provider to qualify for GST exemption. If a tenant of community housing loses their CRA (for instance, if they found a job) they will pay 100% of market rent. Community housing providers take responsibility for

most of the maintenance, and unlike public housing cannot allow the properties to fall into disrepair.

The media release, which has retrospectively been withdrawn from the Ministers webpage, also announced stage two of the PHRP, and a reconfiguration of the current stage one:

Under the renewal program, eight estates in the metropolitan area are being redeveloped by the Department and two by Development Victoria. Public housing estates in three regional areas – Bendigo, Benalla and Ballarat – will also benefit from an upgrade.

It is likely that Noone ST, Clifton Hill has been withdrawn from stage one of the PHRP but is likely to be included in new incarnations of the renewal program, or funded through different financial arrangements. Gronn Place, Brunswick West is still under the tender process / probity, and the procurement of a developer and/or site manager has not yet been made publicly available. It is likely that Gronn Place will follow a similar process to the Walker ST, Northcote Estate. It is also highly likely that other strategic sites in Yarra and Moreland have undergone a commercial review process and been identified as 'attractive' sites that could adopt the real estate model. The research team is actively attempting to attain this information.

The uplift on the estates, in addition to the 10% announced in previous iteration is 10 units at Walker St, 61 at Preston, and 10 at Nth Melbourne – total 81. It is unclear if these will be DHHS-owned properties leased to HousingFirst or if HousingFirst will acquire them acquire them outright through debt-financed *purchase,* as a *capital grant* or a combination of the two. It is also highly likely that some of the 81 additional units may actually be affordable housing that target low-income households not on the Victorian Housing Register (VHR). Affordable housing does not draw from the public housing waiting list.

The number of private units to be built on each estate have increased to more than double the social housing component since the first iteration of the PHRP. At least 20 per cent of all private housing will be priced for first home buyers, 157 units of 732. The total uplift of social housing will be 104 units across all three sites, none of which will be public housing. The Government also announced $209 million to build an additional 1,000 public housing properties, although the location has not been disclosed.

The announcements of this first tranche of the PHRP has also revealed new aspects of the financial model. It appears that public land is not being sold to private developers. Rather, the Director of Housing will be the party selling the land and buildings to the end purchaser of private dwellings, who may be first home buyers or a buyer willing to pay full market price. The developer will likely act as an agent of the Director selected for its expertise and capabilities to build and develop the estate on behalf of the Director. MAB is not purchasing the land from the Director. The Director owns the land until the dwellings are built and sold to the end purchaser. The end purchaser will make all payments to the Director of Housing who will deduct the value for the land and any associated value uplift at the time of the (future) sale. This does raise the question of the risk, incentive and payment package provided by Government to the developer.

The minimum land value will be independently assessed by the Valuer General of Victoria and the Victorian Land Monitor prior to the sale of the private dwellings and a minimum price set, based on market conditions applicable at the time. The Government of Victoria claims that only 50% of the estates will be private tenure, this does not include first-homeowner purchases and artificially deflates this figure.

In public housing redevelopment projects, market risk is transferred to the developer under the premise that developers possess or procure better market knowledge and add a premium to cover the market risk. It is unclear if there are contingencies for what happens if the market remains soft and unit sales become a difficult and protracted process. In the Kensington Redevelopment Project initial townhouse sales were sluggish compared to apartments. As a result, the developer, Becton, sought to change the plans and later went

into administration – so too had St Hilliers (Carlton and Ashwood-Chadstone redevelopments) a year earlier.

It will be important to maintain a watching brief on the management arrangement determined with HousingFirst and what risk/financial considerations have been made with the MAB Corporation.

Public and community housing in Victoria

Background

Prior to federation in 1901, housing in the Australian colonies was typified by a gulf between privileged and austere living conditions, with overcrowding and poor health dominating unemployed and working-class households with private landlords. Hayward (1996, p. 6) characterises the period from 1900-37 as a time of 'anything but public housing', where high rates of unemployment, foreclosure and political antagonism compounded the degraded social conditions among the housed poor. Private landlords enjoyed a legally privileged position in society and rampant speculation on the part of financial institutions is said to have been directly responsible for major economic depressions. Social and legal inequality, and lending behaviours that locked underclasses out of secure, safe and clean housing, emboldened the Australian labour movement. Reformers concerned with the growing political consciousness of the labour movement, the growing Communist movement and public health, set about addressing the slum conditions of Australian cities and the effects the urban environment have on the population. The town planning movement, influenced by ideas in the garden city movement in the UK, became a prominent mode of social reform in these early years of Australian federation, and its use is widespread today.

It wasn't until after successive economic depressions in the 1890s and 1930s, WWI and the emergence of the welfare state, that public housing became a staple fixture in the housing mix. During the 1930s depression years and the advent of the Second World War, construction of housing waned and in 1943 the Commonwealth Housing Commission was established, quickly identifying a need for 700,000 dwellings needed over the next 10 years (Sandercock, 1975). The Commission recommended the establishment of the Commonwealth–State Housing Agreement (CSHA) in 1945, which lasted until 2008 before being superseded by the National Affordable Housing Agreement (NAHA) (K. Arthurson, 2012). The agreement delegated the responsibility of providing low-income housing to the States under the coordination of the Commonwealth and through the provision of low-interest federal loans. This period immediately after WWII was the most successful national building moment in Australian history and was responsible for the building of the majority of the national public housing infrastructure.

Public housing in Australia has been provided directly by both State and Commonwealth governments, emerging in the inter-war period during the 1920s and ramping up in the 1950s and 1960s. It has been positioned in the Australian housing mix as a small share but appropriate tenure type for ordinary working class citizens. In comparison to European countries, public housing in Australia has always been a modest component of the overall housing system. For Australia, however, the boom years of public housing construction occurred from the interwar period up until the mid 1960s. Most houses were built to accommodate families on quarter-acre blocks, with the exception of Victoria and New South Wales, which instead built large high-rise apartment blocks, medium-density estates and detached homes on small inner-city blocks as part of a slum renewal response to the deterioration of urban neighbourhoods such as Fitzroy and Collingwood (Freestone, 2010). At this time, a condition of the CSHA limited the sale of public housing, which enabled considerable growth in the tenure through the 1950s and 1960s. Indeed, the peak of public

housing as a tenure was measured in 1966 when a total of 8% of all dwellings in Australia were held in public tenure (Hayward, 1996).

In 1956, the CSHA was renegotiated to lift the sale limitation, with the intention of promoting private home ownership (Kemeny, 1983). This responded to a shifting housing discourse, alongside the emergence of easily accessible housing finance and a popular discourse that positioned home ownership as centrally important. Thus, the focus on public housing began to shift considerably from the 1950s (Ruming et al. 2004). While the Commonwealth-State Housing Agreement (CSHA) initially promoted public tenure in the housing mix, the shift toward the promotion of private ownership became more pronounced.

With the contraction of the welfare state in the late 1970s, an orthodoxy that demands 'smaller' government and personal responsibility, State and Commonwealth governments have divested public resources from providing public housing. Instead, rental subsidies have been preferred through assistance schemes provided by the now defunct Commonwealth Department of Family and Community Services, a practice which intensified in the 1990s and continues today (Caulfield, 2000; Yates & Wulff, 2000). Through government rhetoric, investment practices and aspirational objectives present in popular discourse, public housing has thus endured an inferiority complex over the past 50 years (Ruming et al. 2004). Ruming, Mee, and McGuirk (2004, p. 235) argue that public housing policy in Australia since the 1900s has 'been implicated in the development of a system of binary opposites which positions ownership as the natural and correct tenure, and public housing as abnormal and, hence, inferior.'

Despite the swell in public housing stock made up to 1966, private ownership became the preferred housing tenure by successive governments – State and Commonwealth. Coinciding with the emergence of neoliberal economics and governance since 1978, and intensifying in the 1990s, Ruming et al. (2004, p. 235) state that 'there has been a significant shift away from state funded public housing provision'. Neoliberalism here refers to the creation of markets, or market-driven policy, in public services and assets. Part of the reason for the shift to ownership and the reduction of public housing as a viable tenure type, relates to the popular-cum-official conflation of 'community' with private ownership, which, argues Ruming et al. (2004, p. 236), 'provides the ideological foundations for policies of social mix.' The notion that a community is constituted by home owners, and to a lesser extent private renters, has led to a scenario in Australia in which public housing residents are interpreted as non-members of the broader community, therefore enlarging the capacity of the state to displace resident groupings and transplant with others. The focus on the creation of 'community' rather than the provision of social safety nets, has orientated housing policy hitherto (Arthurson 2002).

Overview of the community housing sector in Victoria

As of 2018, there are 13,085 households living in community housing in Victoria and 62,247 households that live in public (Productivity Commission, 2019). Community housing is owned or managed by non-government organisations which are registered and regulated by the Government. Key types of community housing include:

- Housing associations who own properties or manage properties on behalf of the Government;
- Rooming houses provide accommodation for a single person;
- Rental housing cooperatives where tenants govern their housing with support from professional staff; and
- Specialist housing providers that provide housing and support for specific groups such as the elderly, youth or people with disabilities.

Community housing can charge tenants between 25-30% of their household income (compared to a public cap of 25%), leases are non-perpetual, tenants tend to be more diverse in terms of income range and rents are subsidised by the Commonwealth Rent Assistance (CRA) scheme and charitable tax exemptions.

The community housing sector in Victoria has seen major recent developments in the 2017/18 financial year that impact the potential future growth of the industry (see CHIA Vic, 2018). Firstly, under the Homes for Victorians policy initiative, the VHR has undergone changes that unite the public and community waiting lists, effectively expanding the criterion for offering tenancies to social housing applicants. As a requirement of managing DHHS properties, community housing providers have to take applicants from the VHR. Given the recent merger of the lists, specifically the renegotiated Allocations Framework, community housing providers can now effectively house tenants that would not qualify as the 'most in need' under the previous arrangement. CHIA Vic have also had a significant role in shaping the Commonwealth National Housing and Homelessness Agreement (NHHA). The peak body for CHPs in Victoria claims to have played a key role in the creation of the Housing Finance Investment Corporation (NHFIC), a Commonwealth lender established in 2018 that issued its first 10-year interest-only (fixed under 3%) $315m bond to the community housing sector.[3]

According to the Productivity Commission, in the past ten years, the community housing sector has doubled its housing stock nationally – from 38,524 to 80,233 – primarily due to stock transfers from the public sector. State Governments in Australia all have public stock transfer policies with the aim to expand the role of community housing in the provision of social housing. Since 2016, the Victorian government transferred $304.7m of public stock to community housing providers – only South Australia transferred more. The stock transfer policy has become orthodox in the provision of social housing in Australia. Pawson et al. (2015) support the transfer of public stock to the community sector, arguing that it is 'the best option for a sustainable and financially supportable housing system'. Such conclusion are based upon the envelopment of the Commonwealth Rent Assistance (CRA) scheme, which public housing tenants are unable to access. Further policy analysis is needed in order to understand the value of the CRA for the use of public housing tenants.

Current debates on social housing in Victoria

The current state of public housing in Victoria is dire. Released in 2019, the Productivity Commission's *Report on Government Services* presented data on housing programs delivered under the *National Affordable Housing Agreement* (NAHA) to 2017-18. The data identifies that Victoria commits the least amount of investment to public housing compared to other states. Since 2014-15, every state in Australia has increased their net expenditure on social housing, with the exception of Victoria and South Australia, who have reduced their net expenditure. Victoria has the lowest net recurrent expenditure on social housing per person in the population, well below other states, and is declining year on year. Victoria's expenditure equates to $82.94 per person, compared with $173.35 in NSW – the national average in 2016-17 was $166.93. Victoria's per person spending on social housing has also fallen each year since 2014-15, down from $95.92 per person. Since 2016-17, Victoria has transferred more stock to the community housing sector than any other state, with the exception of South Australia. Currently, there are less public housing dwellings in Victoria today than there were 10-years ago – whilst community housing stock has doubled.

[3] https://www.ahuri.edu.au/news-and-media/news/national-housing-finance-and-investment-corporation-issues-first-bond-to-community-housing-providers

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The Auditor General (Vic) has highlighted on two occasions in the past ten years that public housing in Victoria is underfunded, poorly managed and has no long-term strategic vision. In 2012, the Auditor-General described the situation for public housing in Victoria as "critical" and that the "long-term provision of this vital public service is at risk". The 2012 *Access to Public Housing* report is a searing indictment on the operating model of the DHHS, citing a lack of overarching direction, and absence of a strategic, long-term and comprehensive approach to managing its portfolio. It also cites multiple instances since 2006, where Departments and Ministers were made aware of the deterioration of public housing, yet no action was taken. A focus upon momentary bursts of funding by Commonwealth bodies and partnership agreements has meant less of a focus upon state-based long-term planning strategies and the address of increasing gaps in rental income and cost. Asset management strategies have not been reviewed or updated in time, and this has led to a situation where the Department mostly operates without such a strategy. The report states that there is little existing data on the condition and occupancy of stock, resulting in rising maintenance costs, and ineffective communication with regional offices and residents. It lists seven recommendations to the Department, to

1. develop and apply options to overcome the unsustainable operating model;
2. assess its operational efficiency and role in public housing ;
3. develop a long-term plan for public housing with clear objectives;
4. develop a comprehensive asset management strategy and vigorously monitor performance;
5. at the regional level, capture local knowledge and communicate investment criteria;
6. update and strengthen property condition data across the portfolio; and
7. apply relevant data and medium- and longer-term forecasts to asset management strategies.

In 2017, the Auditor General delivered the Managing Victoria's Public Housing report, an update on the 2012 report. The recent report was primarily an evaluation of the advice which underpinned the formation of the whole-of-government housing strategy responding to the affordability crisis and undersupply of social housing, the *Homes for Victorians* initiative. It also assessed whether DHHS is managing its public housing portfolio effectively and if the recommendations from the last public housing performance audit in 2012 have been implemented. The report found that issues identified as "critical" to public housing need and provision, especially around financial sustainability, short-term strategies, and the inability to meet demand have not been corrected. A lack of long-term vision remains the primary explanation for the failure in the Victorian Government's management of public housing. The Auditor General describes the overarching long-term vision as "disjointed, poorly communicated and lacking in a comprehensive understanding of asset performance."

The report remains optimistic about the future for the HFV initiative, yet, given the lack of transparency around advice and evidence, it is unclear if it will succeed. In the address of the 2012 recommendations, the Auditor General found most actions to be incomplete or abandoned. Lack of data, transparency, and a focus upon 'affordable housing' rather than public stock has meant that there is little in the way of 'targets' and 'objectives' in the provision of future stock. The audit report is highly critical of the advice that supported the development of the HFV initiative and the PHRP, stating that it does not sufficiently measure the likely impact of funded initiatives on current and projected demand for public/social housing. Additionally, there is still no asset management strategy, a continued lack of property condition assessments, and an endemic restriction on the flow of information between the Department, its regional offices, tenants and the public. Its recommendations echo the 2012 VAGO report, albeit with more detail.

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The 2017 report commented that many of the problems identified in 2012 remain of critical importance to the current state and future provision of public housing. Of these concerns, Table 3 highlights those that relate to the current iteration of the PHRP.

Table 3 - Auditor General's 2017 review of 2012 recommendations

Financial sustainability	Public housing rental operations ran at a deficit between 2012–13 and 2015–16, with a small surplus forecast for 2016–17. While the Director of Housing's cash position and net operating cash flow surpluses indicate financial sustainability, these results mask the use of unsustainable strategies such as postponing renewal and acquisition programs.
Lack of long-term direction	Public housing lacks an overarching long-term direction for much of the period since the last audit. The March 2014 release of a new framework, *New Directions for Social Housing: A Framework for a Strong and Sustainable Future,* set a range of directions for social housing reform, but did not set any overarching targets in terms of growth and sustainability. When the government changed in late 2014, it did not support the framework. The overarching long-term direction for public housing remains unclear following the release of *Homes for Victorians* in March 2017, due to the strategy's broader focus on housing affordability issues and no specific targets set for public housing growth or sustainability.
Ageing stock	Average age of Victoria's public housing stock is 35 years. In total, 60 per cent of public housing stock is now over 30 years old, compared to 42 per cent at the time of the 2012 audit. While it is clear that Victoria's public housing stock is ageing, DHHS lacks data to reliably assess the condition of its stock, and consequently whether it is deteriorating at a rate faster than it is ageing.
Unmet demand	The public housing waiting list has not grown since the 2012 audit. However, the waiting list does not reflect true demand for social and affordable housing, in part because waiting lists cannot account for unexpressed demand from people who qualify for public housing but have not applied. Victoria's public housing stock is not designed, or well placed, to meet demand. With public housing supply not meeting demand, DHHS has focused its allocations on people in greatest need.
Misalignment of stock and demand	Victoria's public housing portfolio is not configured to meet the growing demand for one- and two-bedroom dwellings, which accounts for around 80 per cent of public housing applicants. Currently there are more three-bedroom dwellings than any other configuration. Overcoming this challenge in the short-term is very difficult, cost due to the high cost and disruptive nature of reconfiguring public housing stock.

A range of other inquiries and reports have also been conducted on public housing in Victoria. In 2010, the *Inquiry into the adequacy and future directions of public housing in Victoria* examined public housing waiting lists in Victoria and their impact on different cohorts; the adequacy, quality and standards of Victorian public housing; the safety and location of Victorian public housing and public housing estates; and, the impact of public housing need on specific groups. The Committee received 109 submissions, held 43 public hearings and was conducted over 10 months within the context of major Commonwealth investment in the form of the National Building: Economic Stimulus Plan. A critical assessment of the funding framework determined that investment is sporadic and at a state level there is a major shortfall in ongoing, long-term investment into social housing. In total, there were 81 recommendations made.

Broadly speaking, the Committee recommended a focus on growing supply through not-for-profit, non-government organisations; increased ongoing investment; targeted access to housing according to demography/need; increase options for rental payment and debt recovery (with the aim to keep tenants in houses, avoiding legal action); increase access to

employment and services; implementation of a long-term asset planning strategy; and, increase the supply of dwellings to meet the waitlist. Additionally, the Committee recommended that the Planning and Environment Act 1987 be amended to include as an objective a need to support the development and retention of affordable housing; and to amend the Victorian Planning Provisions to allow for the use of 'inclusionary zoning'. There was also the explicit need for the Victorian Government to provide a clear statement outlining its vision for the future of public housing in Victoria.

In 2012, the auditing firm KPMG (2012) were commissioned by DHHS to explore the supply-side mechanisms for the provision of future social housing supply, in large part, due to the damning findings of the 2012 Victorian Auditor General's report on public housing. Central to their recommendations was a focus upon two development pathways that capture the largest growth potential in supply – these involve public private development partnerships that require public housing stock transfer (similar to the current PHRP model), and the participation of community housing providers. It explores the viability of the recommendations and ultimately recommends a transfer model where public stock, legal title, rights and responsibilities are outsourced, either partially or completely – including redevelopment and relocation services. The financial model recommended does not include any anticipated increase in stock, but instead seeks to reduce cost for non-government entities in attaining loans, selling of government bonds, and selling stock to the private sector then to be leased back by DHHS. The report rationalises its recommendations against the 2012 Victorian Auditor General's report on public housing, citing misalignment of stock, mismanagement of stock, financial unsustainability of model and a large maintenance backlog.

Most recently, a team of AHURI researchers have evaluated the different models of providing social housing. Lawson et al.'s (2018) AHURI report *Social housing as infrastructure: an investment pathway* is the most comprehensive, empirically-informed and real-world tested analysis of applicable and viable funding pathways for the current need and future demand of public/social housing in Australia. It is a thoroughly-evidenced review of investment pathways for the future provision of social housing in Australia that articulates the scale, type and location of need for current and future provision. Accurate details of the cost for procuring appropriate dwellings in strategic locations are provided through the presentation of five alternative pathways involving a range of debt, efficient financing and capital grant strategies have been modelled to assess their relative costs to government. Lawson et al. (2018) show that a 'capital grant' model, supplemented by efficient financing, provides the most cost effective funding pathway for Australia governments — in preference to the 'no capital grant, commercial financing operating subsidy' model. The key findings of the research point to a number empirically-based recommendations:

- for a shift to thinking about social housing as a social infrastructure akin to schools and hospitals;
- to introduce a needs-based framework for allocating funds that demonstrates transparent costings based upon up-to-date evaluations; and
- to adequately assess the scale and spatiality of deficit and need through appropriate research that can inform the right pathway for investment – current identified need of 730,000 new social dwellings over the next 20 years. 100 new dwellings, per day, for 20 years.

Lawson et al's (2018) work identifies the need for massive-immediate-direct-investment in state provided public housing. Government bodies share in promoting a direct investment model for the provision of affordable and government built housing.

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Policy context

National level

Since 1945, there have been a number of agreements by Commonwealth and State Governments to collectively fund the provision of public housing. The *Commonwealth-State Housing Agreement (CSHA)* ran from 1945-2008, before being superseded by the *National Affordable Housing Agreement*, which ran from 2009-2018. The most recent agreement is the *National Housing and Homelessness Agreement,* which is scheduled to run from 2018 to 2023.

The majority of the social housing stock present in Australia today, is as a result of the implementation of the CSHA in 1945, the first federal-state agreement on housing in Australia. Between 1945 and 1965, one in six houses built in Australia, were public housing. The premise of CSHAs, is that the Commonwealth would loan financial capital to States to build public housing, and that respective States would cover ongoing costs through tenant rent. Rents at this time mostly covered these ongoing costs, as public housing accommodated large proportions of working people. During the 1970s, capital funding went into decline and has intensified since. Coupled with the directing of public housing stock to people most in need (and most unable to pay market rent), public housing in Australia has operated at a loss and is tightly rationed.

Hall and Berry (2007) have demonstrated how up until the late 1980s, all state housing authorities operated with surplus, but that this had reduced to one state by 2004. As a result, various iterations of the CSHA, particularly the 1989 and 1996 versions, changed the arrangements to include the funding of recurring expenses and switched funding agreements from loans to grants. In the early 2000s, rental rebates were reduced to increase revenue and significant amounts of public stock began to be transferred to the community housing sector to take advantage of Commonwealth Rent Assistance eligibility.

Replacing the CSHA in 2008, the *National Affordable Housing Agreement (NAHA)* was implemented in 2009 to address the following aims:

- people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion;
- people are able to rent housing that meets their needs;
- people can purchase affordable housing; and
- people have access to housing through an efficient and responsive housing market.

The Commonwealth Government provides funding of $1.3b to the states and territories for them to spend in achieving housing and homelessness related outcomes – this figure is indexed annually. The NAHA also ran in conjunction with other national partnership agreements on remote Indigenous housing (NPARIH) and homelessness (NPAH).

The current agreement is the *National Housing and Homelessness Agreement (NHHA)*, which is a five year funding arrangement that carries over the $1.3b allocated in the NAHA and dissolves the funding agreements on homelessness alleviation. The NHHA is more achievable in its aims – a response to the fact that no aims were achieved in the previous 2008 NAHA – and has added transparency through the mandatory reporting of State and Commonwealth contributions (Milligan 2018). The biggest difference of the current agreement relates to the breadth of its scope along the housing spectrum, including crisis accommodation and home ownership. It aims to achieve:

- an efficient, responsive and well-managed social housing system;
- support for community housing and affordable housing models that can viably increase housing supply;

– tenancy reform that encourages security of tenure in the private rental market; and
– strategies to promote market supply and efficiency, including planning system reforms, land-release initiatives and support for home ownership.

Local level

A number of local government policies consider the broader Commonwealth and State policies on the provision of public and affordable housing. An in-depth analysis of the 'levers' that councils have at their disposal is not possible within this project report. Importantly, Councils do not have the necessary control mechanisms to halt redevelopment programs that do not reflect the aspirations of local planning and policy frameworks and the local citizens. There are, however, a number of current projects and polices that should consider the ongoing development of the PHRP and its associated effects.

Affordable housing is one area in which each council can tailor approaches to planning and finance arrangements to encourage the expansion of the community housing and affordable housing sector. However, the growth of the community housing sector should be approached with a degree of caution, given that this has historically been at the expense of a robust and well-functioning public housing sector through the transfer of stock from public to community title and management. The primary role of local councils in ensuring the continued supply and equity of public housing rests in its responsibility as a community advocate and significant actor in providing health and safety to its residents.

The PHRP and its consequences intersect with local policies including:

– Darebin Housing Strategy – 2013 (Revised 2015);
– Responding to Housing Stress – A local Action Plan 2010 – 2013;
– Yarra Housing Strategy – 2018;
– City of Yarra Affordable Housing Policy Guidance Note – 2017;
– Moreland Affordable Housing Strategy 2014 – 2018; and
– A Home in Moreland – 2018.

Victorian Housing Policy: 'Homes for Victorians'

In 2017, the Victorian Government introduced the *Home for Victorians Initiative* which as a whole-of-government policy that implemented significant amendments to housing in Victoria. It builds on existing work being done, including: *Plan Melbourne 2017-2050*, the reform of the *Residential Tenancies Act 1997*, the *Better Apartment* guidelines and the Family Violence Housing Blitz. Policy initiatives are divided into five streams, see Table 4 below.

Attachment 5 - Understanding the PHRP Final report - Dr David Kelly and Professor Libby Porter May 2019

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Table 4 - Homes for Victorians Initiatives.[4]

1. Supporting people to buy their own home	2. Increasing the supply of housing through faster planning	3. Promoting stability and affordability for renters	4. Increasing and renewing social housing stock	5. Improving housing services for Victorians in need
1.1 Abolishing stamp duty for first home buyer purchases under $600 000 and phase in for purchases up to $750 000 $851 million over four years*	2.1 Planning for Victoria's growth Funded within existing resources	3.1 Reform of the Residential Tenancies Act 1997 Funded within existing resources	4.1 Victorian Social Housing Growth Fund $1 billion capital fund*	5.1 Moving homeless Victorians to stable housing $109 million over five years
1.2 Doubling the First Home Owner Grant in regional areas $50 million over four years*	2.2 Increasing development opportunities in the inner and middle suburbs Funded within existing resources	3.2 Supporting households to sustain long-term housing $33 million over two years	4.2 Building more social housing and redeveloping ageing supply Redevelopment of public housing estate program – $201 million over four years Social housing pipeline – $140 million over four years	5.2 Towards Home - rough sleeping package $10 million over two years
1.3 Shared equity opportunities for first home buyers HomesVic – $50 million equity; $3 million operating over four years National Affordable Housing Consortium grant – $5 million in 2017-18	2.3 Land supply in Melbourne's growth corridors – 100 000 extra lots Funded within existing resources	3.3 Making long-term leasing a real option for Victorians $1 million over four years	4.3 Financial backing for the community housing sector Loan guarantee - $1 billion over six years Loan facility - $100 million Implementation costs - $2 million in 2016-17	5.3 Family Violence housing measures $152 million over three years

[4] Source: Government of Victoria (2017). Homes for Victorians: Affordability, access and choice. Melbourne, State of Victoria. Pg. 4

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1. Supporting people to buy their own home	2. Increasing the supply of housing through faster planning	3. Promoting stability and affordability for renters	4. Increasing and renewing social housing stock	5. Improving housing services for Victorians in need
1.4 Housing for first home buyers in key precincts Funded within existing resources	2.4 Inclusionary housing to increase the supply of social and affordable housing Inclusionary housing pilot program operating costs – $1 million over three years Inclusionary housing in major developments – $7 million over four years	3.4 Residential parks Funded within existing resources	4.4 Increasing the capacity of the community housing sector $3 million in 2017-18	5.4 Rooming houses $30 million over three years
1.5 Rebalancing the market between investors and home buyers Making the off-the-plan concession fairer – $841 million over four years (revenue) Introduce a Vacant Residential Property Tax – around $80 million over four years (revenue)	2.5 Speeding up local government planning decisions $21 million over four years	3.5 Better Apartments guidelines Funded within existing resources	4.5 The Victorian Housing Register Funded within existing resources	5.5 The Victorian Property Fund $100 million over four years
1.6 Reforms for a fairer real estate market Funded within existing resources	2.6 Smarter planning for permits $29 million over five years			

Stream four highlights the extent to which social housing reform will be implemented in Victoria, creating an estimated 6,000 social housing dwellings. A major component of this is the Victorian Social Housing Growth Fund, a $1 billion capital fund designed to create partnerships with community housing providers or provide rental subsidies for properties in the private market. It was developed in response to the NSW Government's Social and Affordable Housing Fund pilot to provide low interest loans and government guarantees to community housing providers. The fund cannot be drawn down and will serve as capital to

leverage investment opportunities in new projects. According to the Government of Victoria (2017), the fund will create 2,200 new social housing over five years (2017-22) through new constructions and rental support, the balance of which will be market determined. New constructions will take place on non-Victorian Government land under the Build and Operate program (BOP). In January 2019, the first round of funding was announced that will create 680 new affordable private rentals through recurrent funding to lease new dwellings under the New Rental Developments Program (NRDP)[5].

The BOP and NRDP programs also feed into the directive to provide financial backing for the community housing sector through loan mechanisms worth over $1.1b. The loan guarantee program will provide $1 billion over six years to reduce risks for lenders by providing guarantees on the repayment of loans. It will have the effect of lowering perceived and actual risk of loans to housing associations, with the government guaranteeing repayment of the loans on their behalf. A revolving loan facility worth $100m will provide capital to registered housing associations through supplementing private finance, reducing the cost of borrowing through the effective lowering of interest rates.

It is made explicit within HFV initiative, and other Australian state government housing strategies, that there is a concerted shift to ensure future social housing supply is provided by the community housing sector. Successive Victorian State governments have underperformed in their duties as public housing landlords over the past 30 years, which is evidenced by the content and recommendations of the 2012 and 2017 Victorian Auditor General's reports into public housing. Shaw (2017), in relation to the PHRP within the framework of the HFV initiative, argues that the 'Victorian government's 2017 housing policy contains a bulk transfer of public housing to housing associations', noting that the 'Housing Minister Martin Foley's explanation is that "the state is a terrible housing manager"'.

In order to increase the capacity of the community housing sector, the Government will oversee a large-scale transfer of public housing (4000 dwellings initially) to the community housing sector through management arrangements and possible title transfers. One-off funding of $3 million will be provided to assist housing agencies in the transition to managing the DHHS portfolio, primarily to set up community sector managed social services closer to communities. The transfer of stock was negotiated in 2017 along with the reform of the VHR. Transfers will commence in 2018 with a requirement that community housing providers take 75% of their prospective tenants from the VHR – this process is to be funded by the department.

The area of most concern for current public housing residents and critical voices of public housing in Victoria, relates to the directive to build more social housing and redevelop ageing supply. An integral component of this is the Social Housing Pipeline which is proposed to deliver new social housing on vacant or under-used Victorian Government land. This involves partnership with the community sector to purchase or lease properties for people experiencing homelessness. The pipeline directs $140m over four years, as well as public land, to the redevelopment of Flemington estates, Stoke-Penola Preston estates and PHRP sites. The final component of this stream in the *Homes for Victorians* initiative is the redevelopment of public housing estates under the PHRP, which includes $185m stage one funding and a total of $201m over four years.

[5] https://www.udiavic.com.au/Side-Navigation/Media-News/Industry-News/Social-Housing-Growth-Fund-allocations-announced

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Part Two: Existing evidence and case studies of the impact of renewal

International evidence base on impacts of displacement

In the various submissions to the Parliamentary Inquiry made by Councils (Darebin, Moreland and Yarra), common concerns around forced relocation were presented:

- Community being unnecessarily displaced from their homes, schools, friends, jobs and community;
- A lack of consideration of relocating to nearby public housing estates to reduce impact; and
- A reduction in units on the redeveloped estates resulting in designed permanent displacement and added pressure to the public housing waitlist.

These reflect analysis and findings from the international literature on the manner by which renewal projects such as the PHRP drive the displacement of people from their homes and neighbourhoods (see Porter and Shaw 2009). There is a significant evidence base that demonstrates how state-led renewal and regeneration programs inevitably lead to displacement because the models generally deployed are about redevelopment and uplift in property values, rather than the actual renewal of dilapidated living environments (Porter 2009)

Displacement is defined in the literature as residents of a place or neighbourhood pushed out under conditions not of their choosing or more generally the denial of opportunity to people to make their own life geographies (see Blomley and Delaney 2004). In this sense, renewal projects as they interpenetrate with capitalist urban land markets bring to the fore the way that land remains an essentially class struggle in any contemporary urban context (see Kaika and Ruggiero 2015). In short, displacement describes "what happens when forces outside the household make living there impossible, or hazardous, or unaffordable" (Hartman et al 1982). While the causes of displacement are often varied, they usually relate to the struggle for access to land in a context of highly uneven development. It is important to recognise that displacement is neither an accident nor 'natural'. It is the product of the interaction of a common array of market forces, local urban development situations, policies and institutions. Moreover, displacement is a core feature of urban injustice because those being pushed out invariably do not benefit and are displaced precisely in order to deliver benefit to wealthier or more advantaged social classes.

Displacement studies are not straightforward, mostly because scholarly research design and structures are often incompatible with the force and timing of residential displacement. Displacees are often difficult for researchers to find and access, simply because they have been displaced. Relatively few displacement studies have been undertaken in Australia. However, more than 50 years of research on the effects of displacement from gentrification and renewal in the US, UK and Europe, as well as the work of key community-based networks and anti-displacement organisations and scholarly work on international displacement with refugees offers a significant evidence base.

A first concept to understand is that of choice. Displacement by definition is forced relocation, such as eviction, which is usually state-supported and often violent (see for example Gray and Porter 2014). Yet forced relocation also covers other forms of relocation that are undertaken not under conditions or drivers of the residents' own making. This includes relocating into a different social housing unit as a result of urban renewal or having to move because of rising rents. Together, these are what Marcuse (1985) defines as direct displacement, both physical (eviction or making a home uninhabitable) and economic (ibid, p.205). Yet displacement occurs when rising surrounding cost of living, or loss/lack of

services due to other forms of urban upgrading or other exclusionary measures prevent people from remaining in or even moving into specific neighbourhoods. Marcuse (1985) defines this as exclusionary displacement, and it is also sometimes called indirect displacement.

The impacts of these various forms of displacement are overwhelmingly negative. In his seminal study in the 1960s, Marc Fried surveyed nearly 600 people displaced by a large slum clearance program in Boston that saw their homes razed to make way for high-rise luxury housing. Asking about their feelings and responses to this event, Fried concluded that these displacees experienced what can only be described as grief:

These are manifest in the feelings of painful loss, the continued longing, the general depressive tone, frequent symptoms of psychological or social or somatic stress, the active work required in adapting to the altered situation, the sense of helplessness, the occasional expressions of both direct and displaced anger, and tendencies to idealize the lost place. At their most extreme, these reactions of grief are intense, deeply felt, and, at times, overwhelming. (Fried 1963, p.359-60)

In a further seminal US-based study, psychologist Mindy Fullilove documented the psycho-social and health impacts of people displaced as suffering 'root shock': "Root shock, at the level of the local community, be it neighbourhood or something else, ruptures bonds, dispersing people to all the directions of the compass" (Fullilove 2004). In a more recent paper on displacement because of a mega-event in Shanghai, Zhang (2017) has described the effect of displacement as 'domicide' – the murder of home.

The kinds of psycho-social, health and economic impacts experienced by people suffering displacement include loss of sense of home and community, loss of access to key long-standing social networks on which they relied, loneliness, loss of identity, loss of security and ownership, despair, depression and anxiety, loss of livelihood or job, loss of access to vital services or facilities, and isolation. There are documented cases of suicide, death, and self-harm as a direct result of displacement from urban renewal (see Fried 1961; Marris 1961; Fullilove 2004; Zhang 2017; Slater 2013). These impacts have much wider effects than merely on those actually displaced. Families, friends and communities are all impacted as the social, economic, and health effects experienced by those displaced ripple out (Marcuse 1985).

Jane M. Jacobs was one of the first urbanists to document the fallacy of 'renewal' in poor areas of US cities where she observed high levels of community interdependence and relationship. While her work did not specifically examine the impacts of displacement, what it did reveal is the stigmatisation built into most urban renewal policies that poor or disadvantaged urban areas are dysfunctional and requiring a state 'fix'. While it is undoubtedly true that poverty and disadvantage are both unjust and require redress, the form that redress takes is almost universally the redevelopment of poor housing in ways that rarely serve the purpose of regenerating dilapidated areas for the poor themselves, on their own terms.

Often, the stigmatisation of urban areas and the residents who live within them is advanced through state policy frameworks, fuelling a wider and sometimes more nascent public narrative (for example around welfare dependence). For example work done in the UK on the use of the term 'sink estate' (Slater 2018) in policy discourse reveals the active work policy frameworks do in creating justifications for socially unjust displacement. Seminal work undertaken in France and the US similarly revealed the extent to which stigma is a structure built into not only popular discourse but also class structures and policy frameworks in ways that demonise people living in stigmatised neighbourhoods, creating the justifications for their eviction and indeed ongoing rounds of social displacement (see Wacquant 2008 and Wacquant et al 2014). This levelling of sustained stigmatisation has been particularly pronounced in the past three decades against public housing especially, in cities all around the world (see Slater 2013; Goetz 2013).

The displacement occurring as a result of the PHRP is a classical form of direct displacement where residents are required to relocate in order for their homes to be demolished. It is important to note that the relocation services provided by DHHS cannot in itself change the displacement occurring. In other words, the relocation of residents into other homes is in fact part of the very definition of the displacement. Residents do not become 'not displaced' because DHHS has found them a new home. Moreover, the 'guarantee' of return equally cannot, by definition change the status of these residents as displacees. In other words, simply because residents might be able to return does not change the fact of their displacement and its impacts. Here again the question of choice becomes very important. For, as is often the case in urban renewal programs, the policy framework is presented as if it offers choice – residents can 'choose' to return for example. Often, when residents do not return, this is presented by policy evaluations and governments as evidence of resident 'choice'.

What is clear, however, from the evidence is that these are rarely meaningful choices where people are selecting from a range of options what suits them best on terms of their own making. Instead, those 'choices' are highly constrained and often residents are simply choosing the least worst option. An excellent example would be elderly residents who 'choose' not to return to a redeveloped estate simply because they have become frailer and less able to cope with yet another house move as a direct result of their initial displacement. Or families who 'choose' not to return because that would require resettling their children for a second or sometimes third time into new schools and social settings.

In the Government of Victoria's submission to the Parliamentary Inquiry – and indeed all publicly available Government documents –no considerations have been made about any of these social and health impacts that displacement and forced relocation will have, and is having, on public housing residents affected by the PHRP. The following considerations were made:

In collaboration with the Victorian Public Tenants Association (VPTA), the Minister for Housing has made a pledge guaranteeing all existing tenants the right to return to their current estate once the redevelopment is completed. To accommodate families returning to estates, DHHS will work proactively throughout the process to provide suitably sized homes, which may include flexible apartments that can be adapted for larger households.

The Minister's pledge outlines the government's commitment to all relocated residents, as follows:

1. Public housing tenants who are relocated as part of the public housing renewal project will have the right to return to their estates after construction has finished;
2. Public housing tenants who return to the new estates will still have their rent calculation limited to 25 per cent of their household income; and
3. Public housing tenants who return to the new estates will experience no reduction in their security of tenure.

In addition to this, the Victorian Government (2018, p. 22) stated that tenants 'will be relocated from the sites prior to any demolition works commencing', however, as Lucas (2019) has illuminated, demolition has already begun on sites such as Walker St, Northcote while tenants still reside in every building on site.

Jama and Shaw (under review) in relation to the renewal of the Carlton estate, show how involuntary displacement from already established emplaced social networks and services has been shown to have serious physical and mental health effects. Often, residents that are displaced are done so permanently, resulting in a harmful loss of social capital that never returns. Jama and Shaw also reflect that little is known about permanently displaced residents, primarily due to a refusal of Government departments to permit access to those

populations, leading researchers to suspect a prevalence of harm among displaced residents.

As part of the HFV initiative, $16 million has been provided for short-term housing for existing tenants while the redevelopments occur during Stage One. The primary avenue of expenditure will go toward procuring properties for a fixed period of five (5) years, head-leased from the private rental market. Properties will be returned to landlords at the end of the agreement, at or above the same condition at which the agreement began. It is likely that a significant amount will go toward renovations at the end of the leasing period. Whilst the Government has issued deeds to residents indicating their right to return – given appropriate available units – it is crucial to make the distinction that those residents will not have the right to return to public housing.

Right to return

Anecdotal evidence gleaned through conversation with the authors of the Carlton evaluation (K. Arthurson et al., 2014) indicates that VicHealth refused to share data on the rate of return for residents. VicHealth indicate that approximately 40% of residents returned, however, researchers question this, estimating that the rate of return is more likely to be below 20%. This follows Shaw, Raisbeck, Chaplin, and Hulse (2013, pp. 8-9) in their evaluation of the Kensington estate redevelopment:

Of the up to 486 public tenant households relocated from the estate (the number is not certain as not all units were occupied prior to the redevelopment) only 20 percent returned. There are a number of reasons for this, including satisfaction with the alternative accommodation, desire to avoid the disruption of a second relocation, the time taken for new units to come available, and the reconfiguration of dwelling types on the redeveloped estate which meant that not all households were able to be re-accommodated.

Given the large-scale reduction in three- and four-bedroom units on PHRP sites, it is reasonable to assume that not all existing or relocated residents will be able to return to pre-development sites. No sites in the current tranche of PHRP renewal sites (Northcote, Preston and North Melbourne) will incorporate *public housing*, therefore, no existing or relocated residents will be able to exercise their right to return to public housing on pre-development sites. The right to return is based upon the likelihood of a 20% or less return rate (given past experiences at Carlton and Kensington) and that residents will be willing to return to *community housing* rather than public. Legal advice offered by community legal offices at the *Save Public Housing* residents meeting (23 March 2019, All Saints Church) have indicated that legal avenues for dispute that invoke the right to return, as enshrined by deeds signed between residents and the Minister for Housing, are unlikely to succeed.

Case studies of public housing renewal and its impacts

There are a number of evaluation studies that focus on neighbouring resident attitudes and the experience of relocation by pre-development estate residents. In this section, we explore the largest contemporary projects in Victoria and describe their key findings. These offer key insights for what might be anticipated as impacts from the current PHRP.

Kensington Estate

The *Kensington Evaluation Report* (2013) is the most important study to date in Victoria that suggests the most likely model and impacts of the PHRP. It marks an important moment in the debate around public mixed housing redevelopment policy as it provides forensic detail in the analysis of mix policies (financial, housing and social). The findings almost completely contradict government policy rhetoric around positive impacts of mixed redevelopment

projects. It is therefore concerning that the findings reached in this report have not been considered in the formation of the PHRP. The release of the report was stymied by the Department until 2018 when it became possible to make the report public through the Parliamentary Inquiry. The report's authors note that there were significant gaps in the knowledge provided by DHHS and a wide-spread refusal bygovernment to provide access to relevant data.

The Kensington estate is located in a small and affluent inner-city suburb of Melbourne, west to the CBD and within the City of Melbourne municipality. In the 1960s, the estate contained three high-rise towers and 18 walk-up buildings on a 6.04 ha estate. However, after successive periods of government neglect and a lack of maintenance, one of the towers was demolished in 1999, and in 2000 a redevelopment project was commenced, resulting in the demolition of all walk-ups and the refurbishment of the two remaining towers.

The redevelopment model is a joint partnership between the Government of Victoria and the Becton Corporation, a private developer established in Melbourne in 1982. Becton was contracted by then Department of Human Services (DHS) to design and construct new public housing – the developer purchased two-thirds of the estate (4.18 ha) below market rate for the construction of private housing later sold at market rate. This public-private-partnership model was the first of its kind in Victoria with its emphasis on finance mix, housing mix and social mix.

A significant component of this model is the place management of the renewed estate. Becton was responsible for on-site facilities management, owner's corporation management, community building and marketing private sales. As part of this, Becton set up the Kensington Management Company in 2003 to manage the estate, which was later transferred to a not-for-profit company, Urban Communities Ltd., in 2008.

Table 5 concisely describes the key findings of the evaluation report. In summary, it was found that: there was a loss of public housing units and bedrooms on the estate through the process of housing mix; resulting social mix was found to be ineffective in bringing about social interaction and the premise that there was locational disadvantage prior to development was erroneous; private and public tenures were segregated on site, however physical improvements in buildings contributed to higher rates of satisfaction among public housing residents; revenues flowed to the private developer rather than being retained by the government/public; and that the place management model had mixed effects, in that localised services benefit residents, but that the community development component is under resourced and lacks long-term vision.

The report recommends overall, that the 'redevelopment model at Kensington should not be reproduced in the same arrangement on other estates' (p. 13). In summary of its recommendations, Shaw et al. (2013) suggest that future public housing redevelopment projects should ensure that:

- Financial return should be retained by the government/public as the commercial risk to the developer is much lower than expected;
- There is no loss of public housing;
- Public-private-partnerships should be reconfigured to maximise return for the public component of housing mix;
- On-site management should be encouraged through well-resourced agencies and have clear long-term visions;
- Proportions of public, community and private housing should be determined by site-specific contexts;
- Revenue directly reinvested into public housing through engaging not-for-profit developers;
- Government developer such as Development Victoria should be explored as a viable option; and
- Maintenance should be the responsibility of the place managers.

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Table 5 - Key findings, Kensington Estate Evaluation Report (Shaw et al. 2013, p. 8–12)

Redevelopment basics	There were 694 public units on the estate prior to the redevelopment, of which 486 were demolished. These were replaced by 205 new public units. The two remaining towers have 224 units which were refurbished through a different program, resulting in a total of 429 public units. This amounts to a reduction of 260 public units on the estate, with another five lost through conversions.
	The new construction on the estate is 30 percent public to 70 percent private. There were 512 private units built, of which 15 were sold for community housing. The finished project therefore has 497 private units, 15 community housing units and 429 public units – a total of 941 dwellings. Counting the community housing as public (although it is strictly in a third category) the total public to private mix is 47:53.
	Works commenced in 2002 with completion due in 2008. The project took four years longer than anticipated and was officially opened by the Minister for Housing in April 2012.
	Of the up to 486 public tenant households relocated from the estate (the number is not certain as not all units were occupied prior to the redevelopment) only 20 percent returned. There are a number of reasons for this, including satisfaction with the alternative accommodation, desire to avoid the disruption of a second relocation, the time taken for new units to come available, and the reconfiguration of dwelling types on the redeveloped estate which meant that not all households were able to be re-accommodated.
Finance mix	The cost to DHS of the 205 new public housing units is calculated at $45,589,040, or $222,385 per unit, including the demolition of the old stock. This represents a cost-effective arrangement for government.
	The above calculation does not factor in the loss of 260 public dwellings from the estate. It does include the cost of 89 spot purchases elsewhere in Melbourne which were pegged to the redevelopment and used for some of the relocations.
	The government land valuation for the estate in 2002 was $109.72 per square metre. This is low for inner-city residential land at the time: the Real Estate Institute of Victoria values land per square metre in Kensington in 2002 at $1,640 (in 2002 prices). The low base land rate is partly explained by the perceived risk of the development. The price ultimately paid for the 4.18 hectares sold (69 percent of the estate) was $3,760,087, or $89.95 per square metre.
	The sale of the private units was an important element of the financing of the entire redevelopment. It constitutes the bulk of the developer's return, which is calculated at $44,879,982. The net profit margin across the project is calculated at 37.56 percent. The accepted industry standard is 20 percent.
	A number of variations were made to the masterplan over the course of the development. The most significant changes occurred in 2009 in a sixth amendment to the development agreement, which changed the product mix to more apartments and fewer townhouses, and increased the yield in the final stage of the redevelopment by 10 public and 57 private units. This final stage netted an estimated profit margin for the developer of 51 percent.
	It is clear in hindsight that apartments on well-located public housing estates do sell in the private market, and that the risk is not as great as thought. This is likely to be more the case on inner-urban than outer suburban estates.
	The value for money assessment in this evaluation is that the financial arrangement could have been more advantageous to government, given that the risks of inner-city public housing estate redevelopment are not as high as initially, perhaps understandably, thought.

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Housing mix	The final mix on the Kensington estate is 47 percent public and community housing to 53 percent private housing.
	The urban amenity on the estate is high, and the quality of the new public housing is a vast improvement on the old stock. The tower units were given minimal refurbishments under a different government program, but have improved landscaping and community spaces at their base.
	Public and private residents are separated into different buildings, which range in size in the new build from 10 to 97 units. These are largely indistinguishable, and physically better integrated with the surrounding neighbourhood.
	It appears the private apartments have a strong investor presence, and that the number of owner occupiers is not as high as anticipated.
	There are indications that internal and external communal spaces are being maintained to different standards, in favour of the privately-owned buildings.
	The redevelopment has brought about greater pride of place and tenant satisfaction for the 205 households in the public new-build, due largely to the better housing and improved physical environment.
	A combination of improvements to the housing stock, indistinguishable public and private housing, and presence of residents of private housing has led to public tenants reporting a reduced sense of stigma.
	The estate is reasonably well integrated into the surrounding neighbourhood with the extension of some existing streets onto the estate. The connecting streets and walkways on the estate increase its permeability and encourage neighbouring residents to walk through.
	The objectives of the housing mix have been achieved in that new public housing has been built (though replacing only 42 percent of the demolished stock), new private housing has been constructed, landscaping and infrastructure works have been carried out, and the estate as a result is better integrated with the surrounding neighbourhood.
Social mix	The housing mix delivers a social mix in terms of incomes and stage in life cycle, that is, through providing housing for public tenants, private tenants and owner-occupiers.
	There is little evidence at this stage of social mixing (social interaction) between the different tenure groups. There is mixing among public tenants, facilitated by their proximity within the public housing buildings and strong community organisations. Private residents of the estate appear to mix more with other private residents in Kensington, facilitated by the growing number of suitable meeting places in an increasingly gentrified residential and retail landscape.
	There is no clear evidence for the existence prior to the redevelopment of 'place-based disadvantage', and no evidence at this stage for the mitigation of the effects of long-term poverty.
	The claims of the benefits of social mix, such as increased connectedness, greater social mobility and employment opportunities for public tenants, are not supported to date.
Place management model	The model was introduced initially to support the private sales program through on-site place management and community building. In the course of the project it evolved into what is now seen as a long-term arrangement beyond the life of the development project.
	The place management entity manages all public housing tenancies and private tenancies where requested by the property owners. There are clear benefits from this on-site tenancy management approach.
	The place management entity is responsible for maintenance of all external and internal communal areas (apart from City of Melbourne-managed areas) and building exteriors. It is not responsible for maintenance within public housing units: this function remains with DHS.

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	There is some confusion among tenants and within DHS and the place manager around the division of maintenance responsibilities.
	There is some discontent on the part of owners on the estate about a lack of competition in owners' corporation fees and management.
	The community building program has generated many worthwhile activities, but they do not appear to have improved connections between public housing tenants and private residents on the estate or in surrounding areas.
	The place manager has successfully leveraged external grants and other investment for community building activities, and in partnership with other agencies has facilitated the establishment of two small social enterprises providing employment and training opportunities for public tenants on the estate.
	There is no comparable place management model in Victoria. The state's Neighbourhood Renewal program, which has an important community building component, is of limited comparative value because it does not have a tenancy management role, and because the community building component is better resourced than that at Kensington.
	The operating costs of the place management model appear to be exceeding the increase in revenue, but the model is still being established and staff still being employed. It could be expected that absorption of the internal maintenance of the public housing units would increase economies of scale of the current model and contribute to its sustainability.
	The place management model contributes to the redevelopment's economic viability by making the private housing on the estate attractive to purchasers and occupants.

Carlton Estate

The *Carlton Housing Redevelopment* project is the largest public-private partnership redevelopment project in Victoria. The redevelopment involves three sites on a 7.4-hectare parcel of public land. Work commenced in 2006 and will be completed over nine stages (still in progress). The project includes the redevelopment of both public and private housing units, the construction of a retirement village and an aged-care centre, the development of new public parks, gardens and landscaping, and the gradual renovation of the existing high-rise public units. The walk-ups on the Lygon site were demolished in late 2006, while those on the Elgin site were demolished early in 2011. Before redevelopment had started, there were 192 units in the walk-ups on the combined Lygon and Elgin sites, all of them three bedrooms. The new units comprise a majority of one- and two-bedroom units, and fewer three- and four-bedroom units. In total, there will be 246 new units, a 28% increase in units. However, the number of bedrooms will decrease from 576 to 444. The project incorporates a tenure blind approach and the resultant social mix is projected at 73/27, with 663 new private units. On the remainder of the estate, outside the renewal site, 818 high rise public housing dwellings were retained and progressively upgraded.

The redevelopment was justified because of ageing stock, poor condition of built form and a misalignment of need in relation to bedroom configuration and building performance. Community safety, lack of public amenity and the 'visual impact' of the estate upon the surrounding area were also cited by the Government – in their submission to the Parliamentary Inquiry – as major drivers of the redevelopment. The total cost of the project is estimated at $250m, with a government investment of $50m. The project was delivered by the Living Carlton Consortium – comprising Citta Property Group and Australand private developers

A 2014 research study conducted by Flinders University in conjunction with the Brotherhood of St Laurence and VicHealth investigated the health and social impacts of the relocation of

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public housing tenants in Victoria and South Australia. The research focussed on the experience of tenants, service providers and local residents in the Carlton estate. Data collection included both qualitative and quantitative methods:

- observations on the estate and at community events while taking field notes;
- in-depth interviews with tenants who were relocated and moved back to the redeveloped building, stayed away or moved into the new building from elsewhere;
- a survey of public tenants; interviews with local service providers; and
- interviews with private residents in the redeveloped complex and a survey of 200 residents in the Carlton area.

A baseline study was undertaken prior to demolition of any public housing, a rare occurrence in public housing redevelopment projects primarily due to restricted access to public housing tenants. This was then evaluated against a post-occupancy study that explored levels of comfort, building efficiency, resource consumption and sustainability of replacement public housing.

The results were published in Arthurson, Ziersch, and Levin (2014). This paper notes that limits on access to data and public housing tenants imposed by the Government of Victoria on the project significantly affected the research. Relocated tenants were extremely hard to find, and a majority of respondents were located near the Carlton estate and experienced a relatively smaller disruption to their lives. The researchers found it difficult to locate tenants who had moved farther away from the Carlton estate. The social networks of these tenants may have been adversely affected by the relocation and this is an area for investigation in future research of this kind. A summary of their findings is collated in Table 6 below.

Table 6 - Carlton Estate redevelopment project findings (Arthurson et al. 2014, p. 6–13)

Reasons for tenants not returning to the new building	The main reason people decided not to return was because they were offered units with fewer bedrooms than needed. This led to distress among some of the tenants who did not return to the redeveloped building.
	Most of the tenants interviewed who did not return were frustrated because they felt that the Office of Housing had promised them the opportunity to move back and to a similar size flat but in the end this promise was not kept.
	A reason for choosing not to return was the significant time lag that occurred between moving out and back in again, sometimes up to seven years later.
Grounds and housing amenity	A common view shared by service providers and tenants was that the quality of grounds and areas surrounding the estate has improved significantly. The improved open space has led to an increase in tenants spending more outdoor time.
Social networks	Changes to social networks were not significant for most tenants who relocated. Tenants mainly moved to units on the estate or to nearby estates, with the Carlton Office of Housing staff trying their best to meet tenants' requests. This meant that most tenants did not experience a major change to their social networks due to the redevelopment project
	A small number had lost contact with their friends due to relocation
Safety and security	Most service providers believed that in general the safety on the estate has improved as a consequence of the redevelopment of the outdoor area with its new landscaping and lighting. Many participants believed that due to redevelopment the estate has become friendlier, leading to outsiders feeling they can pass through it without fear.
	Some tenants felt the old walk-ups were extremely unsafe while conversely others reported that they were very safe. These different opinions were linked to different perceptions of the walk-ups (or previous housing). This may have been a result of the specific location of the unit in the walk-ups, as some blocks were considered safer than others. Issues that were often

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	raised were the lack of peep-holes and screen doors in the new units, and the main entrance door that has been broken regularly.
Stigma and reputation	The majority of tenants reported positive change in how people from outside the estate perceived the new building. A few tenants, however, said the change was minimal.
The process of relocation	Most tenants felt that their needs and requests were addressed by the Office of Housing, although sometimes what they were offered did not match tenants' expectations. The mismatch between tenants' expectations and actual reality occurred because when tenants relocated out of the walk-ups, most were moved to a unit with either the same number of bedrooms (three) or more than they already had.
	Tenants who wished to return to the redeveloped new building were later reassessed by the Office of Housing and many were offered a smaller unit than previous. The reason for this was an assessment, according to the Office of Housing, of household needs. That this situation could occur was not made clear to most tenants before relocation, and some felt the Office of Housing did not keep their promise. Of the ten non-returning tenant interviewees, eight did not return for this reason.
	Tenants were not involved in decision making about the redevelopment and relocation process but have only been informed about the project
Mixed tenure and social interaction	Public housing tenants in the redeveloped complex were not very concerned with issues of tenure mix. They reported that they had not experienced social mixing with private residents who live on the same block. Similarly, most private residents were also relatively unconcerned with issues of social mix.
	Some private renters said they did not think social mix could work on the estate because of the disparity between the two groups regarding to education, lifestyle, family situation and social background.
	Public tenants did not have access to the internal garden between the three buildings at Drummond St.
	Public housing tenants and private residents alike felt that there is no meeting space for them to interact around the redeveloped building, and thus few opportunities to get to know each other.
	The only opportunity for social mixing was a project run by Environment Victoria about the green fittings supplied in the buildings. Though only a small number of residents have been involved, this opportunity to mix was appreciated by both public tenants and private residents.
	Some private owners complained that they had not been told about the housing tenure mix when they purchased their apartment.
Health and wellbeing	The effects of relocation in terms of health and wellbeing varied. Some people found relocating to a different unit or estate a very difficult experience. Others were happy to move out of the walk-up to a different environment
	For those who relocated and did not move back to the redeveloped building the change has been less positive. Some complained that their health had deteriorated because of their displacement and lack of ability to return.
External perceptions of the estate and tenure mix	Ratings of all aspects of the estate were statistically significantly higher after redevelopment, suggesting that the redevelopment had improved overall perceptions of the estate by people living in the area.
	Survey respondents were asked whether they thought it was a good idea for housing estates to have a mix of public and private housing. The majority thought that it was a good idea with 62 per cent reporting that they agree with this 'quite a bit' or a 'great deal'

In Shaw's (2018) submission to the Parliamentary Inquiry, it was noted that the Carlton redevelopment shared a similar approach to that of Kensington in that the sale of public land to a private developer was used to finance the housing upgrades. It was argued that the social mix imperative on the sites disrupted low-income people and reduced the amount of

land available for public housing, 'thereby actually increasing the concentration of disadvantage'. As noted in the above table, the reduction in bedrooms is a major factor for non-returning tenants. Shaw states:

At Carlton, 192 walk-up units were demolished and replaced by 246 new public units, an increase of 54. But the walk-up flats were all 3-bedroom, and the replacement units are mainly one bedroom, with fewer two and 3-bedroom units. Using the Department's baseline population data, Jama and Shaw (under review) estimate a total decline in public tenants on the estate at 146. It is argued by DHHS that the 3-bedroom units at Carlton were under-occupied. This is an issue of poor management and irrelevant to the case being made here. It is not as though there are not enough families requiring three-bedroom inner-city flats. Also, as the date for project commencement approached vacant units were not re-let, so baseline data immediately prior to the redevelopment underestimates the population loss.

Figures on the precise amount of land sold at Carlton and its sale price have been withheld by the Government of Victoria.

Other redevelopment projects

The redevelopment projects described in this section have not been subject to an evaluation process by either government or research organisation – at least, none that are publicly known. Review of these projects is derived from publicly available information available up until January 2019.

In 2010 the Rudd/Gillard Government offered $62 million to the Victorian Government to construct 188 new homes on the corner of Malvern and Surrey roads in South Yarra. These were completed in 2013. Linked to this funding, the Victorian Government agreed to develop a masterplan to guide future renewal of Prahran's Horace Petty estate. In August 2013, the Victorian Government expanded the masterplan to include the smaller nearby public housing at Bangs, King and Essex streets. In August 2015 it was announced that the high-rise towers would remain in any redevelopment. In January 2016, the department lodged the Prahran Housing Precincts Development Plan (based on the final masterplan) with the Department of Environment, Land, Water and Planning for consideration.

As part of this master planned estate, the site at Bangs Street is included as one of eleven identified to be renewed in Stage One of the Public Housing Renewal Program. The buildings on the site were built in the 1970s, at the moment there are 120 dwellings on the Bangs Street site in four, five-storey walk-ups. These will be replaced by 132 new public housing homes.

The Markham Avenue estate in Ashburton built in 1955 was demolished in March 2016. It contained 56 public housing dwellings across 9 individual blocks. The redevelopment of the site is a Development Victoria-led project and proposes to build an additional 6 public housing units (total of 62) and 163 private dwellings – a proposed mix of 69:31. The estate will be mixed tenure and income from the sale of these private dwelling is scheduled to be reinvested into the public housing portfolio.

On 16 November 2017, the C251 Planning Amendment was revoked in Parliament. This revocation was due to a late motion put before the upper house in November 2017 by Liberal Senator David Davis. A case was successfully made that the C251 planning application had taken planning authority away from the local council and removed the right to third part (public) appeal. In January 2018, The Minister for Planning approved Amendment C298 which included only 200 dwellings, 62 of which were public housing. The following month, Boroondara Council unanimously carried a motion to request non-Labor MPs to revoke the current C298, with Mayor Parke saying that it 'fails to address the key

issue of Victoria's unsustainable shortfall in public housing'.[6] In March 2018, the upper house revoked C298, with the Mayor urging that "of the 200 dwellings now proposed at Markham, at least 100 should be public housing managed by the Victorian Government."[7] The project is currently under review.

Koolkuna Lane in Hampton is a redevelopment of 16 aged homes that are no longer fit for purpose. The project involves the demolition and rebuild of 18 public housing units and 189 private, with a total of 207 new dwellings, representing a 91:9 social mix. The housing component forms part of the Hampton Station Precinct Enhancement Project led by VicTrack. A private developer called EPC Pacific (trading under Village@Hampton) is engaged to carry out construction on the housing and station upgrade, and the project involves a similar financial model as the PHRP – sale of individual units to private sector funding the upgrades. The project was referred to VCAT in 2017 and decision made January 2018 that conditional approval be granted.

The Corner of Stokes Street and Penola Street in Preston is a two-stage redevelopment project based upon the sale of existing public units. Stage one involved the demolition of 62 public housing units on the Huttonham public housing estate to accommodate 68 new public housing units in two buildings constructed by private developer S J Higgins Pty Ltd. There is a commitment of $20-23m of state government funding supplemented by the sale of units to the private market, delivering housing on two sites: site one (29-35 Stokes Street) will deliver 22 apartments in three storeys; and site two (6-20 Stokes Street and 15-19 Penola Street) includes 46 apartments in four storeys.

Stage two of this project is part of the procurement process for phase one of the PHRP. Currently there are 26 public housing dwellings on this site, with a proposed model to incorporate the build of 90 community housing dwellings and 417 private dwellings. This will involve a public-private-partnership with development partners MAB Corporation and community housing provider, HousingFirst. No public housing will be built on site and all dwellings where the DHHS or the Minister for Housing are the landlord, will be managed by the community housing provider. It is unclear what proportion of the social housing component will be owned by the government and which will be owned by community housing. Importantly, the social housing component has been raised from 30 to 90 since amendments to the plan in March 2019. Five modular units were delivered on site for homelessness relief until 2019 and at a VCAT hearing in 2011 instigated by CoD, amendments were made to the planning approval.

The Olympia Housing Initiative commenced in 2012 as a ten-year initiative to revitalise Heidelberg West, Heidelberg Heights and Bellfield suburbs in Melbourne. The project includes two streams. Firstly, the replacement of 600 public housing units through an incremental renewal program, self-funded ($160m) by DHHS. This stage involves a scattered approach to social mix and utilises a tenure blind model. There were 224 public housing units built at the time of Parliamentary Inquiry in June 2018 and no progress has been reported by the Department since then. The second phase is the redevelopment of the larger Tarakan and Bell/Bardia estates and is included in Stage One of the PHRP (named as Heidleberg West). Demolition works began in February 2019 and will take an estimated to 6–8 weeks. The Bell/Bardia and Tarakan estates currently contain 154 dwellings. The renewal program proposes to increase the social housing to 170 dwellings – change of language from public to community suggests that DHHS properties will be managed by a community housing provider. However, the details of the management responsibilities and title ownership are not yet known.

[6] https://www.boroondara.vic.gov.au/about-council/news-and-media/media-centre/media-releases/council-sought-support-revocation-amendment-c298-markham-estate
[7] https://www.boroondara.vic.gov.au/about-council/news-and-media/media-centre/media-releases/its-time-let-council-get-job

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The Valley Park redevelopment in Westmeadows is a 12-year public-private-partnership project between the Victorian Government, Frasers Property and not-for-profit Baptcare. In involves 145 new social housing homes, 209 new homes for private sale and a 90-bed supported aged care centre. The project commenced in 2008 and is scheduled for completion in 2020. To date, the project has delivered 57 new social homes, with a further 88 new dwellings to be constructed.

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Table 7 - Summary of redevelopment case studies

Estate Name	Address	LGA	Age	Unit configuration	New tenure type	Funding/development structure	Completion date	Status	Notes
Carlton	Across three locations near Princes Park and Carlton Baths	City of Melbourne		Previous configuration: 192 PH units Current configuration: 1093 units — 847 private / 246 PH units PH unit increase: 28%	77/23 mix Tenure blind, yet segregated buildings	Delivered by the Living Carlton Consortium — Citta Property Group and Australand private developers Sale of land to developers to fund renewal. Financials not publicly available. Govt estimate worth $350m	2009–2020 (Nov)	Stage 5a, 7a and 7b remaining	Nine-stage, 7.4-hectare urban renewal and community development project DHHS say 40% return, evaluators say much lower (personal communication)
Prahran Horace Petty Estate	Corner of Malvern and Surrey Roads	City of Stonnington		Previous configuration: 24 PH units Current configuration: 188 new PH units	No mix, solely public	$62m Commonwealth Government's Housing Affordability Fund	2011-2013	Complete	A condition of the funding was that the Victorian Government develop a master plan for the balance of the estate, setting out the redevelopment strategy over the next 30 years. As such, the Bangs St estate was included in the PHRP, as identified in the Master Plan for the whole estate.
Valley Park / The Mews	Dimboola Road and Erin Crescent, Westmeadows	City of Hume	1980s	Previous: 94 PH units Current: 354 units – 209 private / 144 SH units and a 90-bed supported aged care centre. Component of PH not noted.	59/41 mix Tenure blind	Partnership between the Victorian Government, Frasers Property and not-for-profit Baptcare $60m Govt. investment — $160m total	2008—2020	To date, has delivered 57 new social homes, with a further 88 new to be constructed	Previous proposals put the PH component at 110 units, this has since been increased to 145, but not noted how much of that is PH and how much is community housing
Markham	Markham Avenue, Ashburton	City of Boroondara	1955	Previous configuration: 9 individual blocks consisting of 56 public units, demolished March 2016 Current proposal: 200 units – 138 private / 62 public PH unit increase: 10%	69/31 mix Assumed tenure blind	Development Victoria led Profit made on individual sale of private units.	Unknown, in progress	Under review by DHHS Planning Amendments revoked by senate on multiple occasions	

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Estate Name	Address	LGA	Age	Unit configuration	New tenure type	Funding/development structure	Completion date	Status	Notes
Koolkuna Lane	Koolkuna Lane and Willis Street, Hampton	City of Bayside		Previous configuration: 16 aged-person's units Current configuration: 207 units — 189 private / 18 public PH unit increase: 10%	91/9 mix Assumed tenure blind	Part of the 'Hampton Station Precinct Enhancement Project', which is being delivered by VicTrack Private developer EPC Pacific (trading under Village @ Hampton) doing construction, including housing and station upgrade Same financial model as the PHRP: sale to private sector funding upgrades	Unknown, in progress	Expected to commence in late 2018, subject to planning approvals. referred to VCAT in 2017 and decision made January 2018, conditional approval granted	
Olympia Housing Initiative	Heidelberg West, Heidelberg Heights and Bellfield suburbs in Melbourne	City of Banyule		Stage One: Previous configuration: 600 PH units	One-for-one replacement Salt and pepper Tenure blind model	Incremental renewal Self-funded by DHHS — $160m Units scattered among suburbs	2022 — ten-year project	224 PH units built at the time of parliamentary inquiry – no progress reported since then	
	Tarakan and Bellbardia estates, Heidelberg West			Stage Two: Previous configuration: 154 PH units (94 Bellbardia and 60 Tarakan) Current configuration: 705 units (604 Bellbardia and 101 Tarakan) units — 535 private (500 Bellbardia and 35 Tarakan) / 170 public (104 Bellbardia and 66 Tarakan)	76/24 mix Tenure blind model	PHRP site and other yet-to-be identified sites PHRP development and funding model to be used across stage two sites		PHRP site, in progress	

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Estate Name	Address	LGA	Age	Unit configuration	New tenure type	Funding/development structure	Completion date	Status	Notes
Stokes–Penola	Stokes, Penola, and Oakover Streets, Preston	City of Darebin	1940s	Stage One: Previous configuration: 62 PH units (Huttonham estate) Current configuration: 68 new PH units in two buildings PH unit increase: 9.7%	No data	Build by private developer S J Higgins Pty Ltd committed govt funding of $24m	Unknown, in progress	two buildings to be completed by September 2018	Site 1 (29-35 Stokes Street) will deliver 22 apartments in three storeys. Site 2 (6-20 Stokes Street and 15-19 Penola Street) includes 46 apartments in four storeys.
				Stage Two: Previous configuration: 26 PH units on two sites Current configuration: 30 new PH units PH unit increase: 15%		Part of procurement process for PHRP sites, new developer funded by the sale of properties	Unknown, in progress	five modular units currently on site for homelessness relief	VCAT hearing in 2011 instigated by CoD, amendments made and project proceeded

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Analysis of the PHRP model

The PHRP as a policy initiative and program closely aligns with broader and longer-term international trends, notably a marked neoliberalisation of housing policy. The PHRP contains the hallmarks of those trends: a deliberate stigmatisation of specific estates and the people living there; the inclusion of a strong social mix agenda; the transfer of public housing to private organisations; the transfer of public land assets to the private market; and the shifting of wealth generation opportunities from the social to the private. The result is the displacement of vulnerable communities and the associated deep psycho-social, health and economic impacts that can be anticipated.

It is clear that a number of factors are driving the PHRP program. It is important to separate the drivers for public housing estate renewal from those for the mixed tenure redevelopment model. Regarding the former, the drivers at a departmental level include:

- the claim of a demonstrable stock/demand mismatch;
- a genuine and laudable desire for estate regeneration/renewal;
- a realistic concern about the increasing maintenance costs of ageing assets; and
- a belief (well-founded or otherwise) that the estates are socially dysfunctional, which (so the logic goes) contributes to increased tenancy management costs, repairs bills, and vacancy rates.

It is conceivable and highly likely that there will be a higher ratio of vacant-to-occupied dwellings/units *and* bedrooms on each PHRP site after the renewal has been fully completed. During the process, 1600 dwellings will be taken out of circulation that could otherwise be occupied, during a time of severe housing crisis. While it is true that the overall stock alignment post-renewal might occur, it is important to remember that this will occur through two mechanisms: first, larger families are much less likely to return after establishing themselves in other areas, and second the alignment is corrected only by displacing bedroom numbers from public housing to private market housing.

We also note the vagary in the measurement of stock to need discrepancy, whereby the public housing register lists only individual applicants. Those applicants' actual household composition and housing need does not become apparent to the system until an applicant is deemed a priority for housing, i.e. moves from the waiting list into the system for housing allocation. For the vast majority of people on the register who will never be allocated a housing unit, their family circumstances will remain unknown. Thus the claim that the majority of people in need of public housing are single men rather misrepresents the nature of housing need. Overall, the PHRP will significantly contribute to a widening of the housing crisis in Melbourne, and an overall inefficiency in housing generally across the city.

Rising housing maintenance costs are an ongoing and real concern. The answer achieved by the PHRP is to simply absolve DHHS of the asset, either by progressively selling the housing to the private market, or by transferring ownership or tenancy management to the community housing sector. This is in direct contradiction to the most recent ground-breaking research which finds that the single most cost effective and efficient way for to produce non-market housing for those in housing need is for government to directly finance and build public housing (Lawson et al 2018. The PHRP model absolves the state of the ongoing maintenance cost but will ultimately generate very significantly larger costs in mental and physical health provision, social services, homelessness shelter and crisis accommodation down the line.

Regarding the mixed tenure redevelopment model, the specific drivers include:

- a dogmatic fixation on supposed 'neighbourhood effects' or 'place-based disadvantage' as the cause of the alleged estate dysfunction;
- a housing or infrastructure budget that is woefully inadequate to undertake estate redevelopment on the scale and timeframe required;
- a bipartisan ideological belief in and commitment to the role of "public-private partnerships", a euphemism for the abandonment of government's duty and the privatisation of public assets;

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- a political sensitivity about concentrations of disadvantage in highly-gentrified suburbs (poverty is more palatable if it is more dispersed); and
- the political reality that both major parties receive substantial donations from property developers.

Social mix, both Kensington and Carlton estates were used as pilot sites for a social mix and profit sharing model estate redevelopment in Victoria. Social mix has been shown at these estates, and in the international literature to be a flawed policy that delivers neither demographic diversity nor community-based relationships across lines of social difference. Indeed, measured at the neighbourhood scale, the application of the PHRP policy in these Melbourne neighbourhoods actually reduces the demographic and social class diversity of these neighbourhoods.

Finally, the question of the impact of displacement on residents themselves, families, communities, and the other institutions such as local Councils is something that the PHRP simply refuses to acknowledge. Resting the logic on the promise of return serves to deliberately obscure the basic practicality that the post-renewal estates will be simply unable to house the same people displaced from the original sites. Moreover, the 'promise of return' belies all of the international evidence on direct displacement and shifts the burden of 'choice' onto the individual household without appropriately understanding the complex relations of power and domination within which each resident and household is attempting to navigate their future housing provision. We would anticipate that the nature of the PHRP policy as an archetypal urban renewal agenda and the existing evidence about displacement internationally that there will be significant, yet unrecognised, negative psycho-social, health, and economic impacts upon residents, families and communities. These will be borne as costs at the individual and household level, and by local institutions and organisations such as local charities and local government.

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Part Three: Social Mix Evidence Review

Introduction

The concept of social mix is said to be 'an intrinsically vague, slippery term' (Galster, 2013, p. 308). Yet, its use as policy and planning term is inherently political and can connote different meanings in different contexts. This section of the report engages with the slippages around social mix by interrogating the existing academic research and literature around its use and assumptions. It does so by first defining the term and the conceptual parameters of this review before outlining the origins of the concept in the British planning tradition, which still impact how planners and policy makers around the world deploy the term today. International approaches are then offered to contextualise the diversity of approaches in a predominantly western liberal context. The Australian tradition is social mix as a distinctly post-WWII policy initiative is then discussed to before an analysis of its current interpretation and implementation in the PHRP.

Our analysis shows that concerns in Australia over the use and theorisation of social mix practices in urban renewal projects, strongly mirror the experiences, critiques and research findings in the international context. There were no empirical research findings within the approximately 750 scanned, and 70 reviewed articles in this section, which support the implementation of social mix policies. From this body of literature it was found that when social mix is promoted through tenure mixed redevelopment, it most likely results in:

- The permanent loss of public land;
- Low yields of affordable housing;
- Negative targeting of race and ethnicity;
- Class antagonism and conflict within given areas;
- Displaced and further segregated residents;
- Loss of social housing, particularly bedrooms; and
- Homogenisation of populations at the scale of the neighbourhood.

Defining the term

For Tunstall and Fenton (2006) and Kleinhans (2004), a critical appraisal of social mix illuminates three areas where this slippage takes place: *composition, concentration* and *scale*. As such, this section of the report will review the social mix evidence base, which a specific consideration of: whom social mix policies refer to – including race, ethnicity, gender, income, tenure and class; to what degree ratios of social composition are implemented; and, at which geographical scale the spatial boundaries of mix is measured.

The *composition*, or social balance, of residents on newly redeveloped estates implicitly relates to income situation and tenure arrangement. A mix of 30% social housing and 70% private dwellings, with no requirement to provide affordable housing, assumes a mix of both income and tenure. Mean incomes vary between public and community housing (social housing) tenure types, with welfare dependency characterising public, and a mix of welfare and low-income working households in community housing. Private rentals encompass all income quartiles and home ownership (with or without mortgage) generally houses working medium-to-upper income quartile household types. Within these tenure demographics, there are a number of unexplored characteristics, which include a higher proportion of single-parent, ageing, culturally and linguistically diverse households that generally have higher mental/physical health needs.

Public housing households are diverse and are occupied by some of the most marginal populations in contemporary Australia. Further 'mixing' of the present population, in effect, reduces the diversity and 'social balance' at most scales of neighbourhood analysis. Therefore, ratios in social mix should examine the *concentration* of particular demographic characteristics that go beyond tenure and income. In diversifying income and tenure characteristics of households, there is a significant likelihood that there is a de-concentration of social mix when evaluating other identifying characteristics such as race, ethnicity, gender, class etc.

The *scale* of mix is perhaps the most 'slippery' in conceptualising social mix, in part due to the ambiguity around sites and methods of evaluating where mix is achieved. Social mix in terms of income and tenure will indeed take place at an estate level in the PHRP. However, the surrounding neighbourhoods and local government areas of PHRP sites will become more homogenous with the expansion of already-dominant tenure types and a reduction in social diversity. This type of mix takes place at the micro-scale of neighbourhood characteristics, with an intensive method of social and spatial re-composition, and does not achieve social mix at other scales of analysis.

Conceptual origins

Arthurson (2012, p. 15) notes that 'social mix is by no means new' and its origins can be traced back to 'mid-19th century Britain'. Yet, the historical origins of the 'social mix' concept is not well documented or defined. Although there is a wide-ranging debate with urban studies and housing around the idea, there are few accounts of its longevity as a practice and ideology in urban planning. Despite this, some key examples that address the history of social mix are discussed in this section.

Herbert J. Gans (1961) provides an early account of urban planning in the US that specifically takes to task the assumptions underlying 'population heterogeneity' as it is conceptualised at a neighbourhood scale. Whilst planners up until the 1960s argued that such a population mix produced affirmative 'cultural, political, and educational' outcomes, Gans (1961, p. 176) found that 'population heterogeneity contributes relatively little toward the achievement of these values'. The desirability of a mixed neighbourhood community is adequately placed in policy when considering how a mix of local rate payers ensures a high level of community service provisions. Note, that line of thought is still prominent today, with scholars describing a common condition in Australian cities whereby better quality, accessibility and diversity of services found in areas of relative affluence, resulting in a phenomena termed 'locational advantage' (Fincher, 1991; Fincher & Iveson, 2008). Gans (1961, p. 176) argued that in relation to planning policy and practice, social mix or population heterogeneity:

> It is not, however, the best means of alleviating the glaring social and economic inequality now rampant in most metropolitan areas, and planners are therefore urged to place greater emphasis on policies that will reduce this inequality.

Gans (1961) cautions urban planners against the mere aesthetic improvement of the built environment as a means for bringing about a reduction in inequality and an alleviation of deprivation. A rationale based upon the hope 'that the mixing of classes will iron out these inequalities' is misplaced and 'inappropriate' (1962, p. 182). Rather, social policies should seek to provide better services, educational and employment opportunities, increased household income and institutional tailored toward cultural need and want. Gans (1962, p. 183) states, that:

> I am suggesting that the city planning profession should pay less attention to improving the physical environment of those who are already comparatively well served by private and public means, and pay more attention to the *environmental conditions* of the deprived population. Such a change in planning emphasis will not by itself solve the problem (even an intensive national program geared to reduce all inequality cannot erase immediately the inequities of a century), but it will be making a contribution toward the eventual solution.

Indeed, '[t]he idea of social mix in town planning has been around for a long time' stated Sarkissian (1976) in one of the first historiographies to adequately acknowledge the longevity of mix ideas in urban planning. Sarkissian roots ideas of social mix predominantly in academic assumptions derived from Elizabethan England nostalgia and class politics based upon privileged ideals, and characterises the 'goals' of social mix in the following ways:

1. To 'raise the standards of the lower classes' by nurturing a 'spirit of emulation':
    - Visual cues taken from upper classes by lower classes in a process of shame, envy and aspirational respectability;
2. To encourage aesthetic diversity and raise aesthetic standards:
    - Diversity in built form, rather than cookie-cutter or mass-produced building design, contributes to aesthetic appeal and raises community standards;
3. To encourage cultural cross-fertilisation:
    - The effective redistribution of 'culture' and 'ideas' to advance whole-of-community cultural uplift;
4. To increase equality of opportunity:
    - A form of upward social mobility based upon individual achievement, whereby 'forceful personalities' are granted opportunity to effectively rise above their class;
5. To promote social harmony by reducing social and racial tensions:
    - The opening of lines of communication between class groups (but also race, culture etc.), diffusing antagonisms between them and fostering 'kindly neighbourliness';
6. To promote social conflict in order to foster individual and social maturity:
    - In contradiction to harmony, conflict has been said to foster personal psychological growth;
7. To improve the physical functioning of the city and its inhabitants:
    - Leadership – mixed communities produce leaders to be emulated;
    - Employment and economic stability – diverse populations ensure diverse needs and employment opportunities;
    - To maintain essential services at minimum expense through mix in housing – diverse occupations drive diverse housing needs and modes of transport use, including frequency and intensity of travel;
8. To help maintain stable residential areas:
    - Mixed residential configurations and housing stock, including housing type and tenure, ensures that kinship and social networks are maintained during periods when housing need changes; and
9. To reflect the diversity of the urbanised modern world:
    - Residential areas to reproduce the broader urban condition of heterogeneous encounter, the natural environment and to catalyse energetic atmospheres not found in homogenous suburbs.

Sarkissian (1976) acknowledges a slump in social mix ideas at the turn of the 20th century and especially during WWI and WWII. Prior to this, its predominance can be characterised by moments of utopian impulse in social policy during the post-Industrial Revolution era, and then again with its revival post-WWII, both eras seeking to bring fractured social classes into closer proximity with each other. In western

liberal nations, the idea became commonplace in the midst of economic boom and relative peace after WWII – a time when egalitarian ideals and social justice begun to take on universal expression e.g. the emergence of the United Nations. Social mix has traditionally denoted the bridging of previewed wealth gaps and exclusionary practices during periods where rapid economic expansion resulted in material gulfs between social classes. It is only a relatively recent occurrence whereby 'social mix' as a moniker for inclusion – or more precisely, anti-exclusivity – has been applied and unrelentingly tethered to the spatial concentration of public housing in particular locales or neighbourhoods.

One universal purpose of social mix has been to dissolve public dissonance and reduce class antagonisms. This is a utilitarian approach which recognised that homogenous and segregated communities experienced an unequal distribution of social agency, access to services and housing, which in turn produce dissent. In facilitating mix, communities were said to share in the resources of other more affluent groups, reducing class and race anxiety. In Australia and New Zealand, this approach was adopted early in the establishment of European colonies. Edward Gibbon Wakefield (1849), a utilitarian economist instrumental in the colonisation of South Australia and New Zealand, recommend in *A View of the Art of Colonization* that social mix be encouraged to reduce antagonisms produced by segregation – the extent of this policy did not apply to Indigenous peoples. In the 19th century era of colonisation, and still to date, social mix theories have been entangled within segregationist policies, primarily around immigration and labour. It wasn't until the post-war period where social mix begun to on a more urban and neighbourhood focus, and thus housing.

Post-war social mix

During the early part the 20th century, social mix theories and practices were largely absent in public policy, most likely due to the allocation of resources and attention to war efforts. In Britain, during the post-war reconstruction of 'the social', Thorns (1972, p. 13) notes that the 'togetherness and lack of social barriers' that constituted the life of armed services personnel and their families, resulted in the desire to recreate a 'social balance' in urban residential areas. Given that armed conflict seemed inevitable in the coming decades for Britain, social mix emerged as a policy to bring the nation together, which in turn enabled combat abroad. Social balance paradigms in urban planning became a preoccupation not just in Britain, but also the US with the advancement of mix policies to curb the phenomena of white flight to the suburbs of major cities (Sarkissian, 1976). Arthurson (2012)[8] provides the most concise and comprehensive account of social mix in Australia, and notes that any examination of social mix necessarily relies upon the British development of mix policies, given that it is these policies that were most influential in the later Australian – and other western liberal nations – adaptation post-WWII. In Australia, British policies of social mix have impacted planning theory and practice since the 1950s.

Post-war social mix in Australia

Public housing estates in Australia, and public housing residents, have experienced wide scale criticism in recent decades from policy makers, media and social commentators. Through particular framings of public housing which effectively recast disadvantage as social exclusion, responses to a socially constructed 'problem' of public housing in Australia has been met with solutions that have seen social mix theories become orthodoxy (Doney, McGuirk, & Mee, 2013, p. 402). Criticisms have largely focussed upon a high concentration of disadvantage according to their low-income status (Atkinson & Kintrea, 2001; Ruming, 2014; Ruming et al., 2004) leading to the proliferation of the common perception that such estates lack community and culture (Watt, 2017). The problematisation of contemporary public housing

[8] Much of the prose in this section that deals with social mix and public housing in Australia relies upon the work of Kathy Arthurson.

can be framed by multiple crises of culture, community and exclusion which necessarily mandate material and social change through forms of tenure and social mixing.

Urban research that explores the impact of social mix in Australia all share concerns about its application, rationale and appropriateness in urban regeneration and public housing redevelopment projects (K. Arthurson, 2012; K. L. Arthurson, Iris; Ziersch, Anna, 2015; Darcy, 2010; Darcy & Rogers, 2014; Doney et al., 2013; Jama & Shaw, under review; Levin, Arthurson, & Ziersch, 2014; Ruming, 2014; Ruming et al., 2004; W. Shaw, 2012). Implicit to these critiques is the moral landscape of 'role modelling via propinquity … as a means of changing the behaviour of social housing residents' (Doney et al., 2013, p. 404) through a normalising process whereby attitudes, actions, values and beliefs of middle-class people transfer via proximity. Narratives that assert that public housing class populations might remedy their disadvantage through forming new relations to other more advantaged populations, directly places social problems as individual problems rather than structural (Lupton & Tunstall, 2008). Contemporary redevelopment projects in Australia follow this indivudalised interpretation of disadvantage, as opposed to an earlier (pre-1990s) redistributional approach, which follows the broader neoliberalisation of urban life – characterised by privatisation of public assets, individualisation of social status and commodification of integral infrastructure.

The notion that public housing residents and disadvantaged populations might benefit from social mix programs has been the source of sustained critique because of the inevitable loss of community (Samara, Sinha, & Brady, 2013) and sense of place (Shaw & Hagemans, 2015) through dipersing residents during demolition phases and eradicating their emplaced connections. Connections that often sustain residents' wellbeing in place pre-development, are in turn displaced by attempts to accommodate higher concetrations of middle-income residents. Upon the reintegration of diverse populations, contemporary Australian research has shown that in the case of the Carlton Estate in Melbourne, principles of social mix are often the first to be disposed of when commercial interests are threatened. During the global financial crisis in 2008, decisions in relation to social mix on the estate were made so that the private developer could have more confidence in financial return. This meant that design features that facilitate social mix were reevelauated, resulting in compartmentalised tenures, separate recreation and community spaces, and different entrances and exits according to tenure (K. Arthurson, Levin, & Ziersch, 2015). In the case of the Kensignton redevelopment, the reduction in family sized unit meant that there were less children on site after redevelopment, which resulted in less social encounter given that children are often the catalyst for interation (Shaw et al., 2013).

Generally, social mix policy and practice in Australia resonates with international examples (discussed in later section) and can be placed in a broader neoliberalisation of urban policy and the emergence of state-led gentrification. Central to this approach is the appropriation and implementation of a range of practices that follow similar principles. In the past 20 years, the Australian public housing renewal paradigm has operated on a 'consensus approach' that problematises the physical and social condition of estates, seeks to unlock equity in publicly held land, and strives to densify housing into a compact city design (Pawson & Pinnegar, 2018). Pawson and Pinnegar (2018, pp. 314–323) characterise these as 'consensus principles' that scaffold social mix aspirations in urban regeneration:

Poverty de-concentration

A central pillar of estate regeneration whereby the 'neighbourhood effect' – the local way of thinking and acting – is seen as socially corrosive with proximity to poverty leading to further entrenchment of poverty over time. In the 2009 National Affordable Housing Agreement, an agreed aspiration was to create 'mixed communities that promote social and economic opportunities by reducing concentrations of disadvantage that exist in some social housing estates' (COAG 2007, p. 7; cited in Pawson and Pinneger, 2018, p. 315). Poverty de-concentration has been legitimised by framing certain locations as underprivileged and showing how poverty is reproduced through neighbourhood effects, so that their reintegration into the social fabric by means of relocation is seen as a viable measure.

Internationally, the idea of 'neighbourhood effects' – as the phenomena of living in a poorer area compounding the effects of poverty and disadvantage – has been repeatedly challenged in far-reaching international research (Manley, van Ham, & Doherty, 2012; Smets & Watt, 2017; Tyler & Slater, 2018). K. Shaw (2012) demonstrates that this is a concept drawn from the rust-belt cities of the US through a process of policy transmission from the UK. At its core, the concepts holds race as the major factor in combination with poverty. The racial element of segregation in the US and UK has been discarded along with the emergence of multicultural policies and rhetoric, and with that the notion of neighbourhood effects has been refuted as a legitimate policy concern. Yet, in the Australian context the policy remains with little reflection on its origins and race-based analysis.

The dispersal of disadvantaged groups is a key aspect of urban policy in Australia, with little consideration on the social and health effects of those groups. Rogers (2012) demonstrates how community leaders and spokespersons for public housing estates are relocated and disconnected from local debates, leading to the weakening of community voice. Darcy (2010) also draws attention to an important contention yet to be sufficiently considered by policy makers, and yet to be adequately researched, about whether relocated residents continue to experience the same or different levels of poverty and disadvantage once dispersed, albeit in less politically visible ways. Pawson and Pinnegar (2018) note that in the US version of redevelopment, residents who wish to remain are often accommodated on site during works whilst the quantum of stock is generally reduced, leading to a diminished rate of returning residents. In the Australian context the quantum of stock is generally increased with a 'right to return' for residents, however, given the low rates of return in the Australian context, Pawson and Pinnegar (2018, p. 317) question 'whether contemporary Australian estate renewal practice is actively aimed at fostering the off-site displacement of disadvantaged people.'

Mixed tenure redevelopment

In Australian redevelopment projects, a ratio of 70% private to 30% public mix has been the default policy of many redevelopment agents (Coates & Shepherd, 2005), however this formula lacks in any 'strong evidential basis' (Pawson & Pinnegar, 2018, p. 317). Mixed tenure differs from social mix in that the former is a means to achieving the latter. There are multiple research studies that demonstrate the limited extent to which mixing occurs between different tenure types (K. Arthurson, 2012; Galster, 2013; Manley et al., 2012). Jama and Shaw (under review, p. n.p.) demonstrate how public housing residents on the redeveloped Carlton Housing Estate in inner-city Melbourne 'do not mix socially with their private neighbours any more or less than they did before.' K. L. Arthurson, Iris; Ziersch, Anna (2015, p. 31) further note that,

> …opportunities for social mixing in Carlton Stage 1 were reduced after the government chose to compromise the implementation of important design principles in order to keep developers engaged during difficult financial times. In reality the government was more committed to the developers' goals of selling property than to the supposed aims of the mixed-tenure redevelopment, which have faded from the public discourse during the process.

Mixed-tenure principles in estate regeneration continue to be implemented in Australia under the guise of its ability to create opportunities for social mixing. However, research continues to demonstrate how mixed tenure redevelopments such, as the Kensington Redevelopment Project in Melbourne, are primarily enacted in order to attract private investment (Hulse, Herbert, & Down, 2004), and that the ratio of 70:30 tenure mix is a commercially-driven practice guised as an affirmative style of contemporary social planning (Shaw et al., 2013). In regard to the scale of mix according to building, street, block or neighbourhood, and whether or not 'pepper potting' and 'tenure blind' principles will be integrated, there is evidence to suggest that the commercial sector prefer hierarchical segregation which limits social interaction (Levin et al., 2014).

Public-Private-Partnership models

In the address of intractable 'social problems', planning approaches need to ensure that multi-agency and stakeholder collaborations are effectively carried out through a shared networked governance structure – in that, all partners have appropriate and equal contributions. Government agencies are largely the instigators of such models and have a large capacity to develop whole-of-government responses to housing issues – which should involve local, state and Commonwealth governments as well as residents, community groups and service providers. In Australia, the partnership model that has come to dominate over the past two decades is the private-public-partnership (PPP), such as those implemented at Kensignton, VIC and Bonnyrigg, NSW. These partnerships are generally between property developers and government – with complex profit-sharing arrangements and accountability structures that are often unknown to the public – but have also come to include community housing providers in recent years. Examples include the Housing Tasmania Better Housing Futures program, which has been responsible for upgrading large broadacre sites and the Logan Renewal Initiative which was planned to redevelop large public housing estates in Brisbane. The Communities Plus renewal program in NSW is redeveloping public housing assets and land through partnerships with not-for-profit and private developers, which is an approach that has been internationalised where in London the Harringey Council is working with Australian developer Lendlease to transfer over £2 billion in council assets to private and NFP providers (Kelly, 2018).

The inclusion of private developers in the Kensington estate renewal has seen large profits flow from public to private hands, with land being sold by government at a fraction of its market value, and ambiguity around maintenance responsibilities (Shaw et al., 2013). In relation to the emerging preference of community housing providers, there are different accountability mechanisms that mean that the administration of government assets, or assets that should be held by public agencies, are not answerable to elected government ministers, but rather, skills-based boards that have no reporting responsibility to the public. Yet, the transfer of public housing to community housing providers continues to be the preferred method of tenancy and place management in the Australian context. Community housing is likely to expand as the capacity of providers grows through government-driven incentives, subsidies and low-interest loans that are not available to the public housing sector (Pawson, Milligan, Wiesel, & Hulse, 2013)

Community participation and placemaking

In the past two decades, there has been a shift in planning thinking to include the participation of residents in estate renewal program under broader shift to 'democratise' urban planning processes (Sandercock, 2005). Governments now seek to include the representation of community stakeholders and residents, who may or not be public housing tenants, in consultation processes related to relocation and design. Pawson and Pinnegar (2018, p. 322) argue that the 'extent to which "tenant participation" … involves substantive government openness to resident influence is a debatable matter' and that such 'participation' relies heavily upon how governments actually define the term. Darcy and Rogers (2014) argue that in the case of redevelopment projects in Sydney, resident representation in government processes are largely used to build consensus – and to neutralise dissent – rather than to facilitate the reception of activist-resident perspectives.

Social mix in the Australian context has been a central component of the neighbourhood renewal process for the past 20 years. As state and Commonwealth governments continue to embrace neoliberal social and economic policies, its practice will intensify, albeit tempered and nuanced by community housing involvement. The PHRP in Victoria is the latest project in Australia to enact and build upon these consensus principles to implement a social mix at the intensive scale of the estate.

International approaches to social mix

Within the extensive academic literature on social mix, there is a dominance of perspectives from western liberal contexts. Lees, Butler, and Bridge (2012, p. 3) observe that the contexts in which social mix policies and programmes are promoted and executed, share in one common theme: 'they are all functioning liberal democracies and have welfare programmes of one variety or another.' In other non-western contexts, social mix is rarely used as a policy directive or in development rhetoric, in part because developer- or state-led gentrification is performed with brazen transparency – often with the explicit aim to rapidly homogenise/gentrify areas rather than implement staged mix. For this reason, many of the case studies presented here reflect the academic focus on these western liberal contexts.

The *Garden City Movement* in the UK emerged after the 1898 publication of *To-morrow: a peaceful path to reform* by Ebenezer Howard and has subsequently influenced generations of planners in western thought. In the first iteration of the garden city, Howard (2003) advocated mixed towns and large neighbourhoods that were segregated according to class at the smaller block level – clusters of homogeneity among diversity (August, 2008). This was a form of limited social mix whereby different classes lived in compartmentalised collectives that controlled aspects of planning, employment, production and the economy. In this sense, the movement was utopian and was critical of industrial-capitalism, instead recognising what Sennett (1905, p. 12) called 'the mutual dependency of the classes [where] every grade of social status must be represented.' Subsequent interpretations of the garden city model began to obscure the ideological and critical elements proposed by Howard, with social mix implemented differently at varying scales from town to block (Arthurson, 2012).

The implementation of the garden city philosophy has come with mixed results, but has largely implemented principles around the differentiation of land use zones and social segregation at different scales (August, 2008). In the US, renowned city theorist and architect Lewis Mumford argued for fine-grained social mix and very localised scales, and realised visions of these locales in 1920s Queens, New York (see Mumford, 1938). During the 1950s and 1960s, US cities experienced middle-class flight to the emerging suburbs, leaving inner-city neighbourhoods in a state of decline. Urban theorist, Jane Jacobs (1961), became a prominent voice during this time, arguing that more diverse spaces improve city life through convivial relations between co-inhabitants and increased safety through the passive surveillance of strangers. Wilson (1987, p. 129) further argued that the flight of middle- and working-class families remove an integral 'social buffer' that shielded local populations from chronic unemployment through community and social infrastructure. Low-income public housing estates known colloquially as the 'projects' were built *en masse* in industrialised urban centres, which deteriorated spectacularly due to lack of investment, economic recession, de-industrialisation and racism (Vale, 2013).

As a response to the ghettoisation of the 'projects' in the inner-city, and some decades later, the US Department of Housing and Urban Development embarked on a mission to deconcentrate poverty from the city. The HOPEVI program in particular, had the express goal of deconcentrating poverty and promoting home ownership among the lower-classes, at the same time redeveloped sites where poverty had been displaces and replacing the population with mixed communities (Lees et al., 2012). This signalled a new era in social mix practice in the US, yet critiques emerged that found a lack of social mobility through the plantation of middle-class populations alone, arguing that there needed to be structural economic and social change for any benefit to be realised by low-income people. For instance, Joseph (2006) argued that whilst there is more informal social control in mixed redevelopments (generally regarded as a good condition in the literature), there is unlikely to be any benefit from social interaction. There is also an inequality in the positive effects that are observed, with middle-income residents benefitting more from mixed communities than lower-income residents (Fraser & Nelson, 2008).

The tradition of social mix in the US in the era of the HOPEVI plan was adopted by policy makers and practitioners in the public services of many western countries. Policy mobility and transfer became commonplace among an emerging urban professional and international class of public servants (McCann, 2011). As such, US-style public housing policies were adopted by Tony Blair's New Labour government,

and has become the mainstay of policy since (Lees et al., 2012). The 'New Deal for Communities' seen large estates in UK cities being demolished in order to disperse poverty, effectively legislating against social exclusion, particularly the concentration of low-income people (Lupton & Fuller, 2009). Tenure mix has become the central method in urban and neighbourhood redevelopment projects in the UK since. The diversification of housing in low socio-economic areas, has been delivered under the monikers of 'sustainable' and 'mixed and inclusive' communities (Bricocoli & Cucca, 2014). Similar to most social mix contexts, these are based upon the assumption mix contributes to the local economy and levels of social wellbeing. This is despite research that finds ambiguity in the results of social mix and a complete absence of correlation between tenure mix and social outcomes in multiple public housing redevelopments in the UK and Europe more generally (Arbaci, 2007; Graham, Manley, Hiscock, Boyle, & Doherty, 2009).

Social and tenure mix programmes take on different forms in international contexts. Holmqvist and Bergsten (2009) explore the introduction of social mix in Swedish public policy beginning in 1974, in what they characterise as 'a reaction to the increasing socioeconomic segregation in the housing market' (p. 477). The research, based upon policy analysis and interviews with policy makers, compares understandings of mix policies in Sweden with international perspectives, particularly around the social mix of ethnicity. They found that social mix in Sweden has been deployed consistently over time, with the targeting of socioeconomic status rather than a more Euro-American style that targets race and ethnicity. Mix is achieved through new construction rather than through displacement, demolition and redevelopment. Importantly, this is achieved because of the tendency of Swedish policy makers to avoid discriminatory situations that 'violate the social right to choose where to settle' (p. 488).

Mix in new construction is seen in the academic literature as a more pragmatic approach to producing social mix, resulting in better outcomes for residents when compared to mix in redevelopment whilst growing public housing stock. In countries such as Malaysia and India, new constructions are required by law to have inclusionary housing, although such practices are implemented unevenly (Calavita & Mallach, 2010). In South Africa for instance, inclusionary housing policies have had insufficient overall impact. This is often because of the huge inequality in income which results in 'housing price cliffs', in turn requiring government subsidy to operate and a more targeted approach whereby mixed developments include populations that are more socio-economically similar (Klug, Rubin, & Todes, 2013, p. 667).

In other international contexts, social mix is implemented through desegregationist polices that disperse poverty, often with explicit and implicit implications for ethic and racial minorities. In The Netherlands, there has be a swathe of policies that have determined urban and housing policies that seek to deconcentrate poverty. Anti-segregation policies rolled out initially in Rotterdam (Musterd & Ostendorf, 2008), and then nationally (Bolt & van Kempen, 2010), have given local authorities the power 'to refuse unemployed or underemployed households to locate in rental housing in neighbourhoods deemed to have too high a concentration of low-income' (Lees et al., 2012, p. 5). Van Eijk (2010, p. 824) argues that in the detail of these policies, is the explicit assertion that 'neighbourhoods could become "unliveable" as a result of the concentration of ethnic minorities', and that policies of inclusion often exclude along lines of income *and* ethnicity. Indeed, many continental European countries explicitly cite the dispersal of ethnic enclaves as the primary objective of social mix policies. Britain has experienced a rhetorical shift from a focus on race to one of 'social inclusion' (Van Kempen & Bolt 2009, p. 459), whilst other western countries use terms such as poverty and disadvantage as substitutes for ethnic minority or Indigenous groups (citations needed).

Germany is one example where there is less subtlety in the objective aim to deconcentrate non-white ethnicities from housing developments. Münch (2009, p. 441) demonstrates how quota systems known as 'moving-in bans' prevent the concentration of foreigners, primarily ethnic migrants. German housing associations today, are influenced by the *Institute for Housing, Real Estate, Urban and Regional Development*'s recommendation that 'only 15% foreign households' should occupy a building, for fear that locals would not be willing to move into neighbourhoods with higher ratios (Planerladen 2005, p. 27; cited in Münch 2009, p. 446). Housing policies such as this are administered despite the percentage of

residents in Germany from migrant backgrounds being 19%, and closer to 50% in major cities. Whilst there is a policy directive that structures mix at a national level, demand for housing, geographical differences and landlord sentiments on the appropriateness of mix in developments, also come to impact the ethnic concentration of neighbourhoods.

Münch (2009) argues in relation to social mix in the German context, that assertions around the causes of social disfunction are incorrectly attributed to the concentration of ethic migrants, and by extension, low-income groups. As a result, social mix polices that overwhelmingly focus upon these groups, are unable to establish mixed neighbourhoods. New migrants have a strong tendency to reunite with family in geographically specific areas, therefore deconcentrating ethnicity is unlikely to keep pace with demographic increases in these locations. Given the small number of social housing as part of the overall housing mix (at 7% in 2006 and decreasing), any changes to the mix in these developments is unlikely to actually deconcentrate ethnicity. Additionally, capital gain is always more likely to impact private investor decisions, with social aspects often taking secondary consideration. It is for these reasons, as well as the lack of 'ties to empirical research', that Münch (2009, p. 451) concludes 'that mixing policies are likely to become useless in the future' of German housing policy. In the Australian context of the multicultural turn – much like that of Germany – it is argued that 'mixing strategies will remain high on the agenda' due to the policy 'commitment to multiculturalism' that replies on assimilationist modes of social integration (p. 452).

In France, redevelopments have been undertaken on a grand scale since 2003 under the national programme *Programme National pour la Rénovation Urbaine* (Boisseuil 2019). Boisseuil (2019) notes that this project is the largest public housing project to emerge in France since the 1960s and targeted 595 disadvantage neighbourhoods, receiving €11.66b in public funding and approximately €35b in private. Four goals structured the programme, including the overall social restructuring of urban France, social mixing, reduction in urban inequality and sustainable design. Boisseuil (2019, np) notes that social mixing 'had a special status, as it constitutes the cornerstone of the entire programme.' Social mix in the French academic literature has been extensively critiqued as a policy failure (see for example Genestier 2010; Bacqué and Charmes 2016; Chaskin et al. 2007). Part of the reason for this is the ambiguity around the concept, with a neglect of what social mix is to achieve beyond rhetoric, and how this is measured. This ambiguity extends to a lack of evidence to support assumptions that low-income people's social capital increases when proximate to middle-income people; that higher-income people are suitable role models for the poor; and, that social control of space is enhanced when mixing takes place Despite this, social mix continues to be the main objective in public housing redevelopments in contemporary France.

Overall, international perspectives on the desegregation of particular groups in society tessellate between the overt targeting of particular ethic and racial groups, to the de-concentration of disadvantage marked by socio-economic status (Bolt, Phillips, & Van Kempen, 2010). Mixing measures include inclusionary housing policies – primarily located in the Global South – new build constructions in Sweden, de-ghettoisation practices as seen in the US, France and The Netherlands, ethnic quotas in Germany and the redevelopment of social housing in the UK and Canada. Whilst in some instances the aspirational objective is explicitly stated to disperse race and ethnicity, as well as low-income groups, it is important to note that all social mix policies have the effect of targeting ethnic and racial minority groups disproportionately (Somerville & Steele, 2002).

Analysis of Social Mix as a policy objective in the PHRP

In relation to social mix, and the associated objective of reducing the spatial concentration of disadvantage, the Government Submission (172) to the 2018 Parliamentary Inquiry is an important source of evidence. Addressing the terms of reference set out by the Inquiry, Submission 172 references 'best practice models' for public housing redevelopment in international and domestic research. The primary source of evidence for the social mix rationale cited throughout government PHRP documentation relates to an AHURI policy brief webpage. Submission 172 (p. 100) states that:

> One of the key objectives of the PHRP is to create mixed communities that include both public and private residents, and are integrated within the development and the wider community. This aims to offset some of the challenges stemming from the concentration of sizeable disadvantaged groups in one location or neighbourhood, which were recently highlighted by the Australian Housing and Urban Research Institute.

This AHURI policy brief is the only referenced work cited in relation to social mix and the spatial concentration of disadvantage. No research evidence is drawn upon aside this brief, and there are vague unsupported references to 'challenges stemming from the concentration'.

The brief, which does not name individual authors, rationalises the use of social mix given the context of a national affordability crisis, a decline in the supply of public housing and the unattainability of private rental dwellings. It positions the undersupply of social housing as the eminent underlying issue to be considered in the development of future renewal programs. As such, issues highlighted around a lack of supply, rising maintenance costs and a misalignment between the previous, current and emerging need in stock configurations, leads AHURI to propose 'five important opportunities', in:

- retaining social housing in desirable serviced locations;
- increasing density of sites and selling land to private developers;
- designing flexible stock configurations;
- diversifying types of housing frameworks beyond public and social; and
- reducing maintenance costs of current ageing stock.

This policy brief was authored and published after the PHRP model had been articulated by the Government of Victoria and cites the PHRP as one example where these opportunities are being realised; another example is the Communities Plus model in NSW, which is cited in Submission 172 as a supporting case study for the PHRP. The brief is a retrospective validation of the PHRP model, not an empirically-grounded independent source of evidence derived from rigorous evaluation of the academic and research literature around social mix and de-concentration of disadvantage.

This AHURI brief advocates for the transfer of stock to the private sector and cites the NSW Government 'Future Directions for Social Housing' policy's 70:30 ratio of private to social housing as a mix that produces more integrated communities. It defines social mix as,

a 'combination of diverse shares of social groups in a neighbourhood'. A social group has one or more factors in common, such as having similar economic resources (i.e. having low- or high-income), the same ethnic background or nativity (i.e. born in the same country), the same household structure (e.g. families with children or households of young singles) or the same tenure (i.e. being tenants or home owners/buyers).

Critically, the scale of 'neighbourhood' is not defined as a geographical space, and the Government claim that social mix will lead to 'vibrant, connected, mixed-tenure neighbourhoods'[9] does not adequately define such a space where vibrancy and connection can be evaluated. In Human Geography, the concept of *neighbourhood* is commonly understood to be an urban area dominated by residential use, has no discernible robust scale and is contextually defined according to local cultural and political context (Gregory, Johnston, Pratt, Watts, & Whatmore, 2009, p. 494). However, neighbourhood is often conflated with the territorial concentration of a dominating social group, which is a perspective refuted by urban studies scholars.

There is both a lack of spatial definition around the notion of neighbourhood and a basis of evidence that describes whom the neighbourhood envelopes, and therefore how 'mix' is measured. The AHURI Policy Brief notes that the spatial scale for any consideration of social mix is the neighbourhood (4,000 – 8,000 people), not small-scale public housing developments or individual apartment blocks. Social mix on individual PHRP sites will therefore be radically different and will require site-specific considerations. In

[9] https://dhhs.vic.gov.au/homes-victorians-social-housing-and-homelessness-reform-industry-engagement-calendar

changing the social structure of defined locations, such as PHRP sites, the effect will also see a flattening of diversity at the scale of the suburb, block and street. The Policy Brief states on this issue:

> The spatial scale for any consideration of social mix is the neighbourhood (4,000 – 8,000 people), not small-scale public housing developments or individual apartment blocks. This means the spatial allocation of social, affordable and private housing should be considered at the neighbourhood scale, not the project or redevelopment site scale.

Only at the very intensive scale of the individual sites and buildings, may there be a diversification of tenures – note, that this does not necessarily mean social diversity, but rather tenure diversity. The sites themselves will become more diverse and mixed in terms of income and class, but at other scales the net effect will see less mix when considering the wider neighbourhood assemblage. Income diversity at a suburb or district level will decrease, with less low-income households as a total share of the population.

A baseline must be established in order to measure any change at any scale; without a baseline measure of 'connectivity' and 'vibrancy' no claims to neighbourhood improvement can ever be evaluated. Assuming that an objective of mix is to bring about a 'neighbourhood effect' – as stated in the claim to make PHRP sites more connected and vibrant – whereby residents form new connections and relations across social groups, this assumption must be understood in its effect on local sites and people. The neighbourhood effect is a geographical phenomenon whereby the spatial context – that is, the social make-up of a given location – acts upon and influences how individuals think and act. It assumes that there are preconditioned models for acting in particular ways, and customs of certain groups shape social attitudes.

The lack of definition around the scale of such neighbourhood effects, particularly in the AHURI brief, makes an assumption that positive forms of social mix at the scale of the neighbourhood (4-8,000 people) do not already exist.

The Policy Brief does correctly acknowledge, however, that there is little international and Australian research evidence to support social mix policies, stating:

> Despite a vast literature compiled over many years—much of it from the US, UK and Europe—findings are inconclusive on a number of important dimensions relating to improving outcomes for disadvantaged households through social mix.

Many of the mechanisms through which social mix is hypothesised to create benefits for disadvantaged populations are either unproven or their causality remains ambiguous.

The hypothesis that social interaction is enhanced through social mix, is also correctly acknowledged as a fallacy:

> The social interaction hypothesis states that having disadvantaged household living closer to higher income advantaged households will lead to meaningful social interactions, which in turn will lead to the low-income households learning to reduce their 'deviant behaviour' and improve their employment prospects. 'However, the empirical evidence consensually shows that such contacts seldom occur'.

Two conclusions are made in the Policy Brief that seem to support the social mix policy directive. Both conclusions are extracted from the abstract of Galster and Friedrichs (2015) introduction to a special issue of *Housing Studies* (academic journal). It is important to note that this is not an empirical article, but rather a review of the European and North American context of social mix at the scale of the neighbourhood. The Policy Brief states:

> A first overarching conclusion is that disadvantaged householders are 'significantly harmed by the presence of sizable disadvantaged groups concentrated in their neighbourhoods.'

A second overarching conclusion is that any improvements for disadvantaged householders due to social mix arise 'more probably' at a wider neighbourhood level due to 'positive role modelling, stronger collective control over disorder and violence, and elimination of geographic stigma'.

It is crucially important to note that these conclusions are based upon different social and geographical contexts to which the PHRP is being implemented and therefore have at most a tenuous link to the Australian context. Additionally, Galster and Friedrichs (2015) propose that it is better to be poor in an affluent area than to be poor in a poor area. This assumption permeates the research cited in the special issue, and also by other AHURI publications on the same issue (Atkinson, 2008). However, the defined area is once again ambiguously defined and seems to relate to suburb and neighbourhood level. Given that the sites of the PHRP are all in gentrified inner-city suburbs of Melbourne with above average levels of educational attainment, income and health, these conclusions cannot be said to relate to the PHRP in particular. Public housing residents in PHRP sites are already 'poor in an affluent area'. At the scale of the neighbourhood, all areas where PHRP sites are located would experience a decline in social mix if the proportion of public housing were to decrease overall.

In reviewing the case for social mix in the PHRP, the following reflections are important to consider given the normalisation and expansion of the social mix philosophy in Australian public housing redevelopments. Firstly, Melbourne's inner-city and middle-suburban public estates do not suffer from severe or profound segregation, and therefore mix policies that are based upon the 'de-ghettoisation' of estates are misplaced. Public estates in Kensington, Carlton, Prahran and PHRP sites in Darebin, Moreland and Yarra, do not suffer from negative neighbourhood effects that are argued to emanate from segregation and the concentration of poverty (Shaw, 2012). As previously discussed, the logic of neighbourhood effects is curiously evident in Australian policy, despite its history as a race-based analysis that is challenged internationally.

Secondly, estates within the current tranche of redevelopments in Melbourne are well-resourced by social services and infrastructure and constitute small islands of low-income residents among increasingly affluent private areas. Melbourne's inner- and middle-suburban estates are small and surrounded by private housing. Public housing blocks already have private households in the immediate neighbourhood surrounds. They all have excellent infrastructure and local services including public transport, pools, schools, libraries, community health centres and sports centres. All have an abundance of public and semi-public spaces ripe for encounter and opportunities for social interaction. Most of the estates are more diverse in culture, religion and ethnicity than that of their surrounds such that the assertion that 'social mix' policies will actually bring about a mix, are misplaced at best.

Additionally, Victoria has an affordable housing crisis much like the rest of Australia and there are close to 40,000 households on the public housing waiting list. The households on public housing estates are not as poverty-stricken as those still on waiting lists and those households in the private rental market. Indeed Lawson et al. (2018) calculate that there are 465,000 private renters in Australia that are income-eligible for social housing provision. Housing for public tenants is subsidised and contains strong support structures, and there are many case studies in the literature of lasting community bonds and social networks that develop in this context of relative adversity (Tyler & Slater, 2018). Rather than disrupting existing communities and dispersing public housing residents to Melbourne's outskirts, well-located public land should be utilised to the greatest possible degree to build more public housing. The disruption of communities with the intent of 'deconcentrating poverty' not only breaks-up existing networks, it also disperses larger households to the urban fringe. Projections that there will need to be an uplift in one-bedroom units, disproportionate to the remainder the stock, does not mean that larger families and their needs are met.

On the redeveloped estates such as Kensington and Carlton, there are fewer children (who are vital in encouraging greater social interactions) and a larger number of white middle-class households who blend in with the surrounding middle-class households (Shaw et al., 2013). New exclusively private housing blocks are still separated from the exclusively public housing blocks. As a commercial decision, developers on the Carlton estate segregated the tenure types, raising questions as to where and how stigmatisation is produced. Jama and Shaw (under review) demonstrate that many public tenants' relationships with their immediate neighbours as they, like private occupants, source friends and relationships at the broader neighbourhood scale.

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Attachment 5 - Understanding the PHRP Final report - Dr David Kelly and Professor Libby Porter May 2019

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Appendix A: Alternative approaches for the Victorian public housing renewal program

Meredith Gorman, Homelessness Networker, Northern Metropolitan Region
Dr Kate Shaw, Future Fellow, School of Geography, University of Melbourne
Chris Chaplin, co-author, Kensington estate redevelopment evaluation report
David Kelly, PhD Candidate, Alfred Deakin Institute for Citizenship and Globalisation, Deakin University

March 2018

There are five key arguments against the current public housing renewal program. They can be summarised as follows:

1. *The rationale for public housing estate redevelopments is flawed.* There is no evidence that 'deconcentrating disadvantage' and bringing private residents onto small public estates surrounded by private housing leads to better outcomes for public tenants. This and the resulting social mix is the 'rationale' for the program. We argue the main reason is to finance the necessary upgrades with minimal govt expenditure. This is a problem because:
2. *The development model is unsustainable.* The current program of raising funds for replacement public housing by selling parts of the estates for private housing is a short-term economic fix. What happens when further upgrades are required? This is a version of kicking the can down the road. It is not only not good from a governmental perspective, but the model itself creates problems:
3. *The model involves loss of public housing.* The current model involves a reduction in family units, an increase in single units and, in the two finalised developments so far (Kensington and Carlton) a decrease in public bedrooms overall. Even if a 10 percent increase in bedrooms were enabled, it would still not be enough.
4. *The sale of public land is short-sighted.* The privatisation of land to fund public housing upgrades is a bad deal for taxpayers. Once lost, that land will never be recoverable except at great cost. Well-located public land is a continuing resource, offering potential for on-going initiatives. Limiting future opportunities is not good governance.
5. *If any revenue is to be procured from developing the estates, it should be reinvested into those or other estates.* The use of private developers in the redevelopment means the significant revenues from private housing sales constitute the developers' profits instead of being invested back into social housing. A government or non-profit partner would increase the number of new public units and/or reduce the number of private units necessary to make the project feasible.

This short paper outlines four alternative approaches. They are proposed in the current context of Australia as a wealthy country, with a relatively (globally) stable economy, record high landprices, record low interest rates, and in Victoria, an annual revenue of $6 billion to the state government in stamp duty alone.

Victoria has a public land developer, Development Victoria. Many housing associations also have development capacity, and work independently and in partnership with governments to deliver housing at lower cost than the private sector by not requiring a profit. Local evidence of successful developments exists with Port Phillip Housing Association's Ashwood-Chadstone estate; the former Yarra Community Housing's developments in Gertrude St Fitzroy; and Community Housing Ltd.'s developments in Craigieburn, Pakenham, Hastings, Point Cook and Ferntree Gully; among others

Public and non-profit organisations can currently borrow at very low rates. The logic of engaging public and/or non-profit developers is clear: they can invest the returns into more social housing and associated services.

The conditions for involving such organisations in social housing developments now are ideal.

Rather than selling public land *and* foregoing potential returns, the following models should be considered:

1. Increase public funding for public housing upgrades and new social housing construction in inner and middle-Melbourne. This funding could be derived from a fixed proportion of stamp duty revenue. This option should not be abandoned.
2. Establish a revenue stream for public housing upgrades and new social housing by constructing build-to-rent market housing on some estates, to be managed by not-for-profit developers. Build to rent is normally owned and managed by the private developer, or in the UK, Canada, Scandinavia and most North West European countries, housing associations. There is no reason why housing associations in Victoria could not gear up for this role.
3. Establish a revenue stream for public housing upgrades and new social housing by building private housing on-site for fixed-term lease rather than sale, the component to be determined by the development economics of the estate. Consider sale of 30-99 year leases, as is routinely practiced in the USA. These wouldn't bring in as much as freehold, but would still provide substantial revenue. Finally:
4. Build private housing for sale, the component to be determined by the development economics, ensuring that the profits are controlled by the government and/or non-profit sector. This should be the option of last resort, but it could operate on the Ashwood-Chadstone (75 percent public: 25 percent private) model.

In Melbourne's privileged inner and middle-suburbs, the amount of social housing on existing estates should be maximised. This would make best use of the city's limited public land assets, and go some way to redressing the lack of affordable housing. Maintenance of the range of services and tenant supports around these estates will ensure that the small concentrations of poverty do not become any more 'problematic' than they are already (recognising that the only way of eliminating 'problems' of poverty is to eliminate poverty).

We are urging the government to engage any or all of these alternative approaches on the nine estates currently proposed for redevelopment. Brunswick West, North Melbourne, Heidelberg Heights, Clifton Hill, Brighton, Prahran, Hawthorn, Northcote and Ascot Vale are among the most valuable estates in Melbourne with the lowest possible risk in their redevelopment. They offer excellent testing grounds for new approaches that, if successful, can be applied to other more difficult estates.

An alliance of housing workers and researchers, public housing tenants, housing associations and peak bodies that advocated these alternatives would be difficult to ignore.

We have a Labor government with a planning minister who knows housing policy well, and a housing minister who knows the community housing sector well. If we can't get a good model up now, specifically encouraging the not-for-profit sector to participate at the very least in a trial, then when?

Thank you for considering. Please contact kates@unimelb.edu.au with comments.

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Appendix B: Inquiry into the Public Housing Renewal Program terms of reference

1. the adequacy of a proposed 10 per cent increase in public housing (or 1,100 public units) on the sites given the size of the waiting list for public housing;
2. the ability to cater for all demographics including families, couples and singles with the proposed housing mix;
3. the effects on current public housing tenants, including:
   - whether they will be moved to accommodation that is secure, stable and fit for purpose;
   - whether they will be moved to accommodation that is close to existing social support networks, educational, health and welfare services;
   - whether current tenants will be able to return to the estates;
4. the allocation of parts of the sites between the proposed new public and private housing units;
5. the lack of public condition assessments of the estates or alternative options such as refurbishment of all or part of the existing housing units;
6. the proposed significant increase in density and heights and any local environmental impacts, such as the loss of open space and mature vegetation;
7. the removal of planning controls from local councils, and planning implications surrounding communities including existing neighbourhood character, traffic flow and provisions of services;
8. the proposed loss of third party appeal rights;
9. the transparency and genuine community consultation with affected residents, neighbouring communities and the broader Victorian community regarding the short, medium and long term implications of the PHRP model as currently proposed;
10. public housing estates where similar models are envisaged or underway, including —
    - Markham Avenue, Ashburton;
    - Koolkuna Lane, Hampton; and
    - the corner of Stokes Street and Penola Street, Preston;
11. previous Victorian public housing renewal projects, including but not limited to the Kensington, Carlton and Prahran public housing estates;
12. best practice models for the provision of public housing from within Australia and overseas.

[i] https://www.parliament.vic.gov.au/lsic/inquiries/inquiry/923
[ii] https://theconversation.com/voices-of-residents-missing-in-a-time-of-crisis-for-public-housing-93655

11.4 Draft Urban Agriculture Strategy

Trim Record Number: D19/100085
Responsible Officer: Director City Works and Assets

Purpose

1. To update Councillors on the feedback received during the public exhibition of the Draft Urban Agriculture Strategy 2019-2023 (UAS), and consider the adoption of the Strategy.

Background

2. The UAS 2014-18 provided Council with a framework to engage the community and establish clear objectives and actions to promote urban agriculture initiatives within the city, thereby realising the community, health, social and environmental benefits that local food systems create.

3. The Draft updated UAS has been developed over the last 12 months following a review of the existing UAS 2014-18 and research into local and international best practice. In addition, there has also been a significant consultation process with many sectors of our community, including external and internal stakeholders and the Yarra Urban Agriculture Advisory Committee.

4. A preliminary public consultation was undertaken between 18 May and the 29 June 2018. This exercise was undertaken to seek early feedback on the effectiveness of existing UAS 2014-18 and identify any key considerations that should inform the strategy revision. The consultation was advertised through the Urban Agriculture Newsletter, the Yarra Life newsletter, the Yarra Environment Newsletter, and Council's social media channels including two short promotional videos. Hard copies of a consultation postcard were also displayed at Council's main administration buildings and libraries, as well as distributed to Neighbourhood Houses in the area.

5. The consultation was conducted via a number of mediums, including:

   (a) Online survey; and

   (b) 4 x Pop- up consultation sessions (Edinburgh Gardens, Peel Street Park, Gleadell Street Market, Yarra Sustainability Awards).

6. In total, 186 responses were received throughout the consultation period. A number of strong themes were identified through analysis of the responses received, the top 10 themes are presented below:

Themes	Number of responses received
Increase the number of community gardens in Yarra	59
Build skills and knowledge in the community	40
Increase the number of planter boxes	25
Requirements on new developments to including space for food growing	24
Find and incentivise underutilised land to be used for food growing	20
Grow Food in Parks	14
Urban orchards	14
Provide seeds/seedling starter packs to residents	13

Facilitate community composting initiatives	12
Work with Schools	12

7. The preliminary consultation process informed the draft vision and objectives of the Draft UAS 2019-2023 and cemented a new way of thinking throughout the strategy and action plan.

8. In February 2019, Council endorsed the Draft UAS 2019-2023 to go on public exhibition. The consultation was conducted online via Your Say Yarra page, with an embedded survey. The consultation was advertised through the Urban Agriculture Newsletter, the Yarra Life newsletter, the Yarra Environment Newsletter, and Council's social media channels.

9. In total, 39 responses were received throughout the consultation period. Overall there was a high level of support for the vision and objections (95% support expressed) of the Draft UAS.

10. Respondents were also asked to provide feedback on the four year action plan contained within the Draft UAS. A number of minor changes to the Draft UAS (**Attachment 2**) have been subsequently made to respond to the feedback provided (please refer to **Attachment 1** for further detail).

External Consultation

11. In February 2019, Council put the Draft UAS on public exhibition for a period of four weeks. This is the second stage of community consultation undertaken as part of the development of the Draft UAS 2019-2023. The first consultation (preliminary consultation) occurred in May – June 2018 and informed the development of the draft document that was taken out to public exhibition during the second round of consultation.

12. Public exhibition of the D raft UAS 2019-2023 occurred between 11 February and March 11 2019. This exercise was undertaken to seek feedback on the vision and objectives of the Draft UAS as well as the four year action plan contained within it. Respondents were invited to answer a survey containing six questions comprised of a mix of yes/no and open-ended questions, including:

    (a) Do you agree with the vision?

    (b) Do you have any further comments about our vision?

    (c) Do you support these objectives?

    (d) Do you have any further comments on our objectives?

    (e) What do you think of the activities outlined in the action plan?

    (f) Do you have any comments about our draft Urban Agriculture Strategy*?*

13. The consultation was conducted online via Your Say Yarra page, with an embedded survey. The consultation was advertised through the Urban Agriculture Newsletter, the Yarra Life newsletter, the Yarra Environment Newsletter, and Council's social media channels.

14. In total, 39 responses were received throughout the consultation period. Overall there was a high level of support for the vision and objections of the Draft UAS. In response to question 1 regarding the vision for the UAS, 95% respondents agreed with the vision set out. Similarly, 95% respondents when asked if they supported the objectives of the strategy (question 2) responded 'yes'.

15. Respondents were also asked to provide feedback on the four year action plan contained within the Draft UAS. For further details of feedback during the consultation and to see how feedback has been used to inform the final Draft Strategy, please refer to **Attachment 1**.

Internal Consultation (One Yarra)

16. The development of the Draft UAS has gone through consultation with relevant staff across the different units involved in delivering the draft action plan. A number of responses were received and are summarised below:

    (a) Building and Property Services – Advised that consideration should be given to requiring certification of imported soils for planter boxes;

    Officer comment – Planter boxes users are responsible for providing the growing medium in which they grow, and are covered by an Urban Agriculture Agreement with Council for the use of that planter box. The guidelines for planter boxes are scheduled to be reviewed in Year 2 of the action plan, this suggestion will be explored as part of that review.

    (b) Engineering Services – Advised that consultation with relevant road asset manager should occur in relation to laneway proposals, and should include monitoring program;

    Officer comment – As part of the existing assessment process for Pop-Up Laneway Garden applications (permit), consultation with the relevant council business units occurs. Monitoring and evaluation is one focus of the new action plan and will explore potential ways in which practical and effective monitoring can be achieved.

    (c) Emergency and Risk Management – no concerns raised;

    Officer comment – Noted.

    (d) Strategic Planning – Urban agriculture is mentioned in the upcoming Yarra Planning Scheme. There is value in providing guidance for the inclusion of food growing opportunities in new development, particularly large developments, however there are limitations to what can be required due to the existing (State) policy framework. There are opportunities to consider urban agriculture opportunities as part of a structure planning process, in particular the open space strategy;

    Officer comment – Noted. There are a number of actions in the action plan that relate to planning scheme that will involve exploring opportunities and providing guidance for the integration of food growing opportunities in new development. As part of the consultation process for the development of the new Open Space Strategy, the consideration of urban agriculture within open space has (and will continue to) be discussed and explored.

    (e) Service Contracts – no concerns raised;

    Officer comment – Noted.

    (f) Streetscapes and Natural Values – Expressed general support for strategy and would like to explore opportunities and synergies with Biodiversity Strategy that is currently being developed; and

    Officer comment – Noted. Ongoing discussions have commenced between officers in these areas to identify opportunities to integrate actions that deliver co-benefits for both these strategies.

    (g) Open Space Planning and Design – General support for the Draft UAS, is easy to read and provides a clear direction for Urban Agriculture (UA) Initiatives over the strategy's life. Supportive of the focus on integrating indigenous foods into UA initiatives, and the importance UA plays in achieving community awareness on the importance of resilient food systems, the role UA plays in creating social cohesion and the potential for food growth in Yarra. Requested adjustment of the reference to the Open Space Strategy (OSS) and Municipal Strategic Statement (MSS) in Table 1 of the Draft UAS to 'overarching'. Recommend that Action 1.8 relating to soil contamination be removed,

    Officer comment – Noted. Table 1 of the UAS has been adjusted to reference both the OSS and MSS as 'overarching' and Action 1.8 has been deleted. Soil contamination information availability will be considered in conjunction with relevant officers as part of

Action 2.5 (review and update of UA related content on Council's website). Ongoing discussions have commenced between officers about how urban agriculture is integrated into the OSS with currently being prepared, and how opportunities for community food growing will be considered at both a spatial and land management level (as one consideration within the scope of the OSS). Similarly, discussions with Urban Design Team will be ongoing regarding ways in which UA opportunities can be considered as part of public realm improvement projects (as per Action 4.4 of the UAS).

17. As a result of feedback provided, a number of minor changes were made to the front section of the Draft UAS as well adjustments to a number of actions within the action plan.

Financial Implications

18. A New Initiative bid was submitted for additional budget to deliver Year 1 actions of the Draft UAS. An allocation of $75,000 is in the draft 2019/20 budget, awaiting final adoption.

Economic Implications

19. There are no economic implications.

Sustainability Implications

20. The development of the Draft UAS 2019-23 will ensure that Council continues to advance and improve the 4 objectives within the strategy. This will ensure that the City of Yarra continues to drive urban agriculture and community food resilience within the city.

Social Implications

21. There are no significant social implications.

Human Rights Implications

22. There are no significant human rights implications.

Communications with CALD Communities Implications

23. The initial high-level community engagement and consultation plan for development of a new strategy is detailed above.

Council Plan, Strategy and Policy Implications

24. The 2017-21 Council Plan includes Objective 3 "*City of Yarra; A place where Council leads on sustainability and protects and enhances its natural environment*". It states that the YUAS 2014-18 is to be reviewed.

Legal Implications

25. There are no legal implications directly associated with this report.

Options

26. The Options are:

    (a) to endorse the strategy and action plan as outlined in **Attachment 2**; and

    (b) withhold from endorsement, and seek further refinements / changes, which would mean the timelines for adoption of the strategy would need to be extended.

Conclusion

27. After significant community consultation, officers have completed a Draft UAS 2019-23 for consideration by Council. This process has informed the key directions and pathways that make up the Strategy and helped identify emerging issues that need to be addressed through the action plan. The resources required to deliver the strategy in Year 1 have been identified.

28. That the Urban Agriculture Strategy 2019-2023 (**Attachment 2)**, is presented to Council for adoption.

RECOMMENDATION

1. That Council endorse the draft Urban Agriculture Strategy 2019-2023 and action plan as outlined in **Attachment 2.**

CONTACT OFFICER: **Eloise Lobsey**
TITLE: **Urban Agriculture Facilitator**
TEL: **9205 5137**

Attachments

1⇩ Draft UAS Consultation Summary Report
2⇩ Draft Urban Agriculture Strategy 2019-2023

Attachment 1 - Draft UAS Consultation Summary Report

Public Consultation Summary Report – Draft Urban Agriculture Strategy 2019-2023

1 Introduction

1.1 This document sets out the details and findings of the public consultation process the Council's Draft Urban Agriculture Strategy (UAS) 2019-2023.

1.2 This is the second stage of community consultation undertaken as part of the development of the new Council UAS 2019-2023. The first consultation (preliminary consultation) occurred in May – June 2018 and informed the development of the draft document that was taken out to public exhibition during the second round of consultation.

2 Consultation

2.1 The council put the draft UAS on public exhibition between 11 February and March 11 2019. This exercise was undertaken to seek feedback on the vision and objectives of the draft UAS as well as the four year action plan contained within it. Respondents were invited to answer a survey containing six questions comprised of a mix of yes/no and open-ended questions, including:

1. *Do you agree with the vision?*
2. *Do you have any further comments about our vision?*
3. *Do you support these objectives?*
4. *Do you have any further comments on our objectives?*
5. *What do you think of the activities outlined in the action plan?*
6. *Do you have any comments about our draft Urban Agriculture Strategy?*

2.2 The consultation was conducted online via Your Say Yarra page, with an embedded survey.

2.3 The consultation was advertised through the Urban Agriculture Newsletter, the Yarra Life newsletter, the Yarra Environment Newsletter, and Council's social media channels.

3 Analysis of consultation responses

3.2 In total, 39 responses were received throughout the consultation period.

Vision and objectives

3.3 Overall there was a high level of support for the vision and objections of the draft UAS 2019-2023. In response to question 1 regarding the vision for the UAS, 95% respondents agreed with the vision set out. Similarly, 95% respondents when asked if they supported the objectives of the strategy (question 2) responded 'yes'.

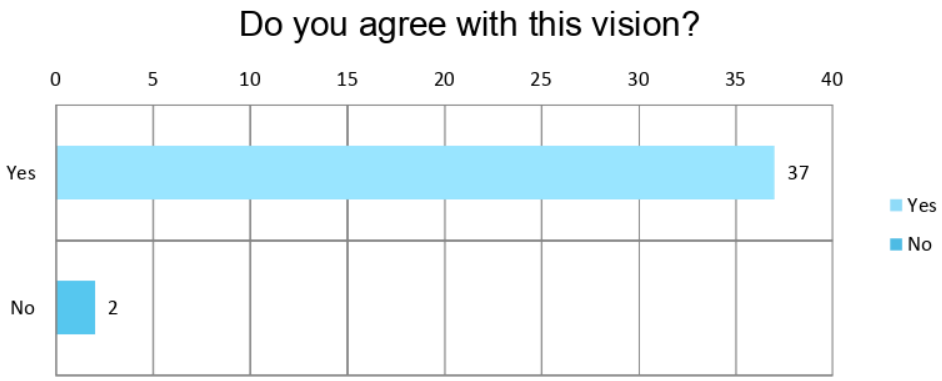


Figure 1: Graph showing the proportion of persons agree with the draft vision

3.4 Similarly, 95% respondents agreed with the four objectives outlines in the strategy.

Action Plan

3.5 Respondents were asked to provide feedback on the proposed four year action plan.

3.6 A summary of the respondent's feedback is provided in Table 1.

Attachment 1 - Draft UAS Consultation Summary Report

Table 1: Table of consultation responses and officer commentary

SUMMARY OF RESPONSES (AS INTERPRETED BY OFFICERS)	NO.	OFFICER RESPONSE
Question 1. Do you agree with the vision?		
Yes	37	N/A
No	2	N/A
Question 2. Do you have any further comments about of vision?		
Increased standard of living and access to land:		
In need of Action plan	1	A four year action plan is contained within the UAS
Clear, easy to understand vision for community	1	Noted
Design to consider disabled members of community	1	Noted, this will be considered as part of Action 1.2.1
Space concerns for garden due to population growth	1	Noted, Actions 1.1.1 - 1.8 are focussed on increasing access to land for food production
Urban planning structures to have specified heights around gardens to avoid overshadowing	1	Noted, Action 4.6 will investigate this issue
Provide services:		
Moderated space for workshops to share/ swap produce	1	Noted, Council is in a position to support these community issues through our channels and networks, which is reinforced by Action 2.1.
Review success of using planter boxes	1	Noted, Action 4.5.2 covers this
More compost collection points	3	Noted, actions 1.2.1 and 1.2.3 have been updated to include community composting, as well as action 2.1. These actions are further supported by actions in the Waste Minimisation and Resource Recovery Strategy 2018-22 which closely aligns with the work of this strategy particularly with regard to food waste and nutrient cycling.
Gives apartment dwellers access to produce	1	Apartment dwellers will have access to council facilitated programs and community facilities in the same way as all residents do. Action 4.3 will provide guidelines to encourage opportunities for food growing to be included in new developments
Workshops and market stalls	1	Noted, Council supports community initiatives, reinforced by Action 2.1.

Attachment 1 - Draft UAS Consultation Summary Report

Education:		
Identify seasonal produce	2	Noted, Action 2.2 and 2.5 are focussed on increasing food skills and knowledge in the community
Simplify plant growing process for residents (ie. use of young plants rather than seedlings, best ways to use/cook after harvest)	2	Noted, Action 2.2 and 2.5 are focussed on increasing food skills and knowledge in the community
Identify edible plants outlined	1	Noted, Action 2.2 and 2.5 are focussed on increasing food skills and knowledge in the community
Market inefficiency to create community gardens	1	Noted, however community gardens have a wider value to the community than food production, such as building sense of community, social interaction, skill sharing
Sustainable & sense of community	1	Noted
Question 3. Do you support these objectives?		
Yes	37	
No	1	
Not sure	1	
Question 4. Do you have any further comments on our objectives?		
Improve waiting list times gardens	2	Noted, operation and expansion of community gardens and community growing spaces in Yarra are supported by Actions 1.12, 1.2.2 and 1.3.
Workshops	1	Noted, Action 2.2 will provide an annual workshop program
Easier access to space	1	Noted, objective 1 is focussed on facilitating access to land so far as the areas Council has an ability to influence
Improve community planter boxes	1	Noted, Action 4.5.2 will address this
Education regarding growing plans, soil health and seasonal meals	3	Noted, Action 2.2 and 2.5 are focussed on increasing food skills and knowledge in the community
Ban toxic weed killer	1	Noted
Improvement of rooftop gardens for apartments living (solar programs, planter boxes)	1	Noted, Action 4.3 will provide guidelines to encourage opportunities for food growing to be included in new developments
Consider resources needed for successful project	1	Noted
Rushall community garden to educate on successful garden practices	1	Noted, 3.4.1 addresses community education and partnerships

Attachment 1 - Draft UAS Consultation Summary Report

Sponsorship from Rushall community garden & NFCG	1	Noted, action 3.2 addresses supporting community groups to access funding
Incentives from council wanted	1	Noted, it is not clear what incentives are being suggested beyond those facilitated through the draft action plan
Realistic & clear objectives	2	Noted
Composting and food minimisation spaces	1	Noted, objective 2.1 covers these spaces
Question 5. What do you think of the activities outlined in action plan?		
Push to be implemented sooner than posed	1	Noted, action 4.2 addresses timeline of strategy
Solution to space availability	1	Noted
Good establishment of community gardens & possible sites	1	Noted
Not in favour of rate payment funding & laneway inspections	1	Noted
Stronger push for amendments to Yarra Planning Scheme mechanisms such as density bonusing & vertical zoning to facilitate space for growing	1	Noted, Action 1.4 and 4.3 will investigate opportunities/best practice for integration of UA opportunities in new development.
Information for residents of location of gardens for use currently	1	Noted, this information is provided on Yarra website
Outlines 3.1, 4.2, 1.6.1, 1.6.2 ,2.5, 4.2 & 2.3.2 are common time constraint & space concerns	3	Noted
Push to start in inner city that has been drought effected	1	Noted, Action 1.6.1 addresses review of council owned space for possible use
Review of effectiveness existing 170 planter boxes	1	Noted, Action 4.5.2 addresses reviewing of planter boxes in Yarra
Question 6: Do you have any comments about our draft Urban Agriculture Strategy?		
Improved management of existing gardens (eg. Carlton N)	1	Noted, Action 1.1.2 provides support to existing community growing spaces, however most of these facilities are independently governed by community garden groups
Indigenous food practices	1	Noted, Action 3.4.3 is to work with Indigenous groups to identify opportunities for indigenous urban agriculture projects
Strips, laneways and roundabouts to be considered for use	1	Noted, Action 1.6.1 & 1.6.2 will consider these opportunities
Need for compost drop off points for apartment dwellers	1	Noted
Timely process for Strategy	1	Noted

Attachment 1 - Draft UAS Consultation Summary Report

Information on successful gardening, soil health & testing as well as seasonal plants	2	Noted, Action 2.2 and 2.5 are focussed on increasing food skills and knowledge in the community
Development of relationship with community members who wants to start gardens	1	Noted, Action 1.2.2 addresses support to potential new projects proposed under relevant guidelines, this support will be accessible by individuals as well as groups
Further discussion about Yarra's existing open spaces for gardens	1	Noted, action 1.6.1 addresses the consideration of opportunities to use council owned space for food growing
Urban designers, park team and strategic planners to collaborate	1	Noted, undertaken during strategy development and further reinforced through Action 4.4

3.7 Residents were asked to answer demographic questions in order to provide the Council with an understanding of the characteristics of the community members that were engaged throughout the consultation process. The answers are shown graphically below:

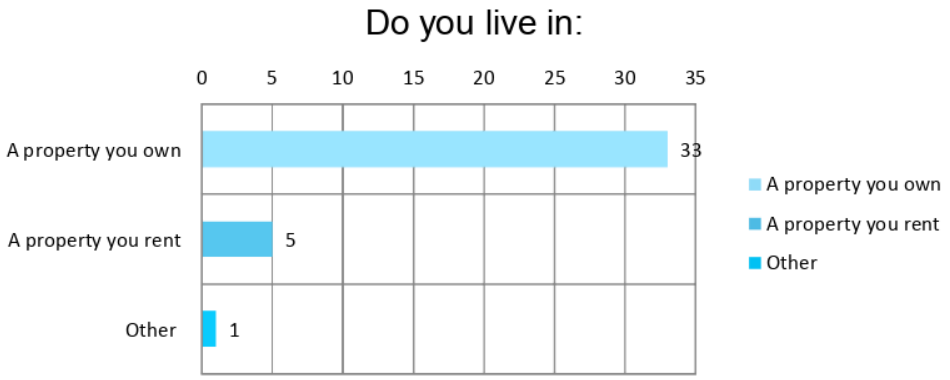


Figure 1: Graph showing the proportion of persons that responded by housing tenure

3.8 Figure 1 shows the predominance of respondents residing in a property they own. Yarra's demographic data indicates approximately 50% of people in Yarra reside in rental accommodation, which highlights an ongoing challenge for achieving representative views from the community.

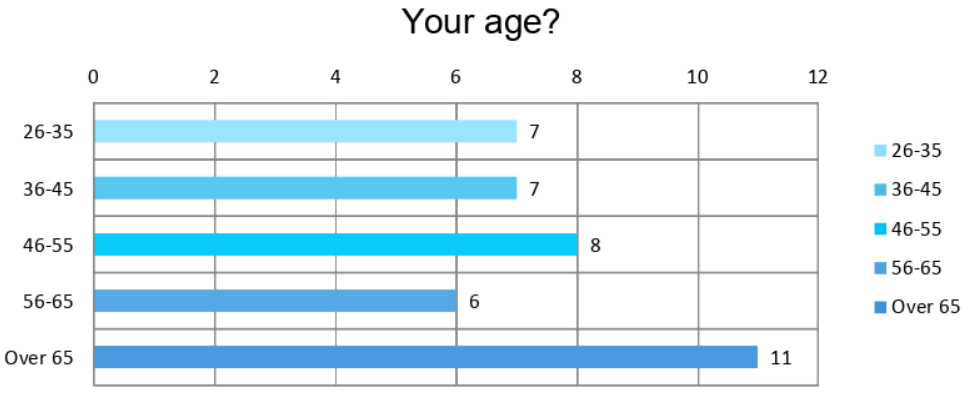


Figure 2: Graph showing the age of persons that responded

3.9 Figure 2 shows a fairly even distribution across age brackets between 26 and 65, with over 65 age bracket having the biggest participation rate. It is notable that there were no responses received by persons under the age of 26, which highlights a further challenge going forward in terms of achieving representative views from the community.

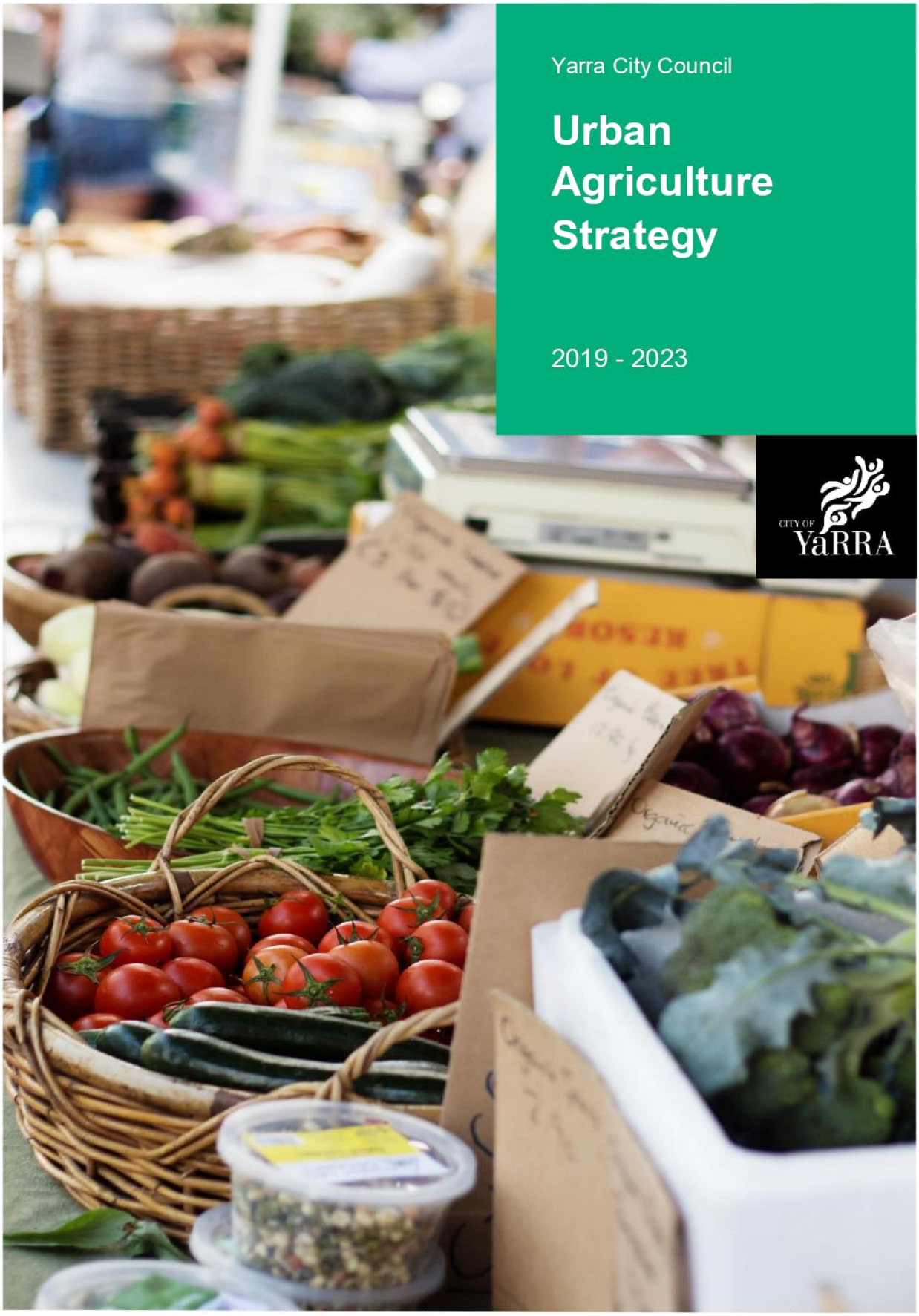
3.10 Themes emerging from the consultation analysis:

1. Strategy will assist to improve the liveability of the city
2. Strategy is ambitious, further resources will be required to deliver it
3. Strategy is realistic and proactive
4. More community garden space capacity/availability
5. Need to review effectiveness of planter box program
6. Community Growing Space processes are too bureaucratic
7. Run more workshops and vary the skill levels for these
8. Integrate composting and nutrient cycling into the strategy
9. Information on food plant selection for nutrition
10. Food planting in open space and the public realm
11. Support a network of UA spaces in support of food resilience
12. More accessible and wheelchair friendly community gardens

4 Next steps

4.1 Overall the feedback from the consultation was very supportive of the draft strategy. A number of minor changes have been made to the draft action plan to respond the feedback provided. These are listed in Table 1.

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023



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Message from the Wurundjeri Corporation

This statement from the Wurundjeri Corporation acknowledges the Wurundjeri in their role as the original cultivators of the land now known as the City of Yarra.

Caring for Country has been part of the cultural lore of the Wurundjeri people since the Dreamtime, and as such they have a wealth of knowledge and a deep understanding and connection to the Victorian environment that should be valued and respected.

Over the long history of occupation Australian Aboriginal people developed many different strategies across the multiple groups and variable environmental conditions. These systems present a much more complicated and sophisticated set of land use practices than the primitive hunter-gatherer lifestyle we have been led to believe. Many of these communities employed a range of agricultural methods in order to support large populations and sustain the health of their communities, as well as that of the natural environment.

The area which now makes up the modern Yarra City Council was rich in natural food, fibre and medicine resources. The Wurundjeri people lived in this region for over 40,000 years, sustainably and in harmony with the environment. Their understanding and connection to nature, and their innate responsibility to manage the land for the betterment of all, and for future generations continues. Today the Wurundjeri Community maintain a strong presence in the Yarra City Council area. Wurundjeri Woi-Wurrung Corporation are keen to work with the City of Yarra in building an Urban Agriculture Strategy which supports health, wellbeing, connection to Country and the re-introduction of the traditional food species.

Introduction

What is urban agriculture?

Urban agriculture is the process of growing, producing and recycling food scraps in the urban environment. This might include backyard vegetable gardens, laneway gardens, planter boxes or larger scale urban community food growing. It can also include local processing and preserving of food and the composting of food waste.

Why is it important?

Urban agriculture is important because it helps promote sustainable local food systems and build community resilience. Sustainable local food systems improve the management of the food cycle from production through processing, distribution, access, consumption and resource and waste recovery.

Whether it be growing a few herbs on a balcony, a roof top farm, developing a market garden or contributing to a thriving community growing space, urban agriculture is becoming increasingly popular.

On a systems level, urban agriculture adds to the multifunctionality of the urban fabric, by facilitating a wide range of benefits to urban communities, including recreational social and cultural benefits as well as environmental (urban greening, climate regulation, biodiversity, nutrient recycling).

What does it mean in Yarra?

Sustainable food systems and urban agriculture are key to maintaining and improving sustainability. The work of the previous four years has proven that genuine food production, food waste recycling and sustainable local food systems are possible and desirable in Yarra.

The City of Yarra is, and will continue to, experience high levels of population growth and more residents living in apartments. More than ever our community is at risk of being disconnected from the social reality and ecology of our food system, therefore urban agriculture and its ability to reconnect people with food sources will play an increasingly significant role in creating a sustainable city.

The population density of Yarra makes broad acre farming impractical but does provide other opportunities such as growing food in public places, growing on private land, roof tops, local food swaps, food waste collections, and municipal composting. These can all help to build the profile of urban food growing; reduce food waste and increase community skills and experience. Small actions, undertaken by a large population, can have cumulative benefits such as growing your own herbs rather than buying them wrapped in plastic.

Where are we now

What does urban agriculture in Yarra look like now?

Urban agriculture in Yarra today is largely made up of a mixture of home growers, community gardens, composting hubs, farmers markets, laneway gardens, nature strip plantings and over 170 planter boxes along Yarra streets. There are many institutions who have and continue to be instrumental to bringing urban agriculture to the community in Yarra, particularly Cultivating Community, our many wonderful Neighbourhood Houses, schools and colleges, and the Collingwood Children's Farm.

Increasingly there is a need for, and a community appetite to integrate urban greening and food growing opportunities into the urban regeneration projects. Recent industry innovation has also meant that urban farming systems are becoming more widely available and as markets continue to evolve, the commercial viability of these systems will continue to improve.

Where does urban agriculture fit within Council's work?

Every four years all councils are required to produce a Council Plan and Municipal Health and Wellbeing Plan. In 2017, Yarra City Council combined these plans and outlined seven key objectives, each with a number of strategies identified. Urban agriculture initiatives and programs relate to, and can help deliver, a number of the strategies outlined in the Council Plan, including:

- Promote and facilitate urban agriculture with a focus on increasing scale and uptake in the community.
- Build resilience by providing opportunities and places for people to meet, be involved in and connect with their community.
- Support and empower a more sustainable Council and Community.
- Encourage and promote environmentally sustainable building, urban design, place-making and public realm outcomes.
- Reduce the amount of waste-to-landfill with a focus on improved recycling and organic waste disposal.
- Maintain and enhance Yarra's open space network to meet the diverse range of community uses. Promote a community that is inclusive, resilient, connected and enjoys strong mental and physical health and wellbeing.
- Provide health promoting environments that encourage healthy eating and active living.
- Provide opportunities for people to be involved in and connect with their community.
- Investigate strategies and initiatives to better manage the long-term effects of climate change.

Urban agriculture has a cross organisation focus and therefore has close relationships with a broad range of other council policies and strategies. The most closely related strategies and policies are outlined in Table 1 below.

Table 1: Key Council Policies Plan and Strategies related to urban agriculture

Related strategy/policy	Relationship	Connection to Yarra Urban Agriculture Strategy (YUAS)
Council Plan	Overarching	Community resilience, community health and wellbeing, social cohesion, open space networks
Municipal Health and Wellbeing Plan	Overarching	Food systems, access to healthy food, food security, community resilience
Yarra Environment Strategy (YES)	Overarching	Urban greening, climate adaptation, climate mitigation, biodiversity
Yarra Open Space Strategy	Overarching	Land use, open space planning and design, open space management
Municipal Strategic Statement	Overarching	Land use, built environment, urban regeneration, place making, infrastructure planning
Yarra Waste Minimisation and Resource Recovery Strategy 2018-2022	Peer	Resource management, nutrient cycles, food systems
Urban Design Strategy	Peer	Urban design, landscape design, urban regeneration, place making

What does Yarra do to support urban agriculture?

Yarra is an Australian leader in urban agriculture. The previous Urban Agriculture Strategy 2014-2018 provided a framework to recognise and build on work that was already occurring in the community. This work has included:

- A dedicated urban agriculture facilitator who provides advice to residents on how to start and maintain community growing space/gardens.
- Establishing the Community Growing Spaces program to help residents set up public planter boxes, laneway and nature strip gardens. As part of the program, Council provides step-by-step advice, planter boxes, land and public liability insurance.
- Establishing the Yarra Urban Agriculture Advisory Committee, which provides support to the community and advice to Council about local urban agriculture issues.
- Running a variety of workshops throughout the year to give residents skills in topics such as small space gardening, organic gardening, beekeeping, composting and keeping chickens.
- Supporting schools, neighbourhood houses and non-profit community organisations to start or manage communal food gardens with grants, resources and community connections.
- Providing worm farms and compost bins for purchase.

What do we want to do

The previous strategy was developed at a time when urban agriculture was a new concept to many and as a result had a strong focus on building the profile of urban agriculture and removing barriers. This strategy builds on the work of the previous strategy by moving towards a food systems approach as part of a regenerative system.

What is a food system?

A food system comprises how our food is grown, processed, distributed consumed and recycled. In practice, this means where we get our food from, how we use it and what we do with any waste. A sustainable local food system helps reduce waste and the environmental impacts of consuming food. Urban agriculture is one element in a sustainable local food system. It has the potential to reduce the impacts of distribution, increase access to local food, help people avoid wasting food and encourage them to recycle their food leftovers.

Urban agriculture and the circular economy

It is predicted that by 2050, globally at least 80% of food will be consumed in cities, and for every dollar spent on food, society pays two dollars in health, environmental and economic costs (Ellen Macarthur Foundation, 2019). Our existing food systems in cities are extractive and wasteful. In order to shift to more efficient and sustainable food system, it's important that we start to think and create a regenerative food system, that improves rather than degrades both us and our environment.

The Ellen Macarthur Foundation have identified three ambitions for cities to create a circular economy for food:

1. **Source food grown regeneratively and locally where possible**
   Food comes from natural systems which are regenerative by design. Replicating these practices will improve the overall health of local ecosystems, diversity in the food supply to increase resilience, reduce packaging needs and shorten supply chains. Local, regenerative food systems will see connections between consumers and urban and peri urban farmers strengthened.

2. **Make the most of food**
   Cities can play a crucial role in keeping food at its highest level and eliminating waste. There is huge potential for cities to act as hubs for redistribution of surplus foods and create a thriving bioeconomy where food by-products are transformed into organic fertilisers, biomaterials, medicines and bioenergy.

3. **Design and market healthier food products**
   There are no healthy food choices in an unhealthy food system. We can change food design and marketing to reshape our preferences and habits. This will ensure that healthy products become easily accessible, while valuable nutrients circulate back into the soil safely.

Yarra's role in the sustainable local food system

Yarra's key roles in supporting a local food system are:

1. To assist our community in growing food through facilitating access to public and private spaces.
2. To reduce the loss of nutrients from the food system by exploring and facilitating local and municipal composting solutions.
3. To work with local, municipal and regional networks to promote and develop sustainable food systems.

4. Work with our partners and community to explore opportunities and create innovative solutions to help stimulate a circular local food system.
5. To reduce food wastage by providing education and information to residents through programs such as Food Know How and Grow Your Own.

What are the limitations of this strategy?

This strategy is designed to be focused and realistic with clear aims and objectives. Urban agriculture is still a relatively new area for many councils, and it is necessary to establish where energy and resources are best focused.

This strategy has a strong focus on building the knowledge base, networks and processes required to develop genuinely sustainable local food systems in Yarra and its municipal neighbours.

This strategy is a stepping stone, it aims to further build the foundations of urban agriculture and sustainable local food systems in Yarra while maintaining sufficient flexibility to be responsive to opportunities that may arise.

The benefits and challenges for urban agriculture

The proposed urban agriculture activities will have a number of community benefits that will steadily accumulate over the period of this strategy. The following is a brief description of those benefits which the local community of Yarra consider critical, as well as a number of the challenges which will impact how the strategy is developed and implemented.

The benefits

- **Education and community building**
  Urban agriculture helps the community build connections through growing and sharing food. It helps people understand and appreciate the importance of locally grown, nutritious healthy food and build a culture of appreciating food.
- **Improving food security and equality**
  Urban agriculture increases access to local, affordable food and increases community access to food through growing and sharing food.
- **Regenerating Natural Systems**
  Urban agriculture helps reduce food miles by promoting the local growing and production of food. It also helps develop sustainable local food systems by capturing nutrients that might otherwise be lost to landfill, usually via composting processes. In a regenerative system, food production improves rather than degrades the environment.
- **Supporting biodiversity and ecosystems services**
  Urban agriculture systems offer an extensive, varied, and undervalued resource for enhancing urban biodiversity and improving connectivity across a larger landscape. The varied vegetative structure, increased native plant diversity, and increased permeability of surfaces are key features of urban agriculture systems that contribute to urban biodiversity. They also provide important ecosystem services such as pollination, pest control, and climate resilience.
- **Enhancing connection to place**
  Urban agriculture literally offers people the opportunity to grow the place around them. Whether it be community members growing in public spaces such as footpaths, laneways and pocket parks, reclaiming unused land, or private property opened to food production and neighbourhood sharing, urban agriculture offers locals a means by which to connect to place, and to shape it.

- **Building the local economy**
  Local food production can support the local food economy and link producers, providers and consumers and build employment opportunities.

The challenges

- **Urban density**
  Yarra is an inner urban area with a high percentage of medium (48.1%) and high density (37.1%) housing. As a result, many residents have limited or no outdoor space for growing food or composting, so making space available for local food systems will be a critical challenge that cities will face.

- **Housing tenure**
  The Yarra community has a high percentage of renters (approximately 50% of the total population) who are likely to have less control over how they can use gardens and space around their homes.

- **Competing pressures**
  With high levels of population growth predicted, and limited land availability, land use competition for space in the urban environment will continue to intensify. Competing demands on our open space network in particular will continue to present a challenge for council.

The previous Urban Agriculture Strategy 2014 – 2018 developed a range of initiatives such as planter boxes, vertical gardens and the use of other public and private land to help ameliorate these challenges and to demonstrate that it is possible to grow food in the urban environment. These activities have helped build the profile and legitimacy of urban agriculture.

Where we want to be

Vision

Yarra contributes to a sustainable city where our community grows, produces and shares food as part of a healthy and resilient food system.

Objectives

The following objectives have been developed to support the vision and direction

1. **Facilitate access to space for people to grow food**

   We will:

   - Provide access to growing space for residents through the Community Growing Spaces Program.
   - Facilitate landshare within our community for the purpose of food growing.
   - Work with developers to facilitate the provision of land for growing food in new developments.
   - Support community groups in negotiations with landowners to facilitate long and short-term urban agriculture opportunities.

2. **Increase food skills and knowledge through education and training**

   We will:

   - Develop an annual program of events and activities to promote urban agriculture.
   - Undertake a comprehensive program of community, business and stakeholder engagement to understand community expectations of urban agriculture.
   - Promote urban agriculture in publications and on the Council website.
   - Partner with local educational institutions to promote urban agriculture.

3. **Build partnerships with other organisations and groups**

   We will:

   - Work with community organisations to optimise funding opportunities to deliver urban agriculture.
   - Work with other local governments to support and promote urban agriculture.
   - Facilitate opportunities for organisations working in urban agriculture to work together.

4. **Advocate – within and beyond council to work towards a food systems approach**

   We will:

   - Gather available evidence to better understand urban agriculture and how it fits into the broader food system.
   - Develop methods to embed urban agriculture into projects and developments within council and the City of Yarra.
   - Create and protect opportunities for food growing, sharing and recycling in Yarra.
   - Build and promote an understanding of food systems and their application in local government.

Evaluation

Many of the strategic objectives and actions outlined in this Strategy will be measurable and form the groundwork from which the community can grow, produce and share its own food. The delivery of the Action Plan will be evaluated on an annual basis.

It is important to understand that much of the social value and other benefits of urban agriculture work are intangible or are difficult to measure. We therefore know that the sum of the work of this strategy will be greater than that which we can practically measure.

What will success look like?

It will be possible to understand some of the success of this strategy by reflecting on the stories our community and visitors share. These are the questions we will ask to understand what success will look like:

- Do residents have access to space to grow their own produce?
- Has urban agriculture enhanced community connection to local spaces?
- How widely available is affordable high-quality fresh produce grown in a sustainable manner?
- Does our community value locally produced food?
- Have we increased opportunities for food waste recycling in Yarra?
- Do our children have a strong understanding of where our food comes from and an appreciation for what makes a healthy diet?

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Urban Agriculture Action Plan 2019-2023

Objective 1

Facilitate access to space for people to grow and recycle food

We will:

- Provide access to growing space for residents through the Community Growing Spaces Program.
- Facilitate landshare within our community for the purpose of food growing and recycling.
- Work with developers to facilitate the provision of land for growing food and recycling in new developments.
- Support community groups in negotiations with landowners to facilitate long and short-term urban agriculture opportunities.

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
1.1.1 Continue to deliver and manage the Community Growing Spaces program	Urban Agriculture Facilitator	City Works Business Support Team	High	Year 1,2,3,4	Program available to residents	Number of residents participating in the program
1.1.2 Provide support to existing Community Gardens and Community Growing Spaces (in line with agreements)	Urban Agriculture Facilitator	Streetscapes and Natural Values Team	High	Year 1,2,3,4	Support as outlined in agreement	Satisfaction with support
1.1.3 Develop Urban Agriculture Agreements for historic community growing spaces lacking agreements	Urban Agriculture Facilitator	Streetscapes and Natural Values Team	Low	Year 1,2	Urban Agricultural Agreements completed	Completion of Urban Agriculture Agreements

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
1.2.1 Review and update Council's Urban Agriculture guidelines including community composting	Urban Agriculture Facilitator	Open Space Design Team Streetscapes and Natural Values Team	High	Year 2	Urban Agriculture Guidelines to be redrafted and adopted by Council	Adoption of new guidelines by council
1.2.2 Provide support to new projects proposed under the community gardens guidelines	Urban Agriculture Facilitator	Streetscapes and Natural Values Team	High	Year 1,2,3,4	Provide support as required	Number of new projects supported
1.2.3 Streamline the application process for the Community Growing Spaces program including community composting	Urban Agriculture Facilitator	Business support Team	Low	Year 1,2	Improved application pathways to Community Growing Spaces program	New online application pathway developed
1.3 Facilitate relationship between community groups and landowners, supporting long and short-term urban agriculture opportunities	Urban Agriculture Facilitator	Property Services Team	Medium	Year 2,3,4	Provide support as required	Support provided as required
1.4 Work with planners to include urban agriculture in planning referral process and investigate mechanisms to support provision of urban agriculture opportunities through the	Urban Agriculture Facilitator	Strategic and Statutory Planning	Medium	Year 1,2,3,4	Provide support as required	Number of planning applications commented on

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
Yarra Planning Scheme.						
1.5 Investigate feasibility of land-share programs	Urban Agriculture Facilitator	N/A	Medium	Year 3,4	Referral process established	Completion of report
1.6.1 Explore potential sites in open space, owned or managed by Yarra for food growing	Urban Agriculture Facilitator	Open Space Design Team	Medium	Year 2,3	Identify potential sites for a trial	Pilots established and evaluated
1.6.2 Undertake analysis of all laneways and categorise potential for growing space	Urban Agriculture Facilitator	GIS Officer	Medium	Year 3	Provide report on options to partner with groups delivering a land share program	GIS available and incorporated into guidelines
1.7 Undertake a feasibility study of potential to host a land availability inventory for City of Yarra	Urban Agriculture Facilitator	GIS Officer	Medium	Year 3,4	Feasibility study	Study completed

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Objective 2

Increase food skills and knowledge through engagement, education and training

We will:

- Develop an annual program of events and activities to promote urban agriculture.
- Undertake a comprehensive program of community, business and stakeholder engagement to understand community expectations of urban agriculture.
- Promote urban agriculture in publications and on the Council website.
- Partner with educational institutions to promote urban agriculture.

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
2.1 Develop an annual communications plan to increase the visibility of urban agriculture work in Yarra e.g. food swaps, farmers markets, community composting	Urban Agriculture Facilitator	Communications Team	High	Year 1,2,3,4	Support as outlined in agreement .	Satisfaction with support
2.2 Develop an annual program of workshops catering to a range of ages, demographics and groups within the community	Urban Agriculture Facilitator	Sustainability Engagement Officer	High	Year 1,2,3,4	Annual program developed and delivered	Attendance at workshops
2.3.1 Investigate the feasibility of developing a partnership with post-secondary education institutions	Urban Agriculture Facilitator	Waste Minimisation Officer and Communications Team	Medium	Year 2,3	Feasibility report	Report completed

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
2.3.2 Promote available school gardening education material to local schools.	Urban Agriculture Facilitator	Communications Team	Low	Year 3	Review available material and effectiveness Analyse any gaps in available material Produce material to fill gaps	Analysis completed
2.4 Review the links between Food Know How and Grow Your Own programs	Urban Agriculture Facilitator	N/A	Medium	Year 2	Report on potential links and opportunities	Report and business case completed
2.5 Review and update UA related content on website and investigate spatial map for urban agriculture sites in Yarra	Urban Agriculture Facilitator	Sustainability Engagement Officer Communications Team	High	Year 2,3	Updated content on website and map of urban agriculture sites.	Map completed and publically available
2.6 Investigate the potential to provide seed starter packs for residents to encourage people to grow food locally	Sustainability Engagement Officer	Urban Agriculture Facilitator	Low	Year 2,3	Report and business case	Report completed
2.7 Develop educational material with partners to enhance community understanding of traditional foods and agricultural practices	Urban Agriculture Facilitator Streetscapes and Natural Values Team	Local Indigenous Groups Aboriginal Partnerships Team	High	Year 1,2	Integration of educational material into workshops, website and council projects	Educational material available

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Objective 3

Build partnerships with other organisations

We will:

- Work with community organisations to optimise funding opportunities to deliver urban agriculture.
- Work with other local governments to support and promote urban agriculture.
- Facilitate opportunities for organisations working in urban agriculture to work together.

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
3.1 Partner with public land owners to develop Memorandum of Understanding (MOU) for sites within Yarra to be used for urban agriculture	Urban Agriculture Facilitator	Governance Team	Medium	Year 3	Memorandum of Understanding(MOU) with at least public land owner	Number of formal agreements developed
3.2 Assist community and other organisations to access potential funding opportunities for urban agriculture in Yarra	Urban Agriculture Facilitator	Community Grants Team	Medium	Year 1,2,3,4	Urban agriculture grants applied for	Annual number of urban agriculture related grant applications assisted
3.4.1 Develop partnerships with Collingwood Children's Farm and other leading community organisations to work towards delivering the	Urban Agriculture Facilitator	Economic Development Team	High	Year 2,3	Identifying opportunities Develop an Memorandum of Understanding (MoU) as required	Opportunities identified

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
objectives of this strategy						
3.4.2 Support community organisations to enable greater Culturally and Linguistically Diverse (CALD) community involvement in urban agriculture programs	Urban Agriculture Facilitator	Waste Minimisation Officer Community Partnerships Team	High	Year 2,3	Provide language support as requested	Joint projects delivered
3.4.3 Work with Indigenous groups to identify opportunities for indigenous urban agriculture projects	Urban Agriculture Facilitator	Aboriginal Partnerships Team	High	Year 2,3	Local Indigenous Groups engaged	Partnership opportunities identified
3.5 Support other organisations to expand fruit squad	Urban Agriculture Facilitator	Community Partnerships Team	Medium	Year 2,3	Increase in the number of trees registered to program	Increase in fruit squad capacity in Yarra

Objective 4

Advocate within and beyond council to work towards a food systems approach

We will:

- Gather available evidence to better understand urban agriculture and how it fits into the broader food system.
- Develop methods to embed urban agriculture into projects and developments within council and the City of Yarra.
- Create and protect opportunities for food growing and recycling in Yarra.
- Build and promote an understanding of food systems and their application in local government.

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
4.1 Identify opportunities to promote urban agriculture through events, policy reviews and other opportunities	Urban Agriculture Facilitator	Waste Minimisation Team	Medium	Year 1,2,3,4	Presentations, policy submissions	As opportunities arise
4.2 Evaluation of urban agriculture programs delivered to date	Urban Agriculture Facilitator	GIS officer Communications Team Open Space Planning and Design Team	High	Year 2,3	Survey of current urban agriculture programs Report	Survey completed Analysis completed and reported
4.3 Develop and promote a best practice guide to integrate urban agriculture opportunities into new development to be considered as part of the planning permit	Urban Agriculture Facilitator	Strategic and Statutory Planning teams	High	Year 1,2	New guidelines developed	Guidelines implemented through planning referrals

Attachment 2 - Draft Urban Agriculture Strategy 2019-2023

Actions	Responsibility Lead	Responsibility Support	Priority	Timeline	Measureable Outcomes	Evaluation
process						
4.4 Input into Council's public realm improvement projects programs and strategies	Urban Agriculture Facilitator	City Strategy Teams, Transport Teams, Capital Development Team	High	Year 1,2,3,4	Urban agriculture opportunities identified	Participation in cross - departmental place making processes
4.5.1 Build an evidence base to guide action and decision-making including conducting research, collecting and interpreting data about urban agriculture opportunities and participation levels in the City of Yarra	Urban Agriculture Facilitator	N/A	Medium	Year 3,4	Report	Report completed
4.6 Investigate current right to solar access protections for gardeners	Urban Agriculture Facilitator	Statutory Planning Team	Low	Year 2,3	Report	Report completed

11.5 Report on Assemblies of Councillors

Trim Record Number: D19/97078
Responsible Officer: Group Manager Chief Executive's Office

Purpose

1. To provide a report on Assemblies of Councillors.

Background

2. The *Local Government Act* 1989 (The Act) requires that …"The Chief Executive Officer must ensure that the written record of an Assembly of Councillors is, as soon as practicable:
   (a) reported at an ordinary meeting of the Council; and
   (b) incorporated in the minutes of that Council meeting…..".
3. This report includes all Assemblies of Councillors reported to the Governance Department at the cut-off date that have not already been reported to Council. Assemblies held prior to the cut-off date that are not included here will be included in the next report to Council.

Consultation

4. Not applicable.

Financial Implications

5. Not applicable.

Economic Implications

6. Not applicable.

Sustainability Implications

7. Not applicable.

Social Implications

8. Not applicable.

Human Rights Implications

9. Not applicable.

Communications with CALD Communities Implications

10. Not applicable.

Council Plan, Strategy and Policy Implications

11. Not applicable.

Legal Implications

12. The Act requires the above information be reported to a formal Council Meeting and also be recorded into the Minutes of the Council.

Other Issues

13. Not applicable.

Options

14. Nil.

Conclusion

15. That Council formally note and record the Assemblies of Councillors report as detailed in ***Attachment 1*** hereto.

RECOMMENDATION

1. That Council formally note and record the Assemblies of Councillors report as detailed in ***Attachment 1*** hereto.

CONTACT OFFICER: **Mel Nikou**
TITLE: **Administration Officer - Governance Support**
TEL: **9205 5158**

Attachments

1⇩ Report on Assemblies of Councillors - June 2019

Attachment 1 - Report on Assemblies of Councillors - June 2019

Record of Assemblies of Councillors

Report cut-off	14 June 2019
Council Meeting	25 June 2019

This report includes all Assemblies reported to the Governance Department at the cut-off date that have not already been reported to Council. Assemblies held prior to the cut-off date that are not included here will be included in the next report to Council.

Assembly	Attendance	Matters considered	Disclosures
Yarra Environment Advisory Committee 9 May 2019 6.00pm	**Councillors** • Cr Amanda Stone **Officers** • Michael Oke	1. Climate Emergency Plan 2. Draft Council Budget 3. Update on Councillor Representation YEAC	Nil
Disability Advisory Committee 12 May 2019 4.30pm	**Councillors** • Cr Danae Bosler **Officers** • Adrian Murphy • Fran Moloney • Laurice Younge • Alywyn Holt • Sophie Barison • Danny Millican	4. Traffic and Civil Engineering – update on improvements 5. Recruiting for Municipal Emergency Management 6. Tram Route 96 outcome of DAC representatives presentation to Council 7. Reflection on last DAC meeting on the NDIS discussion 8. Inclusive Passenger Network for Yarra Trams focus on accessibility not on traders 9. Members individual report	Nil

Attachment 1 - Report on Assemblies of Councillors - June 2019

Assembly	Attendance	Matters considered	Disclosures
Business Advisory Group 23 May 2019 8.00am	**Councillors** • Cr Jackie Fristacky **Officers** • Kim Swinson • Joy Saunders • Will Anderson • Simon Osbourn • Megan Turnley	1. Smart City – Yarra City Lab an introduction to the range of projects that are in development 2. Richmond Retail Revitalisation Project.	Nil
Urban Agriculture Advisory Committee 23 May 2019 5.00pm	**Councillors** • Cr Danae Bosler **Officers** • Lisa Coffa • Eloise Lobsey	1. Yarra Environment Advisory Committee 2. Urban Agriculture Strategy Update 3. Showcase – member opportunity to present on a UA project they are currently working on 4. General Update 5. Other business	Nil

Attachment 1 - Report on Assemblies of Councillors - June 2019

Assembly	Attendance	Matters considered	Disclosures
Councillors Briefing 27 May 2019 6.30pm	**Councillors** • Cr Danae Bosler • Cr Jackie Fristacky • Cr Daniel Nguyen • Cr James Searle • Cr Amanda Stone **Officers** • Vijaya Vaidyanath • Ivan Gilbert • Bruce Phillips • Diarmuid McAlary • Chris Leivers • Lucas Gosling • Gracie Karabinis • Jessica Matrakis • Frances Nolan • Sarah Young • Brooke Colbert • Adrian Murphy • Malcom Foard • David Walmsley • Simon Exon • Julian Wearne • Michael Ballock	1. Consumption of liquor in Public Places Local Law No.8 review – external consultation 2. Chas Farquhar Complex Renewal Project 3. Evaluation of Save the Children's Cubbies Program 4. Public availability of Planning Application Referrals on Councils website 5. Yarra's Christmas Decoration Program 6. Proposed discontinuance of the road between 5 and 7 Brunswick Street Fitzroy 7. Finance Report – April 2019 8. Context for Fitzroy Beer Garden ROW prior to considering discontinuance 9. Submission re MCC Draft Transport Strategy 10. Hardy Gallagher Community Green Space 11. Mayors Park Management Review 12. Occasional Care	Nil

Attachment 1 - Report on Assemblies of Councillors - June 2019

Assembly	Attendance	Matters considered	Disclosures
Special Councillors Briefing 4 June 2019 8.40pm	**Councillors** • Cr Danae Bosler • Cr Misha Coleman • Cr Jackie Fristacky • Cr Daniel Nguyen • Cr Bridgid O'Brien • Cr James Searle • Cr Amanda Stone **Officers** • Vijaya Vaidyanath • Ivan Gilbert • David Walmsley • Diarmuid McAlary • Chris Leivers • Lucas Gosling • Gracie Karabinis • Ange Marshall • Julie Wyndham • Colm Connolly	1. 2019/20 Annual Plan Draft 2. Water Management in Yarra	Nil

Attachment 1 - Report on Assemblies of Councillors - June 2019

Assembly	Attendance	Matters considered	Disclosures
Special Councillors Briefing 11 June 2019 8.00pm	**Councillors** • Cr Danae Bosler • Cr Mi-Lin Chen Yi Mei • Cr Misha Coleman • Cr Bridgid O'Brien • Cr James Searle • Cr Amanda Stone **Officers** • Vijaya Vaidyanath • Ivan Gilbert • Bruce Phillips • Diarmuid McAlary • Chris Leivers • Lucas Gosling • Gracie Karabinis • Malcolm McCall • Michael Ballock • Michael Oke	1. Draft Social and Affordable Housing Strategy 2. Fitzroy Town Hall Options for Future Use 3. Yarra Ecocity – a new visual identity to enhance Yarra's profile as a sustainability leader 4. Proposal from MCC – Peel Street	Nil
Disability Advisory Committee 11 June 2019 4.30pm	**Councillors** • Cr Danae Bosler **Officers** • Adrian Murphy • Marta Rokicki • Laurice Younge	1. Universal Design – Presentation by Michael Walker, Building Authority DHHS 2. Public Toilets upgrade 3. Members individual reports	Nil

Attachment 1 - Report on Assemblies of Councillors - June 2019

Assembly	Attendance	Matters considered	Disclosures
Bicycle Advisory Committee 12 June 2019 6.30pm	**Councillors** • Cr James Searle **Officers** • Rebecca Sims • Chloe Wright • Simon Exon	1. Carlton North Local Area Place Making 2. Wellington Street Stage 2 3. Rathdowne Street Cycling improvements 4. Walmer Street Bridge update 5. North East Link Submission 6. Lessons from Perth presentation 7. Australian Bicycle Summit Delegates Report	Nil
Active Aging Advisory Committee 12 June 2019 1.00pm	**Councillors** • Cr Amanda Stone **Officers** • Fran Moloney • Cheryle Gray • Adrian Murphy • Julia Bennett Mitrovski	1. National Reforms – update re CHSP & Linkages extension 2. Edinburgh Gardens – redevelopment and leisure centre master plan – information process 3. Update – Tram Route 96 4. Committee membership update 5. AAAG Survey between now and August 6. Groundswell Day Victoria 7. 2019 Victoria of the Year Awards 8. Yarra City Council Gambling Policy 9. Staff changes 10. Funding submission being submitted – Dementia Friendly	Nil
Heritage Advisory Committee 13 June 2019 6.00pm	**Councillors** • Cr Danae Bosler • Cr James Searle **Officers** • Richa Swarup • Ivan Gilbert	1. Update on Heritage Strategy 2. Update on Activity Centres: Queens Parade Amendment - Queens Parade Amendment C231 3. Graffiti Management Framework in heritage areas 4. Heritage Walks – Princes Hill, North Carlton 5. Victoria Street Cultural Heritage 6. Update on VHRF and WHEA 7. Other matters related to 107 Coppin Street, State Nomination of 32-34 Wellington Street	Nil

12.1 Notice of Motion No. 10 of 2019 - Requesting Council Support Nomination to Heritage Victoria by the Queens Parade Heritage, Planners and Traders Group

Trim Record Number: D19/105295
Responsible Officer: Group Manager Chief Executive's Office

I, Councillor Bridgid O'Brien hereby give notice that it is my intention to move the following motion at the Ordinary Meeting of Council to be held on 25 June 2019:

"That Council:

*(a) note the Application by the Queens Parade Heritage, Planning and Traders Group to nominate the **Queens Parade Shopping Precinct for inclusion in the** Heritage Victoria Register (refer copy attached);*

(b) note the request from Queens Parade Heritage, Planning and Traders Group seeking Council's support to the application; and

(c) determine to record its in-principle support to the nomination and advise the Group and Heritage Victoria accordingly."

Background

A copy of the referenced Nomination is attached hereto.

RECOMMENDATION

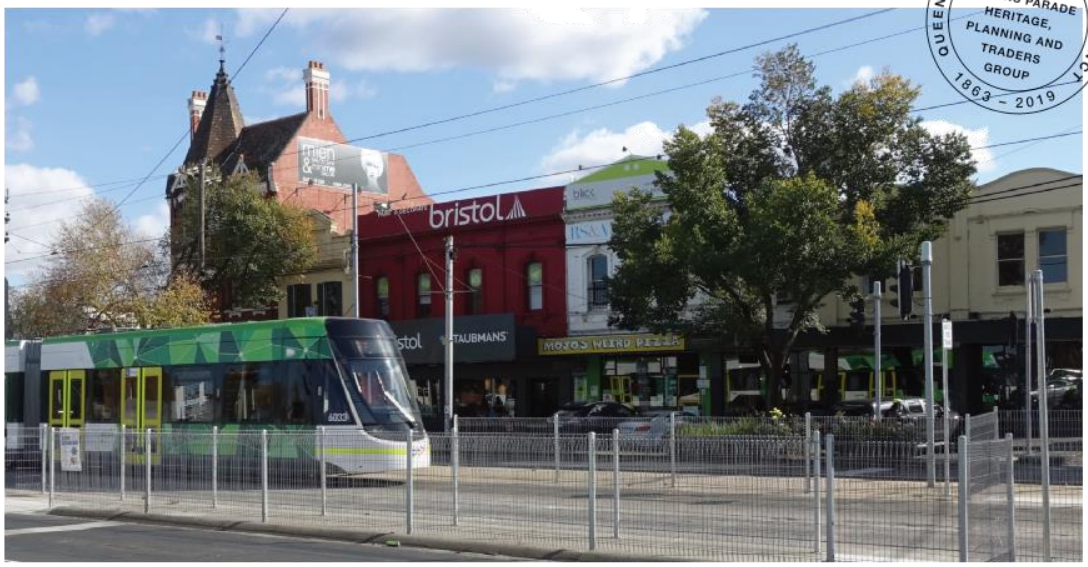
1. That Council:
   (a) note the Application by the Queens Parade Heritage, Planning and Traders Group to nominate the **Queens Parade Shopping Precinct for inclusion in the** Heritage Victoria Register (refer copy attached);
   (b) note the request from Queens Parade Heritage, Planning and Traders Group seeking Council's support to the application; and
   (c) determine to record its in-principle support to the nomination and advise the Group and Heritage Victoria accordingly.

Attachments

1⇩ Nomination to Heritage Victoria re Queens Parade Shopping Centre

QUEENS PARADE SHOPPING PRECINCT

CLIFTON HILL • NORTH FITZROY



QUEENS PARADE SHOPPING PRECINCT
QUEENS PARADE HERITAGE, PLANNING AND TRADERS GROUP
1863 – 2019

Nomination of Queens Parade Shopping Precinct for inclusion in the Victorian Heritage Register

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Cover images:

Top: Queens Parade, North Fitzroy, c.1920.
Source: Coyl, City of Yarra Library, identifier: FL69.

Bottom: Same view of Queens Parade, North Fitzroy, May 2019.

Acknowledgements

This nomination has been prepared by Virginia Noonan, Tim Gatehouse, Terence Nott, Nola Read, David Young and Linda Young.
Queens Parade Heritage, Planning and Traders Group.

Design by Anna Wolf.

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Attachment 1 - Nomination to Heritage Victoria re Queens Parade Shopping Centre

Application to nominate a place or object for inclusion in the Victorian Heritage Register

Regulation 5

Instructions to complete form

What does inclusion in the Victorian Heritage Register mean?

The Victorian Heritage Register (VHR) is administered under the *Heritage Act 2017*. It includes places and objects which are considered to have State-level cultural heritage significance. Anyone can nominate a place or object to the VHR, but only a small percentage of them will meet the criteria of the Heritage Council of Victoria as having State-level significance. Many heritage places are locally significant and it is often more appropriate that they be protected by inclusion in local council Heritage Overlays. Registration in the VHR does not prevent places or objects from being sold, altered or employed for different uses.

What are the criteria for registration? What is 'State-level' cultural heritage significance?

The VHR includes places and objects which meet at least one of the Heritage Council of Victoria's criteria for State-level significance. This means that their cultural heritage significance relates to the wider Victorian community – not just the local area. **It is strongly recommended that nominators read the *Victorian Heritage Register Criteria and Threshold Guidelines* available on the Heritage Victoria website before completing this form.** Separate Guidelines for Landscape nominations and Social Significance (Criterion G) guidelines are also available online.

Please call Heritage Victoria to discuss your nomination prior to its lodgement

Telephone: (03) 9938 6891
Email: heritage.registrations@delwp.vic.gov.au
Web: www.heritage.vic.gov.au

Nomination forms may be submitted in one of the following ways:

By email to: heritage.registrations@delwp.vic.gov.au OR
By post to: Executive Director, Heritage Victoria, PO Box 500, MELBOURNE VIC 8002

Please note: Incomplete applications will be returned to the applicant which may result in delays.

Office use only

Place/object name

Date received	*Date accepted*	*Hermes number*

HERITAGE VICTORIA
HERITAGE VICTORIA
HERITAGE VICTORIA

VICTORIA State Government | Environment, Land, Water and Planning

Attachment 1 - Nomination to Heritage Victoria re Queens Parade Shopping Centre

Application to nominate a place or object for inclusion in the Victorian Heritage Register

All fields are required. Anonymous nominations will not be accepted.

1. Nominator details

Title:	Mr
First Name:	David
Surname:	Young
Address:	PO Box 203 Clifton Hill VIC 3068
Email address:	david.young@netspeed.com.au
Telephone:	0417 773 724
Is this nomination on behalf of a company or organisation?	Yes
What is its name?	Queens Parade Heritage, Planning and Traders Group
What is your position title?	Member

2. Owner details (where known)

Title:	Ownership details are provided in Sections 2 and 3
First Name:	
Surname:	
Business or organisation name:	
Address:	
Email address:	
Telephone:	

3. Nomination type

x	Place
☐	Place with objects intergral to it (please provide list)
☐	Object
☐	Archaeological place

Attachment 1 - Nomination to Heritage Victoria re Queens Parade Shopping Centre

Application to nominate a place or object for inclusion in the Victorian Heritage Register

4. Place or object details

Place or object name:	Queens Parade Shopping Precinct
Address or GPS location:	Queens Parade, Clifton Hill and Fitzroy North, 3068
Local Council or Shire:	City of Yarra

5. Land details (for places or objects)

5.1 Extent of nominations

Note: It is usual for place extents to accord with title boundaries or fence lines.

For a place: How much land do you wish to be included in the registration?	Please see maps in Sections 1 and 2
For an object: How much of the object do you wish to nominate?	
Please attach a simple and accurate extent diagram clearly showing the extent (boundaries) of your nomination. This may take the form of a copy of an existing map or plan with a clear hand drawn line around the extent showing the land, buildings and other key features you are nominating.	
Is the place located on Crown Land?	Part of the place is Crown Land
What are the title details of this land?	Title details are provided in Attachments 2 and 3
Note: *You must provide a Certificate of Title for places not on Crown Land. This should be dated within one month of making this application. You can search for a title online at: www.landata.vic.gov.au*	

5.2 Local Heritage Overlay Information

Does this place have a Local Heritage Overlay (HO) within a planning scheme?	Yes
What is the HO number?	HO330 in the Yarra Planning Scheme

Application to nominate a place or object for inclusion in the Victorian Heritage Register

5.3 Photographs Please see Section 1.

Please attach recent photographs of the place or object; you may include historical photographs as well.

5.4 Conservation Management Plan N/A

Please include copies of any guiding documents for the conservation and management of the heritage place or object (Conservation Management Plan(s)) if they exist for this place or object.

5.5 Inventory (for collections of objects) N/A

If you are nominating a collection of objects, you will need to provide an inventory. Please contact Heritage Victoria to discuss the most appropriate format for your inventory.

6. Heritage Council criteria

Which Heritage Council criteria does this place meet?	A, B, D, E, H

For a place or object to be included in the Victorian Heritage Register it must be of State-level cultural heritage significance based on at least one of the Heritage Council criteria. Please address only the relevant criteria. It is usual for a place or object to meet 2 or 3 criteria. Further explanation about these criteria can be found in the Victorian Heritage Register Criteria and Threshold Guidelines.

7. Statement of cultural heritage significance

Please describe the place or object in the sections below using 1 to 2 paragraphs, naming the most significant elements.

7.1 What is its significance?

7.2 How is it significant?

7.3 Why is it significant?

7.4 History of the place or object.

7.5 Comparisons to similar places recorded in the Victorian Heritage Register.

Please see Section 1 (Nomination Report) for a description of what is significant, its history, statement of significance, and comparison to similar places in the Victorian Heritage Register.

Section 2 (Maps and nominated buildings) contains datasheets for each of the properties included in this nomination. These include: the street number, a current photograph, owner and title details, historical information and a description.

Section 3 (Owner, land and title details) contains a list of owners and title numbers, together with recent copies of the titles.

Application to nominate a place or object for inclusion in the Victorian Heritage Register

8. Aboriginal cultural heritage values (where known)

Who are the Traditional Aboriginal Owners of this place or object?

Wurundjeri

Does this place or object have Aboriginal cultural heritage values in addition to non-Aboriginal cultural heritage values (shared values)? Please provide details below.

Not known

Note: If the place or object is of cultural heritage significance only on the grounds of its association with Aboriginal tradition, Aboriginal traditional use, or Aboriginal archaeology, it may be more appropriate for registration in the Victorian Aboriginal Heritage Register. Please contact the Office of Aboriginal Affairs Victoria.

9. Condition

The condition of the place is generally:

☐	Excellent
x	Good
☐	Fair
☐	Poor

Is there any damage to the fabric (the materials from which the place/object is made)?

Most of the properties included in this nomination are in good condition. Some are in fair condition, requiring conservation work such as repairs to cast iron verandahs and to rendered copings and parapets.

If yes, please specify which materials and the extent of damage:

10. Intactness and integrity

How much of the original form or appearance remains?

Of the 94 properties shown in the maps, 76 (81%) are surviving buildings from the late nineteenth and early twentieth centuries.

43 of the buildings on the north side of Queens Parade have verandahs, 28 are original, or reconstructions that are at least sympathetic. Only 15 are later cantilevered awnings.

On the south side most verandahs were removed (at the direction of the then City of Collingwood) in the 1950s. Some have been replaced with cantilevered awnings.

Shop fronts have been variously altered and updated. Some original shop fronts remain.

What alterations are present and why was the place altered?

Redevelopment, particularly in the 1960s and 1970s has seen the replacement of earlier buildings and infilling of sites on which no substantial building existed. Some shop fronts have been updated.

Is it still possible to read the heritage values of the place or object if it has changed or been altered?

Yes, it is still possible to clearly read the heritage values of the place.

Application to nominate a place or object for inclusion in the Victorian Heritage Register

11. Threat

Is the place under imminent threat of demolition or development?	*Yes	
Has a demolition permit has been issued under the ***Building Act 1993***?		*No
Has a planning permit been issued by the responsible authority for the redevelopment of the land?	*Yes in part	
Is there evidence of plant and equipment being mobilised to demolish the place?		*No
Is there evidence of an imminent proposal to destroy, remove or disassemble the object (or group of objects) or elements of the place?		*No
Are there any known proposals to relocate buildings or the object(s) to another location?		*No
Is the deteriorating condition of the place/object posing a threat to its intactness or integrity? If yes, what form does the threat take?		*No

Please provide any additional details about the threat:

388 Queens Parade has a current proposal to add a sixth storey to an already approved five storey development (VCAT ref. P703/2019, Yarra PLN17/0705).

Further development applications are anticipated in the Precinct, given the current 6-storey height limit allowed under an interim DDO.

12. Books and other references

Please name books and other sources that may provide historical information about this place.

A reference list of books, reports, old photographs and architectural drawings is provided in Section 1 (Nomination report).

Attachment 1 - Nomination to Heritage Victoria re Queens Parade Shopping Centre

Application to nominate a place or object for inclusion in the Victorian Heritage Register

13. Nomination checklist

I have completed all sections of this application form as follows:

- x Local Heritage Overlay information
- x Heritage Council criteria
- x Statement of cultural heritage significance (including history and comparisons)
- ☐ Aboriginal cultural heritage values
- x Condition
- x Integrity/intactness
- x Threat

I have attached:

- x A copy of recent Certificates of Title (not necessary for places on Crown Land)
- x Recent photographs of the place or object
- x An extent diagram clearly showing the extent (boundaries) of the nomination
- ☐ A copy of the Conservation Management Plan(s) for this place (if applicable) N/A

14. Nominator statement

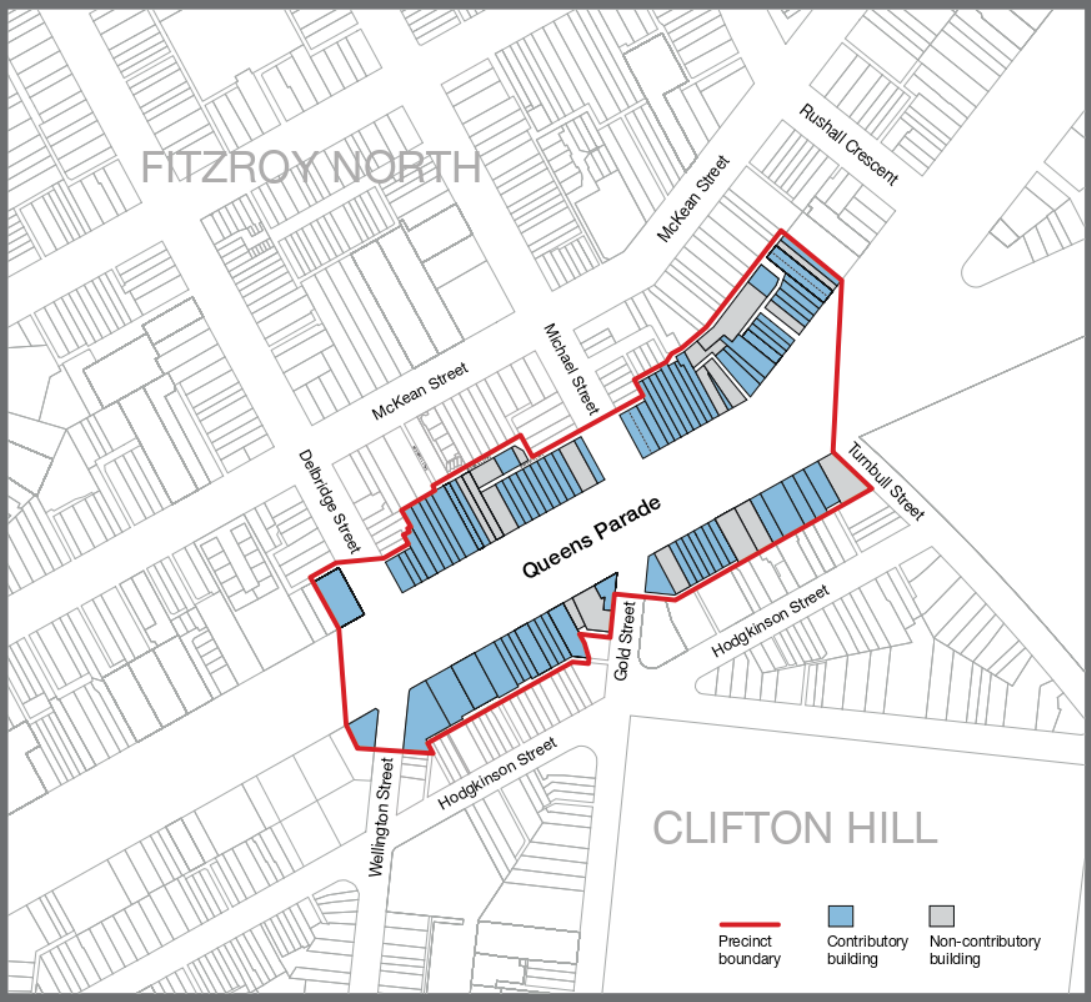
I state that the information I have given on this form is correct to the best of my knowledge.

Name:	David Young on behalf of the Queens Parade Heritage, Planning and Traders Group
Signature:	
Date:	27 May 2019

* delete if not applicable

Attachment 1 - Nomination to Heritage Victoria re Queens Parade Shopping Centre

QUEENS PARADE SHOPPING PRECINCT



QUEENS PARADE SHOPPING PRECINCT

SECTION 1

Nomination Report

Raines Reserve, c.1907–1925.
(Detail)
Source: Coyl, City of Yarra Library, identifier CL13.

QUEENS PARADE SHOPPING PRECINCT
QUEENS PARADE HERITAGE, PLANNING AND TRADERS GROUP
1863 – 2019

INTRODUCTION

This is a nomination for inclusion in the Victorian Heritage Register (VHR) of the Queens Parade Shopping Precinct, Queens Parade, Clifton Hill and Fitzroy North, 3068. This document contains the location, statement of cultural heritage significance and history of the Parade and associated people and forms Section 1 referred to in the Assessments Form (Nomination to VHR) which is lodged concurrently. Sections 2 and 3 contain detailed maps and data sheets for each building, and ownership and title details.

This nomination is made on behalf of the Queens Parade Heritage, Planning and Traders Group which is a coalition of groups that are concerned about inappropriate development along Queens Parade, in particular in the shopping precinct. A request for an Interim Protection Order is being submitted concurrently.

Queens Parade is the only Hoddle boulevard in Melbourne with a shopping precinct. There are no shopping strips on the VHR. Queens Parade with its 60 metre boulevard width, rows of surviving Victorian and Edwardian buildings, and fine streetscapes and vistas, warrants inclusion on the Register as a representative example of a late nineteenth and early twentieth century shopping precinct.

The proposed boundary of the Queens Parade Shopping Precinct is shown on the map that followed the nomination form.

Main Street, Clifton Hill, looking south. No publisher details, postcard c.1906.
Source: unknown.

WHAT IS SIGNIFICANT?

The proposed Queens Parade Shopping Precinct heritage place at Clifton Hill and Fitzroy North extends from just west of the junctions of Delbridge and Wellington Streets with Queens Parade in an easterly direction as far as Turnbull Street on the southern side and to 410 Queens Parade on the northern side.

The proposed area forms part of Heritage Overlay 330 in the Yarra Planning Scheme.

Significant elements include:

- Queens Parade boulevard — including tramlines, service lanes and medians, trees and other plantings, footpaths.
- Bluestone crossings, kerbs and channels.
- Victorian and Federation era buildings on both sides of the street — with glazed shop fronts, and original face brick or rendered upper façades and decorated cornices, parapets, pediments and chimneys.
- The predominant built form (which is related to use) — generally two-storey single-fronted shop-houses, with narrow deep shops on the ground floor and accommodation above.
- Three rows of contiguous shop-houses — Campi's (7), Ryan's (9 remaining of an original 12) and Sallery's (4).
- The continuing use of some of the buildings — despite changes of ownership and tenancy, three shops have had the same use since the 1880s.
- Remaining cast iron supported early verandahs on the north (Fitzroy) side.
- Original and early shop fronts, recessed entries and associated details.
- Surviving original interior details, including stairs, pressed metal ceilings and fireplaces.
- The streetscape — the remarkably original streetscape with regular patterns of two-storey buildings, with repetitive fenestration and strong horizontal lines created by parapets, cornices and string courses, amplified by long runs of verandahs on the north side.
- Views — of the buildings from across Queens Parade, from Mayors Park and from the street intersections, with parapet and roof details set against a wide open sky.

- Views of corner buildings on all four corners of both intersections — including the side views of buildings that face Queens Parade.
- Views to landmark buildings — including the former ANZ bank (VHR H0892), corner shop-houses at 336-338, the former National Australia Bank, and St John's School and Church and the former United Kingdom hotel (VHR H0684) (both outside the precinct).
- The laneways — paved with bluestone pitchers, which provide access to shops and houses.

Section 2 — *Maps and nominated buildings* contains photographs, historical details and descriptions for all contributory buildings. Laneways are shown in yellow on the detailed maps in Section 2.

HERITAGE COUNCIL CRITERIA

The following assessment criteria are considered relevant to this nomination.

(a) Importance to the course, or pattern, of Victoria's cultural history.

(b) Possession of uncommon, rare or endangered aspects of Victoria's cultural history.

(d) Importance in demonstrating the principal characteristics of a class of cultural places and objects.

(e) Importance in exhibiting particular aesthetic characteristics.

(h) Special association with the life or works of a person, or group of persons, of importance in Victoria's history.

This section considers the Queens Parade Shopping Precinct against each of these criteria.

(a) Importance to the course, or pattern, of Victoria's cultural history.

Queens Parade, which began as a road to the bush, was transformed by the long boom of the 1860s–90s into a spine of the new suburbs of Clifton Hill and Fitzroy North, in an early and typical dynamic of Melbourne's pattern of urban growth. Consolidating around the turn of the 20th century thanks to tram and train connections, its development was subsequently overtaken by suburbs further north and east. This left Queens Parade with its well-formed but now 'old-fashioned' shopping strip. Due to its location between the city and the suburbs of the northeast, Queens Parade Shopping Precinct is today a significant representation of colonial Victoria's history of urban form and expansion.

(b) Possession of uncommon, rare or endangered aspects of Victoria's cultural history.

Queens Parade is the only Hoddle boulevard, with its spacious 60m width, to have developed into and sustained a suburban shopping precinct.

Rapid redevelopment across inner suburban Melbourne now endangers the survival of intact examples of characteristic residential-shopping zones.

View over Raines Reserve looking southwest towards St Johns Church in the background.

Raines Reserve, c.1907–1925.

Source: Coyl, City of Yarra Library, identifier CL13.

(d) Importance in demonstrating the principal characteristics of a class of cultural places and objects.

Queens Parade is a remarkably intact late Victorian-early Federation era shopping precinct, composed of characteristic shop-houses, commercial and civic buildings (banks, post office), and corner hotels. The predominant built form of two-storey single-fronted shop-houses, with narrow deep shops on the ground floor and accommodation above, provides clear evidence of the typical uses which continue today. Land utilisation was maximised by constructing narrow terraces which, though relatively small, were highly decorated with stucco mouldings and cast ornaments — typical of the smaller investor who benefited from the long boom, rather than the 'big end of town'.

More than 80% of the buildings in the precinct are from Victorian and Federation eras, while on the north side there are long rows of remaining cast iron supported verandahs.

HERITAGE COUNCIL CRITERIA

(e) Importance in exhibiting particular aesthetic characteristics.

The limited time and style range of Queens Parade buildings produces a cohesive streetscape with a rhythmic pattern of two-storey buildings with verticals defined by pilasters and narrow windows, and strong horizontal lines created by parapets, cornices and string courses, amplified by long runs of verandahs on the north side. The fine streetscape of Queens Parade Shopping Precinct offers vistas from across the wide boulevard, and from street intersections, of the rows of parapets and pediments set against a wide open sky. Mature elm and plane trees punctuate the views, and with the verandahs provide shade and shadow that contrasts with the mainly light-toned masonry.

The community's valuing of the aesthetics of both sides of Queens Parade was recently demonstrated by hundreds of objections to the City of Yarra's proposal to allow six-storey development behind and above the street frontage.

(h) Special association with the life or works of a person, or group of persons, of importance in Victoria's history.

Many of the shop-houses of Queens Parade were built by men and women who had made some, but not a lot of money on the goldfields. Their tenants were traders who lived above the shop; directories show they also took in boarders. The resulting picture of late 19th–early 20th century inhabitation is typical of the petit bourgeois-skilled artisan population who fuelled the long boom. Of these, seven individuals and their extended families have been identified as investors in and inhabitants of Queens Parade in its formative decades (see *Associated People* later in this report). Their connections to the buildings they funded demonstrate the variety of trades and callings by which entrepreneurs made money out of booming Melbourne – though they didn't always keep it.

Key amongst them are:

Jeremiah Ryan, an Irish farmer who made a tidy fortune supplying diggers with produce. In 1881 he began to invest the profits in real estate in Clifton Hill and Fitzroy North. Among other projects was a terrace of 12 shop-houses in Queens Parade, built in 1883-84; the central unit was surmounted by a raised pediment declaring it to be 'Ryan's Buildings/1884.' Today it marks the empire of 'the King of Clifton Hill.'

Abbondio Campi was the third of three brothers who established a specialist business in gilt-framed mirrors, pictures and bevelled glass in 1868. The demand for luxury fittings in booming Melbourne funded his investment in the terrace of 'Campi's Buildings', which began on the corner lot of Gold St with a privately-funded post office in 1883; seven shop-houses followed until 1887.

Thomas Dowd, native of Collingwood, founded a tailoring business in Queens Parade in 1907; in 1909 he had new premises built with his name 'Thom. J. Dowd & Co/Tailors' moulded in the pediment (no. 402). The business grew further and moved to Fitzroy in 1929; it survived, thrived and went international in 1938 with Dowd's brother Arthur and others, as the Hickory Foundation Garment Co.

Top left to right: Prominent 1899 shop-houses at 336–338 Queens Parade, corner of Michael Street. Early cast iron supported verandah returns the corner.

348–356 Queens Parade. The four shop-houses were built in 1883 by John Sallery, a stonemason.

STATEMENT OF CULTURAL HERITAGE SIGNIFICANCE

How is it significant?

The Queens Parade shopping precinct, Clifton Hill and Fitzroy North is of State historical, aesthetic and associational significance to Victoria.

Why is it significant?

The significance of Queens Parade Shopping Precinct lies in its (endangered) survival as a highly representative and materially intact (80+%) site of late Victorian-early Federation era Melbourne suburban development. The road was laid out as a 60 metre wide boulevard by Surveyor Hoddle, marking the northeastern entry to town from the bush. Building construction funded by the long boom of the gold rush created the typical Melbourne form of tightly-packed terraces of two-storey shop-houses, shaping the rhythmic streetscape that still exists. Its vistas, punctuated by landmark civic and commercial buildings, continue to be framed by rare lines of original verandahs on the north side, and mature trees. The total assemblage generates an unusually spacious aesthetic for a Melbourne shopping strip, and a representative specimen of colonial suburban design.

Comparison to similar places recorded in the Victorian Heritage Register

There are no similar shopping strips included on the VHR. There are numerous such centres covered by Heritage Overlays and there are a number of single retail premises in shopping areas included on the VHR, including the former ANZ Bank building in Queens Parade. However, in this case the whole precinct presents as a largely intact shopping strip dating principally from the late Victorian period. It embraces buildings on both sides of the large and 60 metre wide boulevard that is Queens Parade.

These characteristics were identified 40 years ago in one of the very first heritage studies — the North Fitzroy Conservation Study by Jacobs Lewis Vines, Architects, 1978.

Queens Parade street scene, North Fitzroy looking east, c.1890.

Source: Coyl, City of Yarra Library, identifier: FL142.

HISTORICAL BACKGROUND TO QUEENS PARADE

Queens Parade was known as Heidelberg Road until 1887 when it was renamed to commemorate Queen Victoria's Golden Jubilee. It has been the road to Heidelberg since the 1840s, when Heidelberg was the home of many of Melbourne's gentry and an important farming area. The same alignment of the road was followed by Robert Hoddle when in 1853 he planned it as one of Melbourne's grand boulevards, along with Victoria, Royal and Alexandra Parades. When later in the decade surveyor Andrew Clarke prepared a visionary plan for a new suburb to be called Merriville based on James Craig's plan of the New Town of Edinburgh, Heidelberg Road was incorporated as its main axis. Clarke's plan did not eventuate, but when North Fitzroy was surveyed and subdivided in the 1860s by Clement Hodgkinson, he too used Heidelberg Road as the main axis, from which the major streets were laid out at right angles, and retained Hoddle's width of 60 metres for Queens Parade.

North Fitzroy was one of the first new suburbs where crown land was sold after the streets were surveyed, in order to provide an orderly street pattern and a spacious, attractive and healthy environment. This policy replaced the earlier practice of allowing property owners to carry out their own subdivisions, which resulted in narrow, uncoordinated streets and cramped, unsanitary living conditions, as in Fitzroy and Richmond. The wide boulevard of Heidelberg Road / Queens Parade became the centrepiece of the spacious new suburbs of Clifton Hill and North Fitzroy. Their popularity was enhanced by the extension of the cable tram to Queens Parade in 1887. The increasing population required more shops, banks, tradesmen's and other commercial premises to serve them. These were established along both sides of Queens Parade. The spiralling cost of land led to the maximizing of its use by the construction of shop-dwellings abutting each other, the most striking being those built as terraces by Jeremiah Ryan, Abbondio Campi and John Sallery. Their florid ornamentation reflected the affluence and confidence of the land boom era.

Apart from mild recessions in the 1870s, Victoria enjoyed uninterrupted growth since the discovery of gold in 1851, aided by the protectionist policies of all Victorian governments. Tariffs allowed Victorian manufacturers like the Thwaites family of furniture manufacturers (inter-married with the Raven family of undertakers of Queens Parade) to flourish. To house the rapidly increasing working population speculative builders built thousands of terrace

cottages funded by building societies, which when well run, like those founded by George Langridge, succeeded in their aim of enabling the working classes to own their own homes. One of Langridge's building societies remained in business until 1972.

The rapid growth of the city led to speculation in land, exacerbated by the Victorian building societies legislation, which, unlike the English legislation on which its other provisions were modelled, permitted them to buy, sell and mortgage land. This allowed the societies' directors to speculate in land with money paid to them by the public for quite different purposes, or frequently on their directors' own account. Finance companies, which were enabled by lax legislation to call themselves banks, were set up specifically to speculate in land. As one example, the Fitzroy Junction Estate was bought by a syndicate in 1887 for £18000 and sold a few months later for £28000. It was against this background that Jeremiah Ryan and Abbondio Campi had built their shop terraces at the height of the boom.

Eventually the price of real estate and the interest rates charged exceeded the amount that could be covered by tenants rent. As confidence and property values declined, calls for payment on partly paid shares could not be met. When money could not be borrowed on assets worth only a fraction of the nominal value, the land finance companies collapsed. Their confidence in Australian investments being shaken by these events, British investors refused to renew

J.H. Cooke, Butcher, 378 Queens Parade, Clifton Hill, c.1900
Source: Coyl, City of Yarra Library, identifier: FL36.

their deposits in Australian banks which amounted to £43 million. Strikes in the pastoral and maritime industries were a further blow to the Victorian economy. In 1892, 120 public companies were wound up, and there were over 500 individual bankruptcies.

The fortunes of Queens Parade property and business owners varied considerably as the boom subsided into depression. Having a sound capital base, Jeremiah Ryan was able to ride it out and retain his properties. Abbondio Campi lost his when he could no longer pay his debts to the London Chartered Bank. Thomas Flintoff, a cordial manufacturer had succumbed in an earlier recession, but his attempts at recovery were ruined by the onset of the depression, as was Thomas Kimpton, a grain merchant. George Langridge's estate agency and building societies managed to weather the storm.

After the collapse of the boom it took almost a decade for confidence in the economy to return. The population of Melbourne decreased, the banks and other financial institutions which survived were not trusted, and British investors were not prepared to risk their capital in Australia. The gradual recovery was evidenced in Clifton Hill and North Fitzroy by the building up of vacant house blocks, and in Queens Parade by the construction of shops on the remaining empty sites. This was stimulated by the extension of the railway to Clifton Hill in 1901 and the replacement of the cable tram system by electric trams in the 1920s. A notable local success of the post boom recovery was Thomas John Dowd. He transformed a single tailor's shop into the world wide Hickory Foundation Garment Corporation. His shop at 398 Queens Parade was one of the early twentieth century buildings which completed the streetscape. Others were the doctor's surgery and residence at no.105 and the shop and residence on the corner of Queens Parade and Delbridge Street.

The first emigrants from places other than Britain and Ireland settled in Queens Parade in 1892, when an Italian greengrocer commenced trading. By 1912 many Italian traders had purchased their premises, and since then have been a continuing presence in the shopping strip. Many of the properties are still owned by their descendants.

In the early twentieth century the worldwide City Beautiful Movement, which conceived cities as works of art and attempted to beautify ugly utilitarian townscapes, manifested itself in Australia. It coincided with the emergence of modernist urban planning. The movement advocated the creation of parks and grand vistas, which incorporated extensive tree planting. The Hoddle boulevards lent themselves to this vision. The existing grand vistas were enhanced by tree planting on footpaths and median strips. In Queens Parade the plantations separated the tramlines and faster moving traffic from the slower local traffic in the service lanes. The trees on the footpaths enhanced the shelter to pedestrians already afforded by the shop verandahs.

The depression of the 1930s and the subsequent recovery and post war prosperity resulted in the new outer suburbs becoming favoured choices of residence. Clifton Hill and North Fitzroy became backwaters of relatively poor Australian born residents and of migrants still struggling to establish themselves. There was little economic pressure to replace the existing Victorian and early twentieth century buildings, and even today some shops still provide the same services that they did in the 1880s, for example, the fishmonger at no.320, the news agent at no.316 and the grocer at no.292.

Queens Parade, North Fitzroy, c.1920.
Source: Coyl, City of Yarra Library, identifier: FL69.

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The people whose money built the shop-houses of Queens Parade typify the small colonial investors who engaged so enthusiastically in Melbourne's land boom. The following short biographies show that most were motivated by the gold rush, though gold finds did not become their major source of wealth. They parlayed their futures via existing trade skills, family connections, some initial capital, and optimistic entrepreneurship. The surging population of Victoria required accommodation, and demand for terrace housing with built-in business opportunities in the downstairs shops made precincts like Queens Parade a model investment. When the bubble burst, these small capitalists shared the usual range of consequences. A few rode out the crash; others crashed sooner or later, and their families with them.

People with early associations with Queens Parade include:

- **Dowd Family**
- **Abbondio Campi and Jeremiah Ryan (shop-house terraces)**
- **Thomas Flintoff**
- **George David Langridge**
- **Raven Family**
- **Thomas Kimpton**

Essays on these people are incorporated here.

The Dowd Family

The Dowd tailoring and corsetry manufacturing business which grew into the worldwide Hickory Foundation Garment business was established in Queens Parade in 1907. In that year Thomas John Dowd and another tailor named Smith established a tailoring business in rented premises at 380 Queens Parade. Thomas Dowd was born in Collingwood in 1884. In 1908 he married Gertrude Alice Germer, who was born in North Fitzroy in 1891. The Germer family lived in Kneen Street, North Fitzroy. Gertrude's brother Charles Germer was also a tailor, with a business in Smith Street, Collingwood. In 1909 Dowd purchased 398 Queens Parade, where he erected a new building financed by the Extended Star Bowkett Building Society. The title was transferred to Dowd's wife in 1915.

The business prospered and by 1920 Dowd was employing his brother-in-law Charles Germer. He had also extended his business to 402 Queens Parade, where Gertrude Dowd and her sister Theodora Germer operated a ladies drapery. It is at these premises in 1929, that the business of Dowd, Newport and Co. Pty. Ltd. was founded and, shortly afterwards, Thomas Dowd opened new premises in Victoria Street, Fitzroy. Until 1937, the firm of Thomas H. Dowd was registered at 398 Queens Parade. In 1938 it became an international entity when it merged with corset manufacturers A. Stein of New York and the Kabo Corset Company of Chicago to form the Hickory Foundation Garment corporation. This was organised by Thomas Dowd's brother Arthur Sydney Dowd, who since 1912 had been the manager of the Kabo Corset Company.

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Thomas Dowd lived at Healesville in his later years and died in Queensland in 1955. His wife Gertrude and two sons Maurice and Bernard survived him. He was a generous donor to charities, as were his descendants. In 2002 Carl and Wendy Dowd established the Dowd Foundation for the benefit of three main subjects of philanthropy: the arts, education and medical research, each area managed by a family member. One of the major beneficiaries is the Florey Institute for research into neuroscience.

The Dowd family prospered in the economic recovery which gradually emerged from the catastrophic depression of the 1890s. Of all the business owners in Queens Parade, they achieved the most striking success. From small beginnings they built a thriving business not only on the local and national level, but internationally, a rare achievement for a family operated Australian enterprise at that period, and in the timespan of one generation. The success of the family continues to benefit the community through its charitable foundation.

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The two major shop-house terraces

The Queens Parade Shopping Precinct was largely built in the decade of the land boom, preceding the depression of the 1890s. Shop-house terraces were a common form of development in the expanding inner suburbs at this period, and two, Campi's Buildings and Ryan's Buildings, one on either side of Queens Parade, form major components of the streetscape. Both were built by investors using wealth generated in the aftermath of the gold rush.

Abbondio Campi

On the Clifton Hill side of Queens Parade, the building on the corner of Queens Parade and Gold Street, 141 Queens Parade, and the shops at 149-167 Queens Parade were built progressively between 1883 and 1886 by Abbondio Campi, who arrived in Melbourne on the ship *General Wyndham* on 17 March 1860.

His two brothers Giovanni and Angelo had arrived in Melbourne earlier, Giovanni on 17 November 1852 on the *Earl of Derby* and Angelo on 16 November 1853 on the *Mobile*. They established a business manufacturing gold framed mirrors, picture frames and bevelled glass at 122 Russell Street, Melbourne. Abbondio joined the partnership on 1 December 1868. He was naturalised on 17 April 1871. Amongst their commissions were the mirrors above the mantel pieces at Government House, completed in 1876.

Like many landlords of the boom period, Abbondio Campi lived in close proximity to his tenants. In order to accommodate his large family, eleven children having been born between 1875 and 1893, of whom two died at birth, he occupied two adjoining houses, 173 and 175 Queens Parade. He purchased a two-storey brick house located at no. 173 from Christopher Snowden in 1876, which he called 'Brompton', and built a two-storey house at no. 175 in 1881. Like many property investors of the period, Abbondio Campi overreached himself in the boom and was ruined in the depression which followed. Following Campi's death in 1896 his assets were seized by his creditors, but his widow Jane was allowed to occupy the houses until 1903, when she moved to Alphington. She died at Northcote in 1935.

The Campi brothers are examples of the cosmopolitan nature of the wave of emigration to Victoria during the gold rushes, which was not equalled until after World War II. Utilising specialised skills acquired in their homeland the Campi brothers took advantage of the flourishing economy to establish a business catering to the luxury goods market. Having invested their profits in real estate, they were ruined when the boom collapsed.

Elevation of two shop-houses designed for Abbondio Campi, 1886.

Jeremiah Ryan

The North Fitzroy side of Queens Parade between Delbridge and Michael Streets is dominated by the shops constituting Ryan's Buildings. These originally ran from no. 304–326. No. 304–312 were built in 1883, and those from nos. 314–326 in 1884. The shops numbered 304, 306, 324 and 326 were demolished in the second half of the twentieth century.

Ryan's Buildings were part of the extensive property holdings of Jeremiah Ryan, a gold rush colonist. Born in Ireland in 1830, he emigrated to Victoria in 1854. After establishing a small farm at Bacchus Marsh he prospered by selling provisions to miners at Ballarat and travellers on the road to the diggings. Ryan expanded the farm to 1200 acres and in 1880 won the prize awarded by Sir William Clarke for the best managed farm in Victoria.

In 1881 Ryan sold the farm to the banker and landowner Henry 'Money' Miller, investing the proceeds of the sale, £18,000, in real estate in Clifton Hill and North Fitzroy. He purchased existing buildings as well as vacant land on which he constructed terraced shop-houses. All were named after his family or in commemoration of his native Ireland. So extensive were his holdings that he was referred to in the press as 'the king of Clifton Hill'. Unlike Campi, Ryan weathered the depression of the 1890s, mainly because his investments were made with his own, rather

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Nos.304–326 Queens Parade Clifton Hill – Ryan Buildings. Sydney Arnold, Best & Co., Auctioneers brochure. June 1916.
Source: The University of Melbourne, Sydney, Arnold & Co., Accession No 1968.0012, 1916.

than borrowed money. When Ryan died in 1896 his properties were inherited by his son Dr. Timothy Bernard Ryan, who from 1887–1889 operated his medical practice from a brick house on the corner of Queens Parade and Michael Street owned by Mrs. Mary Goodrich. Timothy Ryan sold all the shops at auction in 1916. A small property behind the shops remained in the Ryan family until 1937.

As with Campi, Ryan lived close to the properties he owned. Before retiring to Bacchus Marsh, where he still owned extensive property in the town, Ryan lived in various houses he owned in North Fitzroy in order to supervise the construction of further buildings. The close association of landlords and tenants was a common occurrence in the land boom years, and contributed to the sense of community which subsisted until the depression, when the properties of many landlords were foreclosed on by the banks, and many tenants could not afford the rent.

Ryan was a gold rush emigrant who was shrewd enough to realise that wealth was more likely to be found by providing for the needs of the miners and the rapidly expanding population, than by digging for gold. When he subsequently took advantage of the Melbourne property boom by selling the farm and investing the proceeds in real estate, he did so with his own money, and avoided the temptation of borrowing. This enabled him to survive the depression.

Thomas Flintoff

As with Jeremiah Ryan and Abbondio Campi, Thomas Flintoff benefitted from the goldrush by providing for the needs of the miners, rather than seeking gold himself. Flintoff was born in 1827 into a well to do farming family in Yorkshire England. He was the only member of his family to emigrate. He was educated at a grammar school and later assisted his father in managing the farm. In 1854 when he was 28, he and his 18-year-old wife Margaret landed in Sydney, but moved to Melbourne later that year.

By 1856 Flintoff was working in conjunction with an early Fitzroy manufacturer named George Wilson in a cordial manufacturing business. In 1860 they built a three-storey brick factory at 97 Webb Street, Fitzroy. Flintoff also established an import and commission agency at 13 Market Street in Melbourne. When George Wilson died in 1869 Flintoff became the sole proprietor, trading as Flintoff & Co. dealing in a variety of beverages which included wines, liqueurs, cordial and malting vinegar.

In 1868 Flintoff purchased from Theodore Sabelberg allotments 6 and 7, section 16, North Fitzroy, a block measuring 200 by 250 feet, with a frontage to Queens Parade. It was mortgaged to Messrs. Cutts, Masterton and Webb. On it he built a substantial slate roofed brick house with extensive outbuildings, as a home for his family. He refinanced the mortgage in 1871. By the date they moved to Queens Parade the Flintoffs had five daughters. This can be seen as part of a widespread movement of many residents from the overcrowded and, being before the date of the sewage system, insanitary conditions of Fitzroy, to the more spacious and salubrious conditions of the well planned new suburb of North Fitzroy. James Greenlaw and William Fergie were amongst other prosperous Fitzroy business owners who emulated Flintoff.

By the 1870s Flintoff's business declined, and in 1874 he was declared bankrupt. This may have been partly caused by a mild recession that occurred in those years, but more likely by Flintoff's lack of business acumen. The Insolvency Court attributed his financial collapse to an accumulation of bad debts and to the depreciation in the value of the freehold property. This became apparent when in 1875 the Queens Parade property and the cordial factory, which by that date had been converted into the Shamrock Brewery and leased to a brewer, were auctioned. There was a shortfall between his assets and liabilities of £475.

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After leaving Queens Parade in 1876, Flintoff moved back to Fitzroy, living at 10 Westgarth Street and operating a vinegar and cordial factory and a hay and corn store at 366 Brunswick Street. He later became an agent for the Mutual Fire Insurance Company. In 1887 Flintoff's wife Margaret was also declared insolvent. They lived at various addresses in Brunswick Street. He subsequently became an auctioneer, and lastly an ironmonger. Flintoff died in 1895. As with Abbondio Campi and other businessmen in the booming economic times that followed the gold discoveries, Flintoff succumbed to an earlier recession, which preceded the bursting of the boom in the 1890s, contributed to by an apparent lack of financial acumen on his part.

George David Langridge

George Langridge was born in England in 1829. He was a carpenter by trade and after emigrating to Victoria in 1853 became a building contractor. In 1869 he established a business as an auctioneer in Smith Street, Collingwood. In the 1880s he extended his business of selling land and houses to assisting purchasers to buy them, by founding three building societies, one of which remained in business until the 1970s.

In the 1860s Langridge began buying land in North Collingwood (later renamed Clifton Hill) including a large block in Queens Parade where he built a seven room stone house for himself and lived there until 1874. In 1885 the Langridge Permanent Building Society purchased the sites of 278 and 280 Queens Parade, constructed buildings on them, and sold them the following year to Thomas Edward Jones, a bootmaker.

Langridge also had a distinguished public career. In 1866 he was elected to the Collingwood Council and was mayor for two terms. From 1874 to 1891 Langridge represented Collingwood in the Legislative Assembly, and was for a time the Acting Premier. He was also at different periods a Commissioner for Public Works, Vice-President of the Board of Works and Chief Secretary. Langridge used his influence to encourage the growth of friendly societies, which provided sick pay and funeral benefits to workers.

Langridge was an example of colonial enterprise, who succeeded from humble beginnings but did not forget his origins. He used his commercial success and political influence to benefit those who were not as successful as him. Although the dishonest practices of the directors of many building societies were major contributors to the land boom and ultimately to the depression of the

278 and 280 Queens Parade.

1890s, the societies had initially been founded with the philanthropic object of providing affordable housing for the rapidly increasing population of Melbourne. Langridge was amongst those early building society founders who envisaged a community of responsible, industrious workmen whose ambition to own their own homes was fulfilled by the building societies.

The Raven Family

The undertakers firm of W.G.Raven (now Lonergan and Raven Funerals) was established in 1856 by William George Raven (1830–1892). Raven had emigrated to Melbourne in 1841 with his parents William and Mary Raven and three other siblings, sailing on the ship Frankfield. They had previously lived at Hampton-on-Thames in England.

In England, William Raven had been a painter and glazier and established himself in that business in Little Collins Street, moving to Smith Street, Collingwood in 1856. One of the Ravens' neighbours in Little Collins Street was the furniture manufacturer George Thwaites, who operated his business with his three sons George junior, John and Thomas Henry 1826–1912). The furniture and undertaking businesses were related through the making of coffins. The dining room furniture of Como House in South Yarra was made by a Richmond undertaker in 'slack periods'. The Thwaites family conducted funerals in a limited capacity as a sideline to their furniture business. In 1856 they acted as undertakers for the funeral of one of their Little Collins Street neighbours, a butcher named Henry Crossley.

In 1851 Thomas Henry Thwaites married Eliza Raven (1831–1907), the eldest child of William and Mary Raven,

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and the sister of William George Raven. The proximity of the two families businesses and residences in Little Collins Street probably accounts for the marriage. The close association of the families and of the furniture making and undertaking trades make it likely that William George Raven learnt the undertaking trade in the employment of the Thwaites family. A further link between the Thwaites and Raven family businesses was established when Eliza Raven's younger sister Frances married Angus McLean, a wood carver employed by the Thwaites firm.

In the 1860s Thomas Henry Thwaites bought out his brothers' shares in the firm and conducted it on his own. He became one of Victoria's leading furniture manufacturers. Amongst the houses he furnished were Mt. Noorat homestead for squatter Niel Black, Woodlands homestead for John Wilson, and with James McEwan (not to be confused with the hardware merchant), Government House. He also made the pulpit of St. James's Old Cathedral, the speaker's chair in Parliament House and provided the furniture for many other government buildings and banks.

William George Raven married Sarah Keyes, whose family were land owners at the present suburb of Keyesborough. Trading as W.G. Raven, his undertakers business prospered. In 1869 he carried out the funeral of John Pascoe Fawkner. Number 177 Queens Parade was one of six branch offices of the firm in the 1880s, the others being at Parkville, Carlton, Fitzroy, Northcote and Hawthorn. The firm opened business at no. 177 in 1887, in a rented wooden shop built in 1874 which then occupied the site. When the Ravens purchased the shop in 1889 they built the present building (which was re-faced in the 1920s), which they occupied until 1983.

William Raven senior died in 1892 at the home of Thomas Henry and Eliza (Raven) Thwaites. Four months later William George Raven also died. Of the 10 children born to William George and Sarah Raven, only one survived childhood. The loss of so many children led Sarah and William George Raven to join the campaign for a sewerage system for Melbourne. Their surviving child, Ophelia and her husband Thomas McMahen took over the undertakers business. Thomas was the first registered embalmer in Victoria and was also a mayor of Fitzroy. However, Ophelia was the driving force, and besides running the business, was active in charitable activities.

Ophelia and Thomas McMahen had three children, Amy, William and Hartley, who inherited the business after their parents' deaths. Amy Raven-McMahen (married name Raven-Ogier) sold her share to her brothers, and Hartley inherited William's share when he died in the 1950s. Max Raven, the last direct descendant of William George Raven, the founder of the firm, died in 2011.

177 Queens Parade

The Ravens are an example of an entrepreneurial family that established itself in the earliest years of Victoria, adapting its business model to enable it to survive into the late twentieth century. Its early connection through business and family ties with the Thwaites family of furniture manufacturers continued an English tradition of the association of the furniture manufacturing and undertaking trades.

Thomas Robinson Kimpton

Thomas Robinson Kimpton was born in Cambridgeshire, England, in 1829. He was one of nine children of a farmer and grain merchant. His father lost the farm through financial misfortune, and at the age of 20, Thomas emigrated. He arrived in Adelaide in 1851, but moved to Victoria later that year after the discovery of gold. He enjoyed modest success on the Forest Creek and Ballarat goldfields.

By the date of his marriage to Ann Eleanor Anderson in 1862 Thomas was farming at Strangways in the Loddon Valley. In 1872 he and his wife and their first five children left Strangways and settled in Queens Parade, Clifton Hill. Between 1872 and 1887 a further six children were born there. Initially he rented from Matthew Devenish a weatherboard house at 185–187 Queens Parade. Here he established a hay and corn store. In 1881 he purchased the property and built a brick house on it, which is now occupied by Lonergan and Raven, undertakers.

Thomas's decision to establish his business in Clifton Hill may have been influenced by two of his younger brothers, who had emigrated in 1853 and established businesses in Fitzroy, Edward as a grocer and William as a baker. William was particularly successful, owning a number of bakeries, and by 1880, as a member of the partnership of Chamberlain and Kimpton, established the Union Flour

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Mill in Fitzroy, which in time became one of the largest flour milling businesses in Australia.

In 1881 Thomas Kimpton purchased 181 Queens Parade, now the site of the Clifton Hill Post Office, from Matthew Devenish and in 1883 purchased nos. 328 and 330 from Mary Ann Goodrich. He sold them in the same year to John Christopher. In 1886 he purchased no. 376 from Mary Ann Goodrich, selling it in 1889 to George Langridge. In 1886 Thomas also purchased 370-372 Queens Parade which was mortgaged to the London Chartered Bank. However, in 1888 the bank purchased it from him as the site for its Queens Parade branch which was built the following year. In 1887 Kimpton purchased a double storey brick house at 189 Queens Parade from Matthew Devenish. In 1889 it was also mortgaged to the London Chartered Bank and in 1908 was sold to Joseph Cooke.

In 1888 Kimpton purchased two lots in Cunningham Street, Northcote, and in 1889 built a brick house for his family there. The property having been mortgaged to the London Chartered Bank, in 1894 the bank foreclosed, and thereafter Kimpton rented it from the bank until 1897, when his wife opened a grocery store in Heidelberg Road, Fairfield.

In 1895 the hay and corn store at 185-187 Queens Parade was rented to Mr. G. Bambridge. He continued to rent it until 1917, although the building was sold to Joseph Cooke in 1909. Cooke sold it in 1917 to Ruby Florence Hayes, an undertaker.

Thomas Kimpton died in 1899. His wife continued to operate the grocery store in Heidelberg Road, Fairfield until 1905. From 1910 she lived at 67 Gillies Street, Fairfield, where she died in 1934.

181 Queens Parade

185–187 Queens Parade

328 Queens Parade

370–372 Queens Parade

376 Queens Parade

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